

## INFORMATION SUMMARY FOR THE PUBLIC

<b>Host Country(ies):</b>	Ukraine
<b>Name of Borrower:</b>	PJSC Bank Vostok (“Bank Vostok” or the “Bank”)
<b>Project Description:</b>	Expansion of SME Portfolio
<b>OPIC Guaranty Amount:</b>	\$7,800,000
<b>Total Project Cost:</b>	\$8,000,000
<b>U.S. Sponsor:</b>	Financial Services Volunteer Corps
<b>Foreign Sponsor:</b>	N/A
<b>Policy Review</b>	
<b>U.S. Economic Impact:</b>	The Project is not expected to have a negative impact on the U.S. economy. U.S. procurement for technical assistance is expected to have a de minimus impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.
<b>Developmental Effects:</b>	The Project is expected to have a highly developmental impact in Ukraine. Since 2008, escalating political conflicts and devaluation of the local currency have greatly affected the economic and financial markets in Ukraine. Between 2008 and 2015, the private credit to GDP ratio in Ukraine fell 36% while the global trend for lower-middle-income countries increased by 2%. The estimated credit gap for SMEs in Ukraine is EUR 8.4 billion (USD 9.4 billion). Rural borrowers face even greater challenges financing their businesses. The Project is expected to inject much needed capital into the market for SME borrowers and offer longer tenors. The Project aligns with the Government of Ukraine’s SME 2020 Strategy by increasing access to finance for SMEs. The Project will help Ukraine achieve U.N. Sustainable Development Goal Number 10 (Reduce Inequality within and among countries) by increasing access to finance for SMEs, particularly for rural borrowers in Ukraine.
<b>Environment:</b>	The Project has been reviewed against OPIC’s categorical prohibitions and has been determined to be

	<p>categorically eligible. Projects involving loans to financial institutions for the purposes of SME on-lending are screened as Category C projects under OPIC's environmental and social guidelines. The environmental, health, safety and social impacts from the Project are considered minimal. However, in order to ensure that the Project is consistent with OPIC's statutory and policy requirements, the OPIC-guaranteed loans made by the Borrower will be subject to conditions regarding the use of proceeds, and the Borrower will be required to provide a healthy and safe work environment for its employees.</p>
<p><b>Social Assessment:</b></p>	<p>The Project will be required to operate in a manner consistent with the International Finance Corporation's Performance Standards, OPIC's Environmental and Social Policy Statement and applicable local laws.</p> <p>OPIC's statutorily required language will be supplemented with provisions concerning nondiscrimination and the use of loan proceeds, which will be restricted with respect to the borrower's operations, including the employment of minors and other applicable labor law requirements. Standard and supplemental contract language will be applied to all workers engaged by the Project.</p> <p>The Project involves SME on-lending in Ukraine. The Project will be required to develop and implement formalized procedures and checklists for screening and monitoring the social risk, including labor of its borrowers, commensurate with the risks associated with the Bank's portfolio. The Project will also be required to develop, implement, and communicate written procedures for handling employee grievances. It is anticipated the Project will operate in a manner that is consistent with local law, IFC Performance Standards, and OPIC's ESPS.</p> <p>This review covers the commensurate human rights risks associated with financial services in Ukraine.</p>