

Public Information Summary

Host Country	Federative Republic of Brazil (“Brazil”)
Name of Borrower	Itaú Unibanco S.A (“Itaú”) a corporation incorporated under the laws of Brazil.
Project Description	The proceeds of the loan will be used to support the expansion of the small, and medium enterprise (“SME”) loan portfolio of Itaú with (i) at least 35% of loan proceeds to be dedicated to the economically disadvantaged regions in the north and northeastern states, and (ii) 30% of loan proceeds to be dedicated to 2X SMEs (the “Project”). The Project will provide essential COVID relief to most economically vulnerable northern regions and women entrepreneurs.
Proposed DFC Loan	USD 400,000,000 (5 years)
All-Source Funding Total	USD 500,000,000
Policy Review	
Developmental Objectives	This Project is expected to have a developmental impact on Brazil through the issuance of loans to SME borrowers in the host country. This will include a portion of funding dedicated to women-owned and women-led clients, as well as a portion allotted for the less developed states of the country in the north and northeast regions. According to the SME Finance Forum, the SME financing gap in Brazil is an estimated \$437 billion. Additionally, though the country is classified as an upper-middle-income country by the World Bank, Brazil struggles with income inequality. The country’s GINI coefficient at 53.9 is one of the highest in the world, and the income disparity between the south and north is pronounced. As the largest financial institution in Brazil, the Bank has the market penetration to issue credit to clients that otherwise have limited access to financing.
Environment and Social Assessment	<p>The Project has been reviewed against the DFC’s 2020 Environmental and Social Policies and Procedures manual (“ESPP”) and has been determined to be categorically eligible. DFC loans to banks for SME lending are screened as a Category C for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all of those downstream investments have been pre-screened as Category C and further review and consent is not required for these investments.</p> <p>To ensure that the Bank’s investments are consistent with the DFC’s statutory and policy requirements, the DFC-guaranteed loans made to the Bank will be subject to conditions regarding the use of proceeds.</p> <p>Under the DFC’s ESPP, the Bank is required to comply with applicable local and national laws and regulations related to environmental and</p>

social performance and applicable provisions of the 2012 International Finance Corporation's Performance Standard ("PS") 1 and 2. A desk-review based due diligence assessment indicates that because the Project will use DFC support to a bank for the purposes of SME lending in Brazil, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.

The Bank has an environmental and social management policy and policies that include grievance mechanism and human resources policies commensurate with its investment strategy. Overall in order to meet DFC expectations set forth in the 2020 Environmental and Social Policy and Procedures, DFC will require Itaú to design and implement an internal manual that updates its environmental and social risk practices.

The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Policy ("ESP") that meets the 2012 IFC Performance Standards.