Public Information Summary

Host Country(ies)	Timor-Leste
Name(s) of Borrower(s)/Guaranteed Party(ies)	Kaebauk Investimentu No Finansas, SA
Project Description	$3,000,000 loan to a non-bank financial institution in Timor-Leste to support expansion of lending to rural borrowers and microenterprises in Timor-Leste.
Proposed DFC Loan/Guaranty	$3,000,000 direct loan with a tenor of not more than four years.
All-Source Funding Total	$8,000,000
Policy Review	
Developmental Objectives	The Project is expected to have a positive development impact in Timor-Leste by increasing access to financial services for rural Timorese, the 85% of the population which lives in areas not currently served by any commercial bank. Through the Project, KIF is expected to become the second private commercial bank in the country and the only commercial bank offering services in rural areas. The Project will also help to address the country's micro, small, and medium enterprise (MSME) financing gap, which is estimated to be $449.1 million, or approximately 12.5% of GDP. Additionally, the Project will complement current Government of Timor-Leste efforts to strengthen the private sector in key growth sectors, bolster the enabling environment for private sector growth and expand economic opportunities for Timorese, in particular residents of rural areas and women.
Environment and Social Assessment	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 direct loans to micro-finance institutions ("MFI") who will use DFC proceeds to expand savings product offerings and offer a remittance product are screened as a Financial Intermediary C (FI-C) for environmental and social assessment. These direct investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those investments have been pre-screened as low risk and further review and consent is not required for these investments. To ensure that the Borrower's investments are consistent with the DFC's statutory and policy requirements, the DFC loan will be subject to conditions regarding the use of proceeds. 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. Under the DFC's ESPP, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and 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 involves a DFC loan to a MFI for savings and remittance product expansion in Timor-Leste, 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 Borrower does utilize private security and therefore, relevant aspects of IFC PS 4, Community Health, Safety, and Security are triggered at this time. The Borrower has an environmental and social policy that is partially aligned with IFC PS 1, grievance mechanisms, and human resources policies generally commensurate with its investment strategy. However, the Borrower will be required to update its environmental and social policy to include a methodology for GHG tracking and reporting, identification of the position responsible for E&S Management and update its Human Resources Policies regarding non-discrimination to meet the DFC's 2020 Environmental Policy and Procedures.