

Public Information Summary
Banco Pichincha C.A.

Host Country	Republic of Ecuador
Name of Borrower	Ecuador DPR Funding, Ltd.
Project Description	An up to \$150 million direct loan to raise long-term U.S. dollar funding through a diversified payment rights securitization. Loan proceeds will be used by Banco Pichincha, C.A. for the expansion of the bank's women-led, owned, and supported micro, small and medium-sized enterprise loan portfolio in Ecuador.
Proposed DFC Loan/Guaranty	\$150 million
All-Source Funding Total	\$187.5 million
Policy Review	
Developmental Objectives	The Project is expected to have a highly developmental impact in Ecuador through providing long-term funding to a major bank for on-lending to micro, small, and medium enterprises (MSMEs) all of which are women-owned or women-led or qualify under women-supporting criteria. The Project will support these MSMEs at a critical period, with Ecuador's 2020 real GDP forecast to decline 6.3 percent according to the International Monetary Fund, the country's worst performance in over 40 years if realized. As of 2018, the International Finance Corporation reported Ecuador's MSME financing gap at \$17.9 billion (18 percent of GDP), with women-owned and women-led MSMEs accounting for approximately \$1.5 billion of the total. The bank supported by the Project is SMART Campaign certified, maintains annual community investments of over \$1 million, and provides employee benefits including funding the majority of family medical insurance premiums.
Environment and Social Assessment	<p>The Project has been reviewed against the DFC's 2020 Environmental and Social Policies and Procedures ("ESPP") and has been determined to be categorically eligible. Loans to financial intermediaries for microfinance 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 are not required for these investments.</p> <p>To ensure that Pichincha's investments in microfinance lending are consistent with the DFC's statutory and policy requirements, the DFC Loan will be subject to conditions regarding the use of proceeds. The</p>

	<p>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.</p> <p>Under the DFC’s ESPP, Pichincha 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 1 and 2.</p> <p>Pichincha developed and implemented an ESMS designed to promote sustainable environmental practices and sound social performance. Pichincha has dedicated policies for grievance mechanisms, Human Resources Manual and policies, external stakeholder contact and outreach mechanisms, and an overall structure that has responsible parties conducting ESG compliance and continuous improvement as part of their job descriptions.</p>
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