

Public Information Summary

Host Country	Indonesia
Name of Guaranteed Party	PT Bank Sahabat Sampoerna, Indonesia
Project Description	50% loan portfolio guaranty to expand on-lending to eligible micro, small and medium enterprises (“MSMEs”), women-owned MSMEs and micro-finance institutions
Proposed DFC Guaranty	\$100,000,000 ten-year Guaranty
All-Source Funding Total	\$200,000,000
Policy Review	
Developmental Objectives	<p>The Project is expected to have a positive development impact in Indonesia by helping to address the country’s micro, small and medium enterprise (“MSME”) financing gap, which is estimated to be approximately \$165 billion, or 14% of GDP. More specifically, the Project will seek to facilitate women’s entrepreneurship by utilizing approximately 35% of the LPG for loans to 2X eligible MSMEs operating throughout the Indonesian archipelago.</p>
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 direct loans to financial institutions to expand their on-lending to eligible micro, small and medium enterprises (“MSMEs”), and Micro-finance institutions (“MFIs”) 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 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 Guaranteed Party’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.</p> <p>Under the DFC’s ESPP, the Guaranteed Party 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”)</p>

	<p>1 and 2. A desk-review based due diligence assessment indicates that because the Project will use DFC support for the expansion of its MSME and MFI on-lending in Indonesia, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Guaranteed Party does utilize private security and therefore, relevant aspects of IFC PS 4, Community Health, Safety, and Security are triggered at this time.</p> <p>The Guaranteed Party lacks an environmental and social policy as described in IFC PS 1. It does have grievance mechanisms and human resources policies commensurate with its investment strategy. However, the Guaranteed Party will be required to provide the DFC an environmental and social policy aligned with IFC PS 1 and general updates to its Human Resources Policies to meet the DFC's 2020 Environmental Policy and Procedures.</p>
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