Public Information Summary

Host Country	Guatemala
Name of Borrower	Banco Promerica, S.A.
Project Description	In collaboration with USAID/Guatemala, a $45 million loan to Banco Promerica, S.A. to promote lending to small and medium enterprises (“SMEs”). At least 33% of the DFC’s loan proceeds will be used to lend to SMEs operating outside of Guatemala City and 25% to lend to women-owned/led SMEs in Guatemala.
Proposed DFC Loan	$45,000,000
All-Source Funding Total	$56,250,000
Policy Review	
Developmental Objectives	The Project is expected to have a positive development impact in Guatemala by helping to address the country’s small and medium enterprise (“SME”) financing gap, which is estimated to be $13.7 billion, equivalent to 22% of GDP. More specifically, the Project will seek to address the disparity in access to finance between Guatemala City, where credit is highly concentrated, and the rest of the country by allocating 33% of proceeds to SMEs located outside of the capital. In addition, the Project will seek to improve access to finance for women by allocating 25% of proceeds to improve access to finance to women-owned/led SMEs.
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 unsecured loans to Financial Institutions for SME on-lending are screened as a Financial Intermediary C (FI-C) for environmental and social assessment. The downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those investments have been pre-screened as Category ‘C’ 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-based due diligence assessment indicates that because the Project will use DFC support for SME on-lending in Guatemala, 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 Borrower does utilize private, contracted security forces and therefore, relevant aspects of IFC PS 4, Community Health, Safety, and Security are triggered. The Borrower has an environmental and social policy as described in IFC PS 1, grievance mechanisms, and human resources policies generally commensurate with its investment strategy. However, the Borrower will be required to provide for DFC's review and approval an updated environmental and social policy that includes an appointed responsible individual for its management, reporting, and implementation, and a process or methodology for the consideration of GHG emissions. The Borrower must also provide for DFC's review and approval an updated non-discrimination policy that includes the protected class of sexual orientation and develop a procedure and protections against child labor, including hazardous labor, in accordance with IFC PS2 and the DFC's 2020 Environmental Policy and Procedures.