

Public Information Summary
Crédito Real

Host Country(ies)	Mexico
Name(s) of Borrower(s)/Guaranteed Party(ies)	Crédito Real, S.A.B. de C.V. SOFOM, E.N.R.
Project Description	Lending to Small and Medium Enterprises (“SMEs”) with a focus on Women-owned SMEs
Proposed DFC Loan/Guaranty	\$100,000,000
All-Source Funding Total	\$125,000,000
Policy Review	
Developmental Objectives	<p>The Project is expected to have a positive developmental impact in Mexico by funding credit issued to SMEs including women-owned/led firms. Mexican SMEs have limited access to finance despite driving much of the country’s economic growth and contributing significantly more than half of employment. These firms account for less than approximately 15 percent of credit issued to the private non-financial sector. Credito Real has a credit product designed for women owned/led businesses and has loan officers dedicated to this client segment.</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. Loans to banks for the 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. 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 Bank is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions</p>

	<p>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 for the expansion of lending payroll deduction loans, SMEs loans, group loans, used car loans, and personal loans in Mexico, 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.</p> <p>The Bank lacks an environmental and social management system (“ESMS”) or environmental and social risk policy. The Bank does have policies that include grievance mechanism and human resources policies commensurate with its investment strategy. Overall, the Bank’s environmental and social risk framework will require some strengthening to meet the DFC’s 2020 environmental policy and procedures.</p>
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