

Public Information Summary

Host Country	Dominican Republic
Name of Borrower	Banco Popular Dominicano, S.A.
Project Description	Expansion of small and medium enterprise (“SME”) loan portfolio with a focus on women-owned/led SMEs (“2X SMEs”).
Proposed DFC Loan	\$200,000,000
All-Source Funding Total	\$250,000,000
Policy Review	
Developmental Objectives	<p>The Project is expected to have a positive development impact in the Dominican Republic by helping to address the country’s small and medium enterprise (“SME”) financing gap, which is estimated to be approximately \$12.3 billion, or 18% of GDP. More specifically, the Project will seek to facilitate women’s entrepreneurship by utilizing at least 30% and a target of 50% of the DFC support for on-lending to 2X eligible SMEs.</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 for lending to SMEs and women owned SMEs are screened as a Financial Intermediary C (FI-C) for environmental and social assessment. These downstream 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.</p> <p>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.</p> <p>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”)</p>

	<p>1 and 2. A desk-review based due diligence assessment indicates that because the Project will use DFC support for SMEs in the Dominican Republic, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Borrower does utilize security and therefore, relevant aspects of IFC PS 4, Community Health, Safety, and Security are triggered at this time.</p> <p>The Borrower has several basic policies and procedures with some components of an Environmental and Social Policy that is generally aligned with IFC PS 1 but will require updating and strengthening of these procedures and policies to meet the expectations listed in the DFC's 2020 Environmental Policy and Procedures and IFC PS 1. The Borrower will also be obligated to provide human resources policies aligned with IFC PS 2 for DFCs review and approval as a condition of receipt of support.</p>
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