

## Public Information Summary

<b>Host Country</b>	Federative Republic of Brazil (“Brazil”)
<b>Name of Borrower</b>	Banco BTG Pactual S.A.
<b>Project Description</b>	The proceeds of the loan will be used to support the expansion of the small and medium enterprise (“SME”) loan portfolio of Banco BTG Pactual S.A. with a percentage of loan proceeds dedicated to (i) businesses located in the economically disadvantaged regions of the North and Northeast and (ii) 2X eligible SMEs in Brazil (the “Project”)
<b>Proposed DFC Loan/Guaranty</b>	US\$300,000,000
<b>All-Source Funding Total</b>	US\$400,000,000
<b>Policy Review</b>	
<b>Developmental Objectives</b>	This Project is expected to have a highly developmental impact on Brazil through the issuance of loans to SME borrowers in the host country. The Bank will focus this funding on lending to women, with a portion of funding dedicated to women-owned and women-led clients, as well as a portion allotted for the underdeveloped states of the country’s north and northeast. The SME financing gap in Brazil is an estimated \$483 billion. Additionally, though the country is classified as an upper-middle-income country by the World Bank, Brazil struggles with income inequality. The country’s GINI coefficient at 53.9 is of one the highest in the world, and the income disparity between the south and north is pronounced.
<b>Environment and Social Assessment</b>	<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 for the purposes of SME lending are screened as Category C projects for the purpose of environmental and social assessment in accordance with DFC’s ESPP. 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 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</p>

	<p>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 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 SME lending in Brazil, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, 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 has an Environmental and Social Risk Policy, grievance mechanisms, and human resources policies commensurate with its investment strategy but will require some strengthening regarding its Environmental and Social Risk procedures and Human Resources procedures in order to meet the DFC’s 2020 Environmental Policy and Procedures.</p>
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