Early Warning System

DFC-2020-ITAUUNIBANCOS

Itau Unibanco S.A.

Quick Facts

Countries	Brazil
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Active
Bank Risk Rating	C
Borrower	Itaú Unibanco S.A.
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 400.00 million
Project Cost (USD)	$ 500.00 million

Project Description

The proceeds of the loan will be used to support the expansion of the small, and medium enterprise (“SME”) loan portfolio of Itaú with (i) at least 35% of loan proceeds to be dedicated to the economically disadvantaged regions in the north and northeastern states, and (ii) 30% of loan proceeds to be dedicated to 2X SMEs (the “Project”). The Project will provide essential COVID relief to most economically vulnerable northern regions and women entrepreneurs.

DEVELOPMENTAL OBJECTIVES

This Project is expected to have a developmental impact on Brazil through the issuance of loans to SME borrowers in the host country. This will include a portion of funding dedicated to women-owned and women-led clients, as well as a portion allotted for the less developed states of the country in the north and northeast regions. According to the SME Finance Forum, the SME financing gap in Brazil is an estimated $437 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. As the largest financial institution in Brazil, the Bank has the market penetration to issue credit to clients that otherwise have limited access to financing.

Investment Description

- US International Development Finance Corporation (DFC)

It is a 5-year loan.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Itaú Unibanco Holding S.A.	Investor	Finance

Contact Information

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: https://www.dfc.gov/foia

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: https://www.dfc.gov/who-we-are/office-accountability

Bank Documents

- Project Disclosure [Original Source]