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A. Investment Summary Tab

Disclosed Date:	June 15, 2020
Project Name:	Creditas
Project Number:	13113-01
Investment Type:	Loan
E&S Category:	FI-3
Projected Board Approval Date:	Agosto 4, 2020
Company name (Borrower):	Creditas Soluções Financeiras Ltda.
Sponsoring Entity: (if any)	N/A
Sector:	Telecom, Media, and Technology / Financial Services
Financing Requested:	Up to US\$30,000,000 (Equivalent in BRL)
Financing Currency:	BRL
Project Country:	Brazil
Team Leader:	Gonzalo Arauz
For inquiries about the Project, contact:	Client Contact name: Miguel Rodrigues Title: CFO Phone number: +55 (11) 95082 0557 email address: miguel.rodrigues@creditas.com.br

Project Scope and Objective:

IDB Invest is considering an up to US\$30 million (equivalent in Brazilian Reais) loan for Creditas, a leading digital lending platform focused on secured loans in Brazil. Creditas is able to offer loans at affordable rates by using (i) technology and data analytics to increase efficiency in both distribution and operational efforts (ii) collateralization of loans with real estate, automobiles, and payroll, (iii) multiple sources of funding that reduce financial cost and dependency on individual investors. Creditas transfers this increased efficiency to the borrower as a product with lower interest rate, longer maturity, and larger ticket sizes. The proposed use of proceeds of the loan is to fund loans to MSMEs and vulnerable population affected by the COVID-19 crisis in Brazil.

Despite Covid-19, Creditas has proved digital origination of complex secured loans is part of the solution and essential to ensure liquidity to people and companies in need.

B. Environmental and Social Review Tab

ENVIRONMENTAL AND SOCIAL REVIEW SUMMARY

1. Scope of Environmental and Social Review

The environmental and social review of the proposed transaction was carried out through desk research and a pipeline discussion. Creditas is a new client to IDB Invest and does not yet have in place an environmental and social management system to identify and manage the E&S risks of its portfolio.

2. Environmental and Social Categorization and Rationale

The sub-loans to be supported by Creditas have a low risk potential as it will be for MSMEs and MSME owners or individual entrepreneurs, primarily (50%) in the retail and services sectors. Creditas uses either home equity or autos as collateral for the loans.

Sub-loans average between: (i) Home equity of R\$185,000, with an average tenor of 170 months; and (ii) Auto equity of RS\$17,000 with an average tenor of 36 months and are primarily for debt repayments, working capital or small investment needs. Category A sub-projects, per IDB Invest's definition, are not part of this lending segment.

Therefore, per the IIC Environmental and Social Sustainability Policy, the FI has been categorized as FI-3.

3. Environmental and Social Risks and Impacts

The main E&S risks of this project are associated with the Creditas's capacity to identify and manage the E&S risks associated with its lending activities. The Vice President (VP) of Credit Risk will be expected to apply best practices in identifying, mitigating, and managing any issues found in investments. The Environmental, Social, Health and Safety (ESHS) impacts and risks associated with investments are considered to be low in nature.

4. Mitigation Measures

Creditas will develop an Environmental and Social (E&S) Policy that will include application of IDB Invest's Exclusion list and application of local law.

In addition, Creditas has developed: (i) an Anti-Money Laundering & Combating the Financing of Terrorism Policy that incorporates standards for the prevention and detection of atypical activities or suspicions of money laundering or concealment of assets, rights and values by clients, crew members or, also, through the operations of the payment system; (ii) a Human Resources Policies and Procedures including an internal Grievance Mechanism and a Conduct and Ethics Manual, among others; and (iii) a Financial Education program both for individual customers and companies, as well as to Creditas employees.

The VP Credit Risk will be required to ensure that all investments comply with IDB Invest's Exclusion List, and applicable E&S local laws. Credits will be required to attend IDB Invest's online training course on Environmental and Social Risk Management.

5. Environmental and Social Action Plan N/A