

SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country(ies):	Federative Republic of Brazil ("Brazil")
Name of Borrower(s):	Banco Itaú Unibanco S.A ("Itaú" or the "Bank") a corporation incorporated under the laws of Brazil.
Project Description:	<p>The loan proceeds will be used to support the expansion of Itaú's small to medium sized enterprise loan portfolio.</p> <p>Lack of access to financing is consistently cited by SMEs as one of the main barriers to growth. The ratio of SME loans to GDP in Brazil is 3.77% compared to 13% for high income countries. Within this segment, woman-owned and rural SMEs' lack of access to financial services is even more pronounced. Often considered by commercial banks and financial institutions as risky and costly to serve, SME's are largely underserved when it comes to even basic financial services. With such limited access to financing, SME owners struggle to make the investments they need to increase productivity and competitiveness, develop new markets, and hire more people. The OPIC and Wells Fargo loan will allow Itaú to address this critical shortcoming in the less affluent areas of Brazil.</p>
Proposed OPIC Loan:	Up to \$400 million for up to seven years.
Total Project Costs:	Not less \$533 million
U.S. Sponsor:	Wells Fargo Bank, N.A.
Policy Review	
U.S. Economic Impact:	The project is not expected to have a negative impact on the U.S. economy or employment. There is no U.S. procurement associated with this project, thus the project is expected to have a neutral impact on U.S. employment. The project is expected to have a negative five-year U.S. balance of payments impact.

<p>Developmental Effects:</p>	<p>This project will have a positive 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 and rural clients, many located in the underdeveloped areas of the northeast, where there is limited access to debt financing. This will include loans with longer tenors and types of credit products that are currently only available to larger clients. In addition, the Bank will provide technical assistance to all these clients on the use of credit. As the largest financial institution in Brazil, the Bank has the market penetration to issue credit to individuals that otherwise have limited access to financing.</p>
<p>Environment:</p>	<p>Loans for the purposes of SME lending are screened as Category C projects under OPIC’s environmental and social guidelines. Environmental, health, safety and social impact concerns are minimal. However, in order to insure that the Borrower’s loans are consistent with OPIC’s statutory and policy requirements, the loan will be subject to conditions regarding use of proceeds.</p> <p>Itaú has an environmental and social management system in place, and policies and procedures are integrated into its credit policies. Itaú has an adequate grievance mechanism in place.</p>
<p>Workers Rights:</p>	<p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the rights of association, organization and collective bargaining. Loans to SME borrowers will be restricted with respect to the SME borrowers’ operations, including employment of minors and other applicable labor law requirements. Standard and supplemental contract language will be applied to all workers of the project. The project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions.</p>
<p>Human Rights:</p>	<p>OPIC issued a human rights clearance for the project on July 16, 2013.</p>