FINDEV CANADA TRANSACTION SUMMARY

Banco ABC Brasil S.A

This document provides an overview of the FinDev Canada transaction, including a summary of the anticipated development impacts and of the environmental, social and governance (ESG) assessment performed, potential risks identified, and related mitigation measures to be implemented.

Transaction description

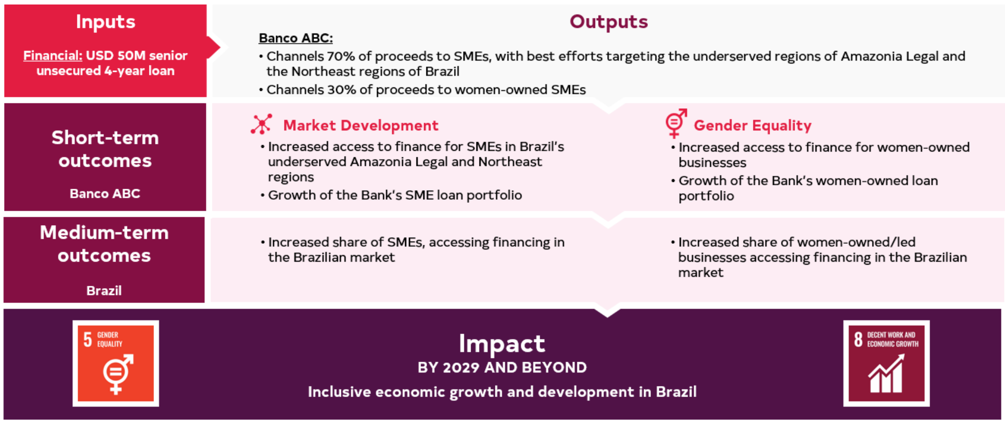
The transaction consists of a senior unsecured, 4-year loan of up to USD 50 million to Banco ABC Brasil S.A ("Banco ABC" or the "Bank"), as part of a USD 125 million syndicated facility led by IDB Invest. This transaction supports inclusive economic growth in Brazil through improved access to finance for small and medium enterprises (SMEs), including women-owned enterprises (WSMEs) and SMEs in the underserved Amazonia Legal and Northeastern regions.

Transaction details

COUNTERPARTY	Banco ABC Brasil S.A
DOMICILE OF INCORPORATION	Brazil
COUNTRY(IES) OF OPERATIONS	Brazil
TERM OF FINANCING	4 years
SECTOR	Financial Industry
E&S CATEGORY	FI-2
FINANCING PRODUCT	Debt
FINDEV CANADA TRANSACTION AMOUNT	USD 50M
DATE OF TRANSACTION DISCLOSURE	05/11/2025
DATE OF TRANSACTION SIGNING	26/05/2026
DATE OF TRANSACTION SUMMARY PUBLICATION	14/08/2026
2X ALIGNMENT	No

Summary of anticipated development impacts

The development impact value proposition of this transaction is to support inclusive economic growth in Brazil through improved access to finance for SMEs, including WSMEs and SMEs in the underserved regions of Amazonia Legal and North-Eastern Brazil.
The impact theory of change below summarizes how Banco ABC will contribute to FinDev Canada's development impact goals and the Sustainable Development Goals (SDGs).



MARKET DEVELOPMENT

- **Improve access to finance for SMEs:** SMEs represent 99% of all businesses, account for 62% of national employment, and contribute 27% of GDP in Brazil, yet they face a substantial financing gap equivalent to 31% of the country's GDP. To help reduce this gap, up to 70% of FinDev Canada's loan proceeds will support financing to Brazilian SMEs, with best efforts to reach those located in the Northeast and Amazonia regions, which are home to low income communities and underserved Indigenous and Afro-descendant populations.

GENDER EQUALITY

- **Improve access to finance for WSMEs:** Women represent over a third of business owners and employers, yet they continue to face greater barriers in accessing finance compared to male led firms, resulting in a persistent financing gap. To help address these constraints, Banco ABC launched a dedicated WSME lending program, which has expanded steadily since its inception. To support continued growth, 30% of FinDev Canada's loan proceeds will be earmarked to WSMEs.

Summary of Environmental and Social assessment and related risk mitigation measures

The transaction is considered Category FI-2 given the nature and size of the Bank's on-lending portfolio. The facility is expected to support lending to SMEs, including WSMEs, with best efforts focus on SMEs in Brazil's Amazonia Legal and Northeastern regions.

The primary environmental and social (E&S) risks associated with this transaction are: (i) Banco ABC's capacity to identify, assess, mitigate, and manage the E&S risks associated with its on-lending activities; and (ii) labour and working conditions risks associated with the Bank's operations. Banco ABC's lending portfolio includes exposure to sectors such as agribusiness, energy, and logistics, which may present E&S risks that are typically site-specific, generally reversible, and capable of being mitigated through appropriate management measures.

These risks are mitigated through Banco ABC's Environmental and Social Management System (ESMS), which includes processes and procedures to identify, assess, manage, and monitor E&S risks associated with its lending activities. The ESMS is supported by dedicated resources, governance structures, and risk management controls. The Bank also maintains grievance and whistleblowing mechanisms and operates within a regulatory framework that includes requirements related to consumer protection, transparency, and responsible banking conduct.

The E&S Risk Rating of Banco ABC is Medium, reflecting the E&S risk profile of the Bank's lending portfolio and its good capacity to manage these risks through its ESMS.

FinDev Canada's E&S risk due diligence was undertaken between June 25, 2025, and August 8, 2025. The assessment included virtual meetings with Banco ABC representatives and a review of relevant documentation, including:

•Annual Report and Sustainability Report;

•Social, Environmental and Climate Responsibility Policy (PRSAC) and supporting ESMS documentation;

•List of Prohibited Activities;

•Written responses to FinDev Canada's E&S due diligence questionnaire; and

•Investor presentations and other corporate disclosures.

Banco ABC's operations were assessed against the IFC Performance Standards 1 and 2, as well as relevant client protection considerations. While the Bank does not formally apply the Client Protection Principles (CPPs), FinDev Canada considered relevant client protection practices during its due diligence. Based on the information available, the Bank's environmental and social management systems and practices were found to be broadly aligned with the applicable IFC Performance Standards.