

1. Project Description The environmental and social review of the proposed transaction was carried out through desk research of pertinent information from the client. Since the IDB Group has been working with FINAE on previous projects, a track record already exists as to environmental and social compliance reporting by the client to the IDB Group.

2. Environmental and Social Categorization and Rationale The transactions to be supported have a low risk potential. Therefore, per the IDB Invest's Environmental and Social Sustainability Policy, the FI has been categorized as FI-3. The only transactions made under the proposed loan are student loans paid out directly to the end-user, the students. FINAE's processes for evaluating and granting loans contain no component that might jeopardize equal opportunity for loan applicants regardless of gender or entail any other form of discrimination.

3. Environmental and Social Risks and Impacts Given that FINAE exclusively provides student loans, there are minimal environmental and social risks associated with its operations. FINAE has in place an environmental and social management system to identify and manage the E & S risks of its portfolio. Its systems include adequate E & S procedures commensurate with the low risk of the transactions. As a previous client of the IDB Group, they have been applying the IDB's exclusion list and reported on as well as certified compliance with local environmental and social norms.

4. Mitigation Measures FINAE will be required to ensure that all loans supported comply with the IDB Invest Exclusion List, applicable E & S local laws, and the IDB Invest's environmental and social guidelines. To enable the Borrower to better understand the IDB Invest's requirements, FINAE will be required to attend the IDB Invest's online training course on Environmental and Social Risk Management.

5. E&S Action Plan No Environmental and Social Action Plan is required.