



# OPIC Highlights

## OPIC-Supported U.S. Investment In Central America Helps Region Meet Developmental Needs

*Historically, OPIC has provided over \$2 billion in financing and political risk insurance to over 300 projects in the Central American nations of Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama. OPIC is currently providing over \$470 million in support to projects in the region in sectors ranging from tourism and financial services, to manufacturing and energy.*

### OPIC Board Approved Guaranties for Two New Global Lending Facilities Targeting Latin America and CAFTA-DR Countries

OPIC's Board of Directors approved \$250 million in guaranties for a lending facility that is enabling Wachovia Corporation of Charlotte, North Carolina, to expand its lending in emerging markets, with a focus on Latin America and the signatory countries of Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR).

Primarily, Wachovia is using the facility to make loans to correspondent banks in OPIC-eligible countries, which then provide loans to small and medium-sized businesses, middle-market businesses, homeowners and consumers.

Additionally, the Board of Directors approved \$350 million in financing for a lending framework that is enabling National City Bank to expand its lending in emerging markets, with a focus on housing construction loans in signatory countries of the CAFTA-DR.

Of the \$350 million in new OPIC financing, \$100 million will be used for housing construction loans for low- and middle-income housing, with a special emphasis on CAFTA-eligible countries. As well, at least 60 percent of the framework's loans will be required to support small and medium-



sized enterprises or residential mortgages. In addition to Latin America, National City will focus on member banks in Central and Eastern Europe.

"This new framework with National City will enable OPIC to mobilize capital to finance the expansion of existing businesses and the creation of new ones, which will, in turn, generate thousands of jobs in emerging markets," said OPIC President and CEO Robert Mosbacher, Jr. "Its emphasis on housing construction in CAFTA countries, in particular, will result in the provision of much-needed credit for a sector vital to the region's economic growth."

### OPIC-Supported Loans Facilitate Mortgage Lending in Central America

OPIC has approved a \$15 million loan to Banco Lafise S.A. of Honduras and a \$10 million loan to Bancentro S.A. of Nicaragua for the financing of mortgage loans for low- and middle-income households in these countries.

In both countries, these banks will originate mortgage loans to low and middle income borrowers, then will use the proceeds of the OPIC credit facilities (\$15 million for Honduras and \$10 million for Nicaragua) to refinance some of these mortgage loans using long-term funding.



In Honduras, the bank will originate mortgage loans valued between \$9,000 and \$27,000, while in Nicaragua, the value of homes will be priced from \$10,000 to \$30,000.

## OPIC-Supported Funds Promote Economic Growth

OPIC has committed up to \$135 million in financing for three new private equity investment funds designed to increase private sector investment in Central America.

The Darby-BBVA Latin American Private Equity Fund is intended to mobilize private sector investment capital for projects in Latin America. The fund is managed by Darby Overseas Investments Ltd. and Banco Bilbao Vizcaya Argentaria, S.A.. Darby, a Washington DC based leading emerging markets private equity investment firm is a member of Franklin Resources, Inc., a global investment organization operating as Franklin Templeton Investments.

The second fund, the Darby Pro-Banco Fund, intends to make equity investments in financial services, financial intermediaries, banks and non-banks throughout Central America. The fund is also managed by Darby Overseas Investments Ltd.

The third fund, managed by Palador Realty, an affiliate of Paladin Realty Partners of Los Angeles, is designed to deploy capital for the development of housing and other projects in Latin American markets where demand dramatically exceeds supply, many of which are capital-constrained. The fund will represent one of very few sources of investment capital for housing within the region.

## U.S. Small Business Helps Increase Availability of Low-Cost Homes in Honduras

OPIC is providing a \$9.2 million loan to a Honduran subsidiary of a U.S. company for the lease-purchase financing of 1,400 low-cost homes in the Honduran cities of San Pedro Sula and Villaneuva. The project also features an OPIC small business insurance 'wrap.'

The homes will be occupied by employees of various companies that lease space in an industrial park located in the San Pedro Sula region of Honduras. Currently, the investors are building the homes, financing this construction through equity. The OPIC-supported loan will fund 15-year mortgage-style lease-purchase contracts between employees of the industrial park and the park's owner.

## Enabling A U.S. Small Business To Expand

OPIC political risk insurance is enabling a U.S. small business to expand its advertising operations in Central America to Guatemala, Nicaragua and Honduras.

OPIC is providing over \$7 million in political risk insurance to Colite Outdoor of West Columbia, SC, to cover the construction of billboards in residential and commercial areas of the countries' capital cities.

The project is helping those countries standardize billboard construction, as well as enhance their quality, durability and appearance.

Advertising space on the billboards is being sold to American companies operating in the countries, as well as to local businesses.

OPIC, through a prior contract, had already helped Colite Outdoor establish operations in Costa Rica, El Salvador and Panama.



**ACCESS TO OPPORTUNITY IN CENTRAL AMERICA AND THE CARIBBEAN: An International Investment Conference Organized by OPIC will be held May 15-17, 2007 in San Salvador, El Salvador. To learn more about the conference and to register, please visit [www.trademeetings.com](http://www.trademeetings.com)**

**OPIC** is a U.S. government agency that helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing risks associated with foreign direct investment, and supports U.S. foreign policy. Because OPIC charges market-based fees for its products, it operates on a self-sustaining basis at no net cost to taxpayers. Since 1971, OPIC has supported more than \$177 billion worth of investments that have generated over \$71 billion in U.S. exports and supported more than 271,000 American jobs. For more information please go to [www.opic.gov](http://www.opic.gov).