



Overseas Private Investment Corporation

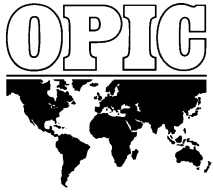
Access to Finance:

**OPIC Support for Small Business Lending In
Latin America**

John Simon

Executive Vice President

OPIC



OPIC: An Introduction

- For more than 35 years, the Overseas Private Investment Corporation (OPIC) has been the primary U.S. government agency charged with mobilizing U.S. private sector capital and skills to foster economic and social development in developing countries.
- OPIC accomplishes its mission by providing financing and political risk insurance to projects of all sizes in a range of sectors.
- OPIC currently operates in 154 countries around the globe, including nearly all countries in Central and South America.
- Support for small business is a major OPIC priority.

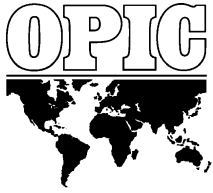


Small Business Finance Initiative for Latin American Banks

“People in this region have the talent and drive they need to succeed...What they need is, in order to be able to realize that hope, is better access to capital.”

*President George W. Bush
March 5, 2007*

- Earlier this year President Bush called for “a new initiative that will help U.S. and local banks improve their ability to extend good loans to small businesses in Latin America.”
- In partnership with the US Treasury and the Inter-American Development Bank, OPIC has responded to the President’s call by significantly expanding the availability of risk-sharing guarantees and loans to eligible banks in Latin America to extend their financing activity for small businesses.
- OPIC currently anticipates \$150 million will be available for small business lending through several different mechanisms it has available.



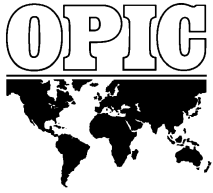
Vehicles for OPIC to Support Small Business Lending

- **Guarantees of U.S. bank loans to banks in the region**
 - OPIC already has agreements with major U.S. banks to share risk on loans they make to their correspondent banks in the region for small business on-lending

- **Direct loans from OPIC to banks in the region**
 - OPIC can provide long-term loans for small business lending directly to banks with sufficient US involvement

- **Partial guarantees on small business loan portfolios**
 - OPIC can share default risk for pools of both dollar denominated and local currency small business loans

- **Partial guarantees on bond issues**
 - OPIC can credit enhance bonds issued by banks in the region to raise funds for small business lending



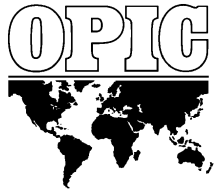
Bank Eligibility for OPIC Support

- Significant U.S. involvement – may be achieved by:
 - Partial U.S. ownership in the bank
 - Loans from U.S. banks under OPIC frameworks
 - Other loans from U.S. banks
 - Purchase of bonds by U.S. investors

- Bank financial soundness and commitment to building small business loan portfolio

- Developmental benefit from small business loans

- Participation in MIF technical assistance component of initiative is preferable



Application Process for OPIC Support

- Contact OPIC to determine eligibility
- Submit OPIC finance application form and supporting materials
- OPIC performs due diligence and provides indicative term sheet
- OPIC and the bank enter into a loan or guaranty agreement