

INFORMATION SUMMARY FOR THE PUBLIC

Host Countries	El Salvador and Costa Rica
Name of Borrowers	CrediQ Inversiones C.R. S.A. (Costa Rica) and CrediQ El Salvador, S.A. de C.V.
Project Description	The OPIC and Citibank, N.A. (“ Citi ”) term facility (the “ Facility ”) will: a) finance the expansion of the Borrowers’ vehicle finance onlending programs for small and medium enterprises (“ SME ”) in Costa Rica and El Salvador (79%), and b) refinance two existing Citi-OPIC risk sharing facilities and certain short-term debt (21%). Despite the importance of SMEs to the economies of these countries, access to finance is a major or severe barrier to business for 41% and 32% of the SMEs in Costa Rica and El Salvador, respectively. The facility will enable CrediQ to provide loans to these SMEs at longer tenors than it could otherwise, affording them additional liquidity to grow their businesses.
Proposed OPIC Loan/Guaranty	USD 142,500,000
Total Project Costs	USD 190,000,000
U.S. Sponsor	Citibank, N.A.
Foreign Sponsor	Inversiones CrediQ Business, S.A. (Panama)
Policy Review	
U.S. Economic Impact	The Project is not expected to have a negative impact on the U.S. economy. The Project will result in the origination of vehicle-loans for domestic SMEs in Costa Rica and El Salvador only. There is no U.S. procurement associated with this Project, and the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a neutral five-year U.S. balance of trade impact.
Developmental Effects	This Project is expected to have a positive developmental impact in Costa Rica and El Salvador through the expansion of credit access to SMEs in both countries. SMEs play a crucial role in the economies of Costa Rica and El Salvador. In Costa Rica, SMEs contribute an estimated 35 percent of GDP and account for roughly 52 percent of formal and informal sector employment. In El Salvador, SMEs employ roughly 78 percent of women and 70 percent of men, and make up over 99 percent of all businesses. In spite of the importance of SMEs to these economies, over half of them in both Costa Rica and El Salvador are unserved or underserved by the financial sector. Costa Rica ranks 99th out of 138 countries in access to loans and 75th in affordability of financial services according to the World Economic Forum. Over 32% of SMEs in El

	<p>Salvador and over 41% in Costa Rica report access to finance as a “severe barrier.” In total, SMEs face a credit gap of \$4.3 billion in Costa Rica and \$2.5 billion in El Salvador. To address this gap, both countries’ economic growth strategies and national development plans promote investment in SMEs. The Government of El Salvador has linked SMEs with economic growth objectives and job creation, committing to an improvement of SME access to credit and liquidity. The Government of Costa Rica has ranked ‘strengthening the SME sector’ as primary among five core elements for the Ministry of the Economy, Industry and Commerce’s mission statement. This Project will be the third facility with OPIC and CrediQ and will help to expand the number of borrowers with more affordable vehicle loans through the financial institution’s longer tenor products, made possible by the previous OPIC loans.</p>
<p>Environment</p>	<p>Projects involving loans for the purposes of supporting on-lending to small and medium enterprises for the leasing/purchase of automobiles are typically screened as Category C projects under OPIC’s environmental and social guidelines. Environmental, health, safety and social impact concerns are considered minimal. However, in order to ensure that the Borrower’s loans are consistent with OPIC’s statutory and policy requirements the loans under the OPIC guaranty will be subject to conditions regarding use of proceeds.</p>
<p>Social Assessment</p>	<p>The Project will have impacts that must be managed in a manner consistent with the International Finance Corporation’s Performance Standards, OPIC’s Environmental and Social Policy Statement and applicable local laws. OPIC’s statutorily required language will be supplemented with provisions concerning non-discrimination and the use of loan proceeds, which will be restricted with respect to the borrower’s operations, including the employment of minors and other applicable labor law requirements. Standard and supplemental contract language will be applied to all workers engaged by the Project.</p> <p>This Project involves auto loan and leasing to small and medium enterprises in Latin America. The Borrower has developed policies and management systems that address social risk, including labor, commensurate with the risks associated with the Borrower’s anticipated Portfolio.</p> <p>This review covers the commensurate human rights risks associated with vehicle financing and leasing in Latin America.</p>