

PROJECT ABSTRACT

Project name: Banco BAC San Jose
Project number: CR-L1059
Country: Costa Rica
Facility Type: Senior Loan
Department: Structured and Corporate Finance (SCF)
Division: Financial Markets (FMK)

I. PROJECT DESCRIPTION

The proposed project entails a financing facility (the “Facility”) that will enable Banco BAC San José, S.A. (“BAC”) to expand its mortgage financing by downscaling into the segment of middle and lower-middle income families and further expand its commercial loan portfolio to small and medium-sized enterprises (“SME”) in Costa Rica. The Facility, with a tenor of up to five years, would provide a senior A Loan (the “A Loan”) of up to US\$40 million to be financed by IDB and a B Loan (the “B Loan”) to be financed by commercial investors in an amount to be determined based on the market conditions and needs of the client.

IDB PARTICIPATION

By supporting these key sectors which do not often benefit from existing social programs or from access to other kinds of commercial financing, IDB complements its strategy in the region by improving the competitiveness and efficiency of private sector development and expanding the sources of sustainable growth and poverty reduction. This project is aligned with several strategic goals of the IDB as is the support for the strategy of inclusion, social policy for equity and of growth and social welfare, outlined among the main institutional priorities for the ninth general capital increase of the IDB (GCI-9). The Facility is also aligned with the priorities of funding social and financial inclusion, which are part of the accessBanking pillar of the beyondBanking program. Finally, the project is aligned with the Costa Rica Country Strategy (2011-2014) through its innovation pillar and increased private investment through direct non-sovereign guarantee (NSG) interventions to SMEs.