

# Banco Nacional de Fomento

## MIGA-guaranteed Loan

### Case Study

<b>The Challenge</b>	<p>Banco Nacional de Fomento ("BNF") is Paraguay's state-owned, national development bank. Its mission is to promote social and economic development with a focus on the agriculture, cattle raising, forestry and export sectors.</p> <p>BNF was one of the main implementing arms of the government's Economic Recovery Plan to address the economic fallout of the COVID-19 pandemic. BNF needed to provide significant liquidity to the export sector, which constitutes 35% of Paraguay's GDP and was strongly affected by the crisis.</p>
<b>The Solution</b>	<p>Citi acted as mandated lead arranger and lender for a 7-year, USD 100 million loan guaranteed by the Multilateral Investment Insurance Agency (MIGA) under its Non-Honoring of Financial Obligations of State-Owned Enterprises Program. The loan will support credit to productive sectors as part of the government's COVID-19 Economic Recovery Plan.</p>
<b>The Result</b>	<p>BNF was able to obtain their first dollar loan in the international credit markets, which will allow them to provide medium and long-term financing to export oriented cooperatives and corporates. The 7-year tenor and low competitive interest rate obtained are especially important to support the agribusiness sector with new financial products and the recovery of the local market.</p>