



Government of
BELIZE



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PRESS RELEASE

GOB makes Historic Equity Investment in DFC

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The Government of Belize (GOB) has made an equity investment of BZ\$31.1 million into the Development Finance Corporation (DFC) comprising of a Debt-to-Equity Swap and a Conversion to Equity of two agency accounts namely, the European Union Sugar Cane Replanting Program (SCRP) and the Belize Rural Credit Fund Program (RCF).

This investment is the largest single equity investment in DFC's history, restoring the corporation's capital adequacy ratios and providing capital necessary to increase developmental lending to support Belize's National Economic Recovery Program. Included in this equity investment is BZ\$8 million in cash resources targeting the agriculture sector.

At a small ceremony this morning at the Ministry of Finance, Sir Edney Cain Building, Belmopan, DFC presented to the Government of Belize the share certificate of 3,115,559 shares with each share valued at \$10.00 in consideration of the equity investment of \$31,155,586.67.

This tangible investment by GOB confirms government's commitment to supporting the crucial role the DFC as a development finance institution (DFI) exercises in Belize's economy.

As a DFI, the DFC assumes greater risk. Sixty-five percent of DFC's investments are vested in the productive sector, with the largest investments in the agriculture and micro, small and medium enterprise (MSME) subsectors. Market disruption, disease and the debilitating impact of climate change, coupled with the absence of equity support over a 10-year period, resulted in financial challenges and the need for equity investment.

Mrs. Natalie Ewing Goff, General Manager, DFC, shared the reasoning for and positive impact of this investment, "One of the primary functions of a Development Bank is to promote the socio-economic advancement of a country through specialized credit and other complementary services. In fulfilling its mandate, a Development Bank assumes higher risk in its lending operations and in times of disaster, COVID-19 for example, the DFI works alongside its clients to ensure the restoration of business operations, wherever possible." She added, "This new Equity Investment, has created the capital space needed for the DFC to assume increase risks and increase

lending, as needed. This new equity investment, when combined with debt financing, aided in reducing the cost of funds that has enabled DFC to reduce its lending rates. Since April, DFC has launched new product lines with lower rates in housing, tourism, and MSE sectors, so far. New product lines for the agriculture sector, again at lower rates, will be unveiled shortly.”

Mr. Henry N. Anderson, Chairman, DFC expressed gratitude for this achievement, “I take this opportunity to thank the Government of Belize for making this strategic investment in the DFC. This investment immediately gives DFC the financial stability required to attract additional funding to fast track the implementation of government’s Plan Belize policy framework, to restore and transform Belize’s economy with particular attention to earning and saving of foreign exchange, climate resiliency, gender mainstreaming, and supporting MSE’s and investment by youth entrepreneurs.”

In his remarks, Hon. Christopher Coye, Minister of State in the Ministry of Finance, stated, “...this Briceño government sees the DFC as a vital tool to support productive sector investment, economic development and economic transformation and therefore an important institution to invest in and not to disregard. This \$31.1M debt to equity conversion including the transfer of GOB agency programs to DFC, represents the single largest equity investment by the Government of Belize into the DFC ever. As DFC notes, this injection ‘will facilitate on-lending primarily in the agriculture sector, at lower interest rates, and with less restrictions and conditions.’”

Also present at this morning’s occasion were Mrs. Narda Garcia, CEO, Office of the Prime Minister; Mr. Joseph Waight, Financial Secretary, Ministry of Finance; and Mr. Rene Nuñez, Director, DFC.

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