

EXPERIENCE MATTERS

Six Decades of Experience in Emerging Markets

September 22, 2016



PROVIDING DEVELOPMENT SOLUTIONS ...

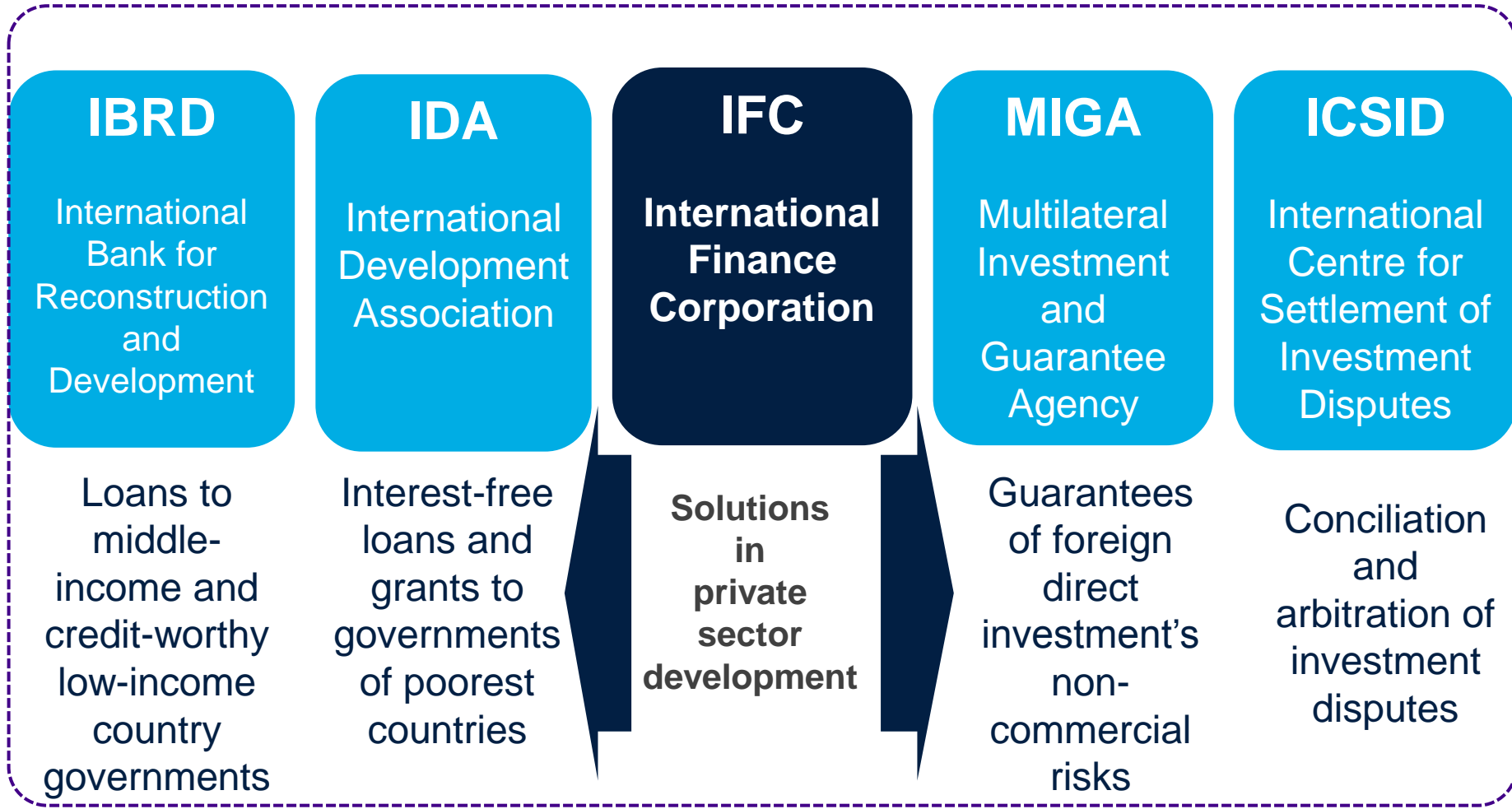
Customized To Meet Client Needs



- A member of the World Bank Group
- Provides investment, advice, resource mobilization
- AAA credit rating; owned by 184 countries
- Present in nearly 100 countries

IFC is the largest global development institution focused exclusively on the private sector in developing countries.

IFC: A MEMBER OF THE WORLD BANK GROUP



IFC'S HISTORY

Six Decades of Experience

The First Institution of Its Kind

1956: Founded on a bold idea – that the private sector is essential to development

The Largest Institution of Its Kind

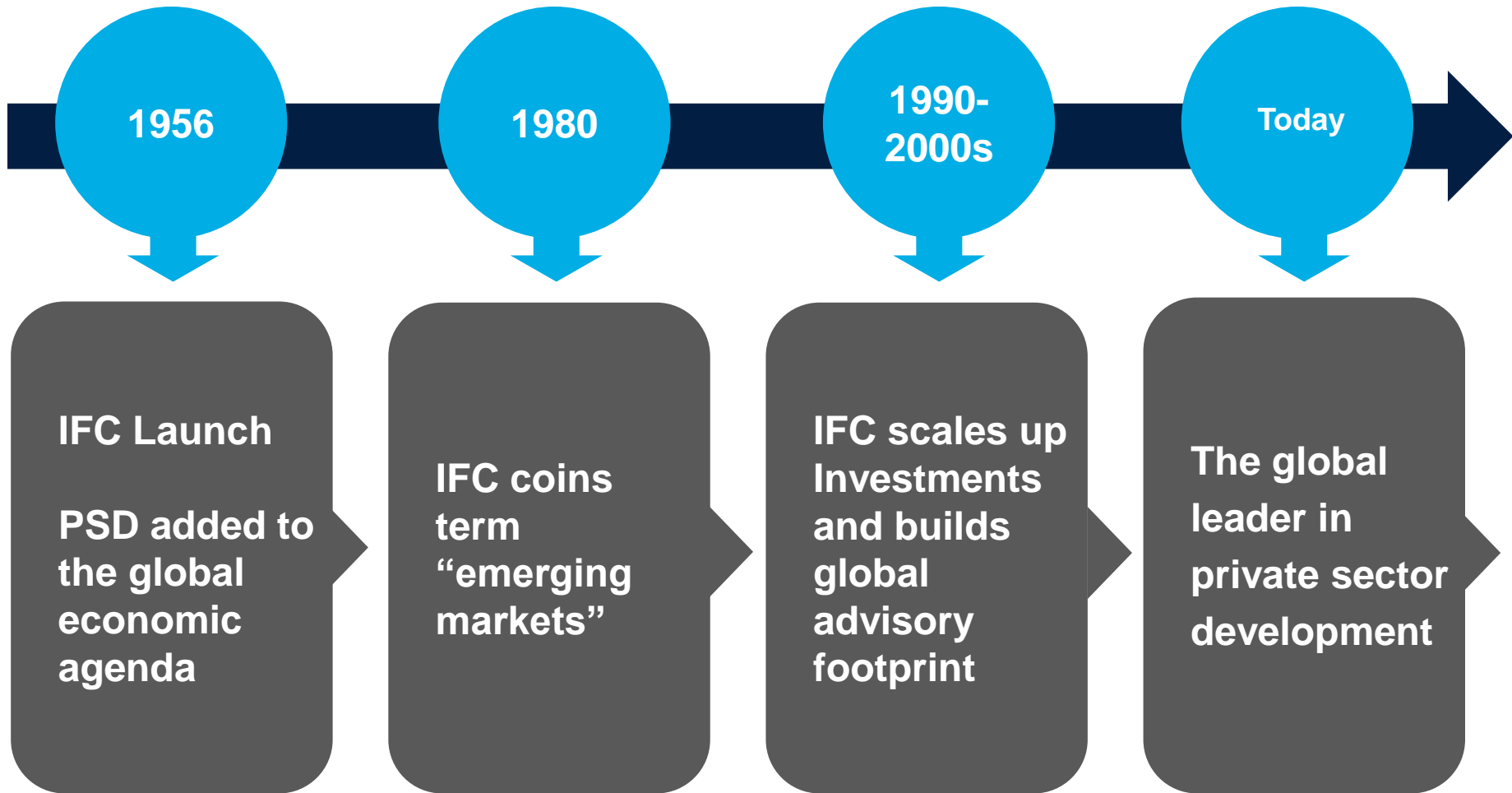
2016: More than \$245 billion in cumulative financing delivered to businesses in emerging markets

Experience Matters

Shaping the agenda, providing solutions, sharing knowledge

IFC'S HISTORY

A global institution, now owned by 184 member countries



THE WORLD BANK GROUP'S TWIN GOALS



Private sector investment is **ESSENTIAL**

WHAT CLIENTS VALUE ABOUT IFC

RESULTS OF IFC Client Survey



WHAT WE DO

Integrated Solutions, Increased Impact

3 Focus Industries:

MANUFACTURING
AGRIBUSINESS &
SERVICES

FINANCIAL INSTITUTIONS

INFRASTRUCTURE AND
NATURAL RESOURCES

3 Product Areas:

INVESTMENT

(Loans, Equity, Trade Finance, Syndications,
Derivative and Structured Finance, Blended Finance)

ADVICE

(Integrated with IFC Investment)

IFC ASSET MANAGEMENT COMPANY

(Mobilizing and Managing Capital for Investment)

INVESTMENT

Loans

- Project and corporate financing
- On-lending through intermediary institutions

Equity

- Direct equity investments
- Private equity funds

Trade Finance And Supply Chain

Guarantee of trade-related payment obligations of approved financial institutions

Syndications

- Capital mobilization to serve developmental needs
- Over 60 co-financiers: banks, funds, DFIs

Derivative and Structured Finance

Derivative products to hedge interest rate, currency, or commodity-price exposures of IFC clients

Blended Finance

Augmenting IFC resources with donor funds

ACTIVE ADVISORY PORTFOLIO BY REGION, END OF FY15

BUSINESS LINES	CLIENT ENGAGEMENTS
Financial Sector*	425
Investment Climate*	151
Public-Private Partnerships	102
Agribusiness	102
Energy & Resource Efficiency	102
Cross-Industry	102

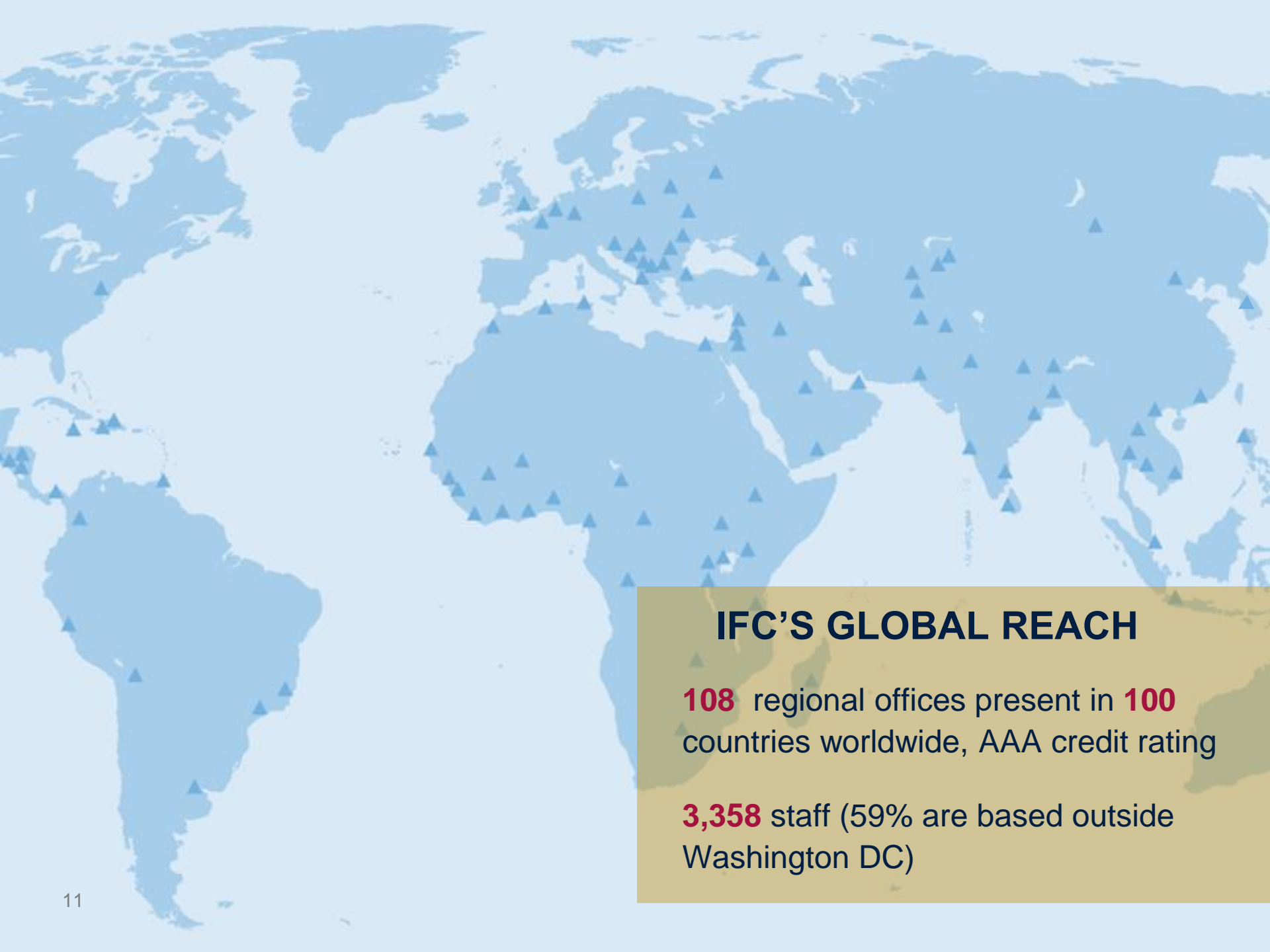
**Delivered through integrated WBG global practices*

IFC ASSET MANAGEMENT COMPANY

**IFC Asset
Management
Company had about
\$8.5 BILLION
in assets under
management in FY15**

AMC FUNDS

- IFC Capitalization Fund
- IFC African, Latin American
- Africa Capitalization Fund
- IFC Russian Bank Capitalization Fund
- IFC Catalyst Fund
- IFC Global Infrastructure Fund
- China-Mexico Fund
- IFC Financial Institutions Growth Fund
- IFC Global Emerging Markets Fund Of Funds



IFC'S GLOBAL REACH

108 regional offices present in **100** countries worldwide, AAA credit rating

3,358 staff (59% are based outside Washington DC)

FISCAL YEAR 2016 HIGHLIGHTS

\$18.8 billion in long-term investment:

- **\$11.1** billion for IFC's own account
- **\$7.7** billion mobilized

\$52 billion committed portfolio

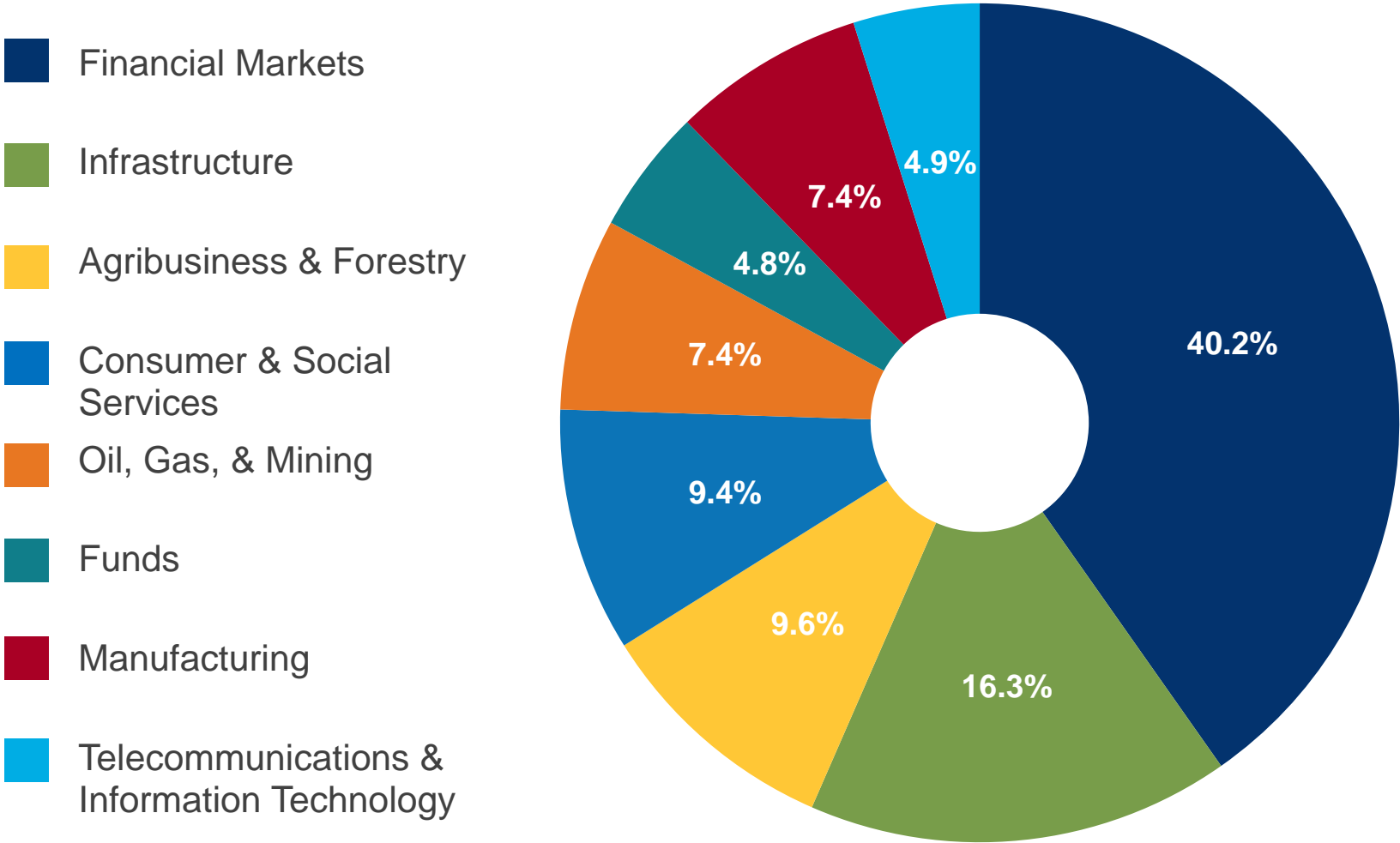
\$5.4 billion invested in IDA Countries

Advice: **62%** of program in IDA countries, **21%** in fragile and conflict-affected areas



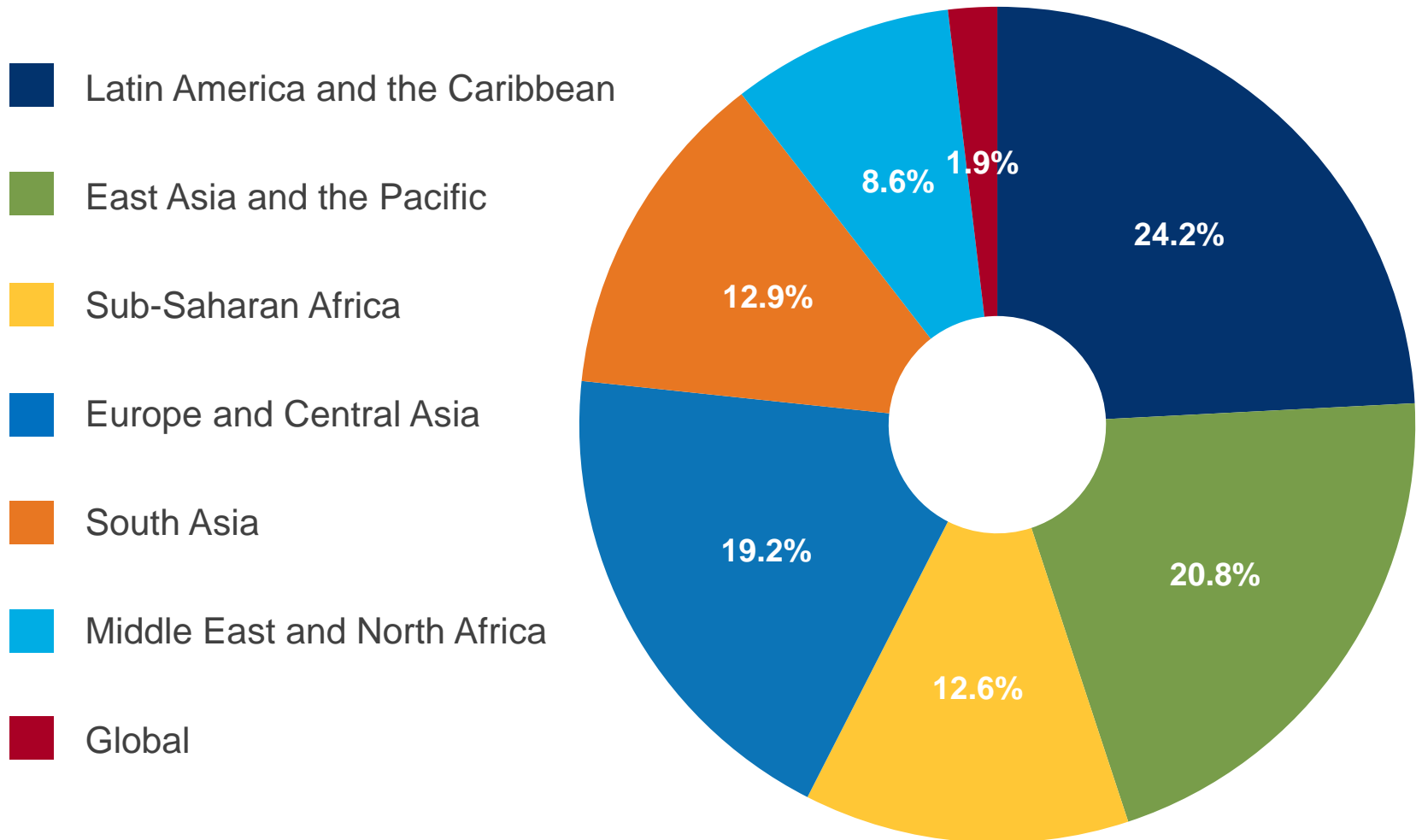
FY16 LONG-TERM INVESTMENT COMMITMENTS BY INDUSTRY

COMMITMENTS FOR IFC'S ACCOUNT: \$11.1 BILLION



FY16 LONG-TERM INVESTMENT COMMITMENTS BY REGION

COMMITMENTS FOR IFC'S ACCOUNT: \$11.1 BILLION

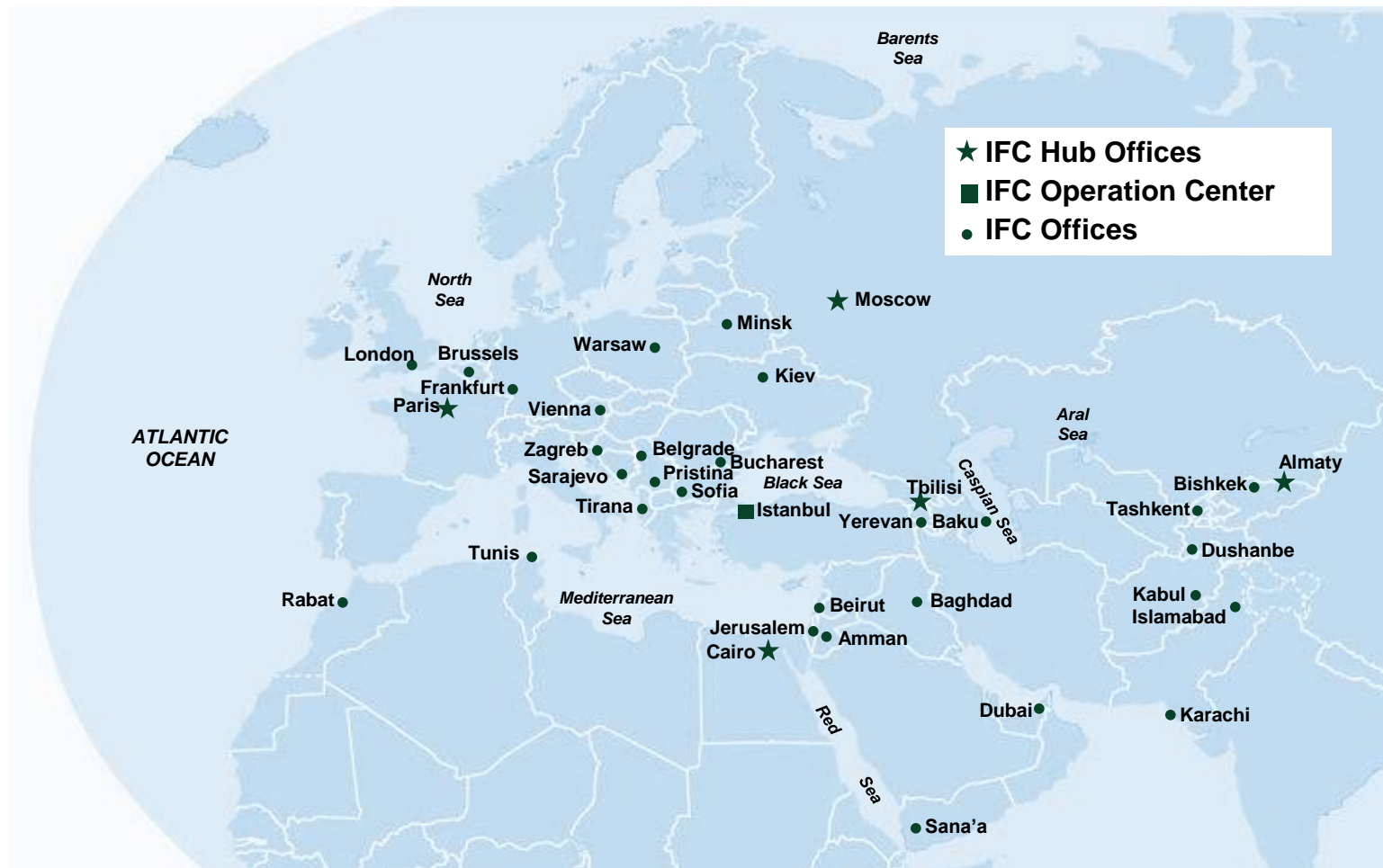


STANDARD SETTING

Our Performance Standards

- 1 Assessment and management of environmental and social risks and impacts
- 2 Labor and working conditions
- 3 Resource efficiency and pollution prevention
- 4 Community, health, safety and security
- 5 Land acquisition and involuntary resettlement
- 6 Biodiversity conservation and sustainable management of living natural resources
- 7 Indigenous peoples
- 8 Cultural heritage

IFC in Europe, Central Asia, Middle East and North Africa (EMENA)



FY15 IFC EMENA

ECA:

- IFC ECA invested **\$2.4 billion**, including \$878 billion in funds mobilized from our partners.
- IFC's work in ECA helped create new, sustainable energy resources, expand regional food production and trade, finance infrastructure projects and advise governments on public-private partnerships (PPPs), adoption of new legislations, cut red tape and combat climate change.

MENA:

- IFC MENA committed a total of **\$1.3 billion** in long-term finance packages across MENA and delivered a wide-ranging advisory program to drive growth.
- IFC's work in MENA helped grow smaller businesses, create new, sustainable energy sources, develop vital infrastructure projects, cut red tape, combat climate change, champion intra-regional investments, and support fragile and conflict-affected states.

Common Themes in the Western Balkans

- The crisis which started in 2008 has never ended. States are bloated and over indebted, for the most part failing to make the tough structural reforms needed to spur growth, including privatizations. Domestic industry uncompetitive. Unemployment 18%.
- Financial sector has high levels of NPLs, averaging between 15 to 20%. Resolution requires better legal framework. Several countries have Swiss Franc mortgages and systemically important presence of Greek banks.
- Migration: a) part of region was a major conduit of refugees headed north. Borders now closed, leaving thousands stranded. b) W. Balkans also a source of out migration because of low economic prospects.
- Every country has EU membership as a clear policy target. Renewed interest in the region by the EU with the Berlin process. Relative political stability in the region (Serbia and Kosovo talking to each other).

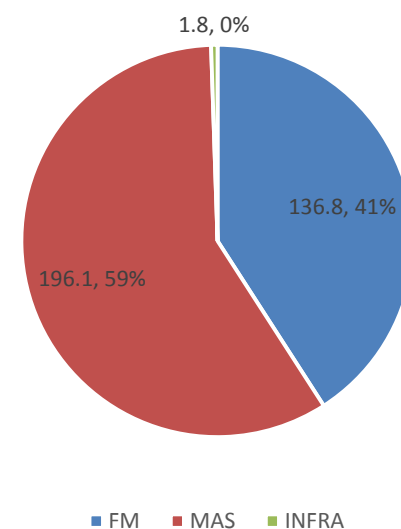
SERBIA

Serbia became a shareholder and member of IFC in 2001. Since then, IFC's long term finance investment in Serbia totaled **\$2.13 billion**, including \$794.7 million mobilized from our partners, in 52 projects across a variety of sectors. In addition, IFC has supported trade flows of \$175.4 million through its trade finance program.

Our committed investment portfolio in Serbia as of 30 June 2016 is \$285 million. In fiscal year 2016, IFC invested \$69 million in Serbia.

IFC works with private sector clients, government, and civil society to bring the benefit of global expertise to the country through its advisory services and investment projects. IFC's priorities in Serbia include agribusiness, climate change, and improvements in the investment climate. IFC is also focusing its investment services on increasing access to finance by supporting the development of local financial institutions, especially those that concentrate on SMEs. Through the joint GPs and independently, IFC's advisory services aim to improve the investment climate and the performance of private sector companies, and to attract private sector participation in the development of infrastructure projects.

IFC Committed Portfolio in Serbia by Sector
as of June 30, 2016 (285\$, m)



IFC STRATEGY IN SERBIA

Through investment and advisory services we will continue to partner with clients in strategic sectors crucial for Serbia's long-term sustainable development, with a particular focus on:

- The *financial sector*, with a special emphasis on small and medium enterprises and energy efficiency lending (Komerčijalna banka, UniCredit, Eurobank, Banca Intesa)
- *Climate change*, including investments in infrastructure and energy sectors (wind projects)
- *Agribusiness*, with an emphasis on food retail and manufacturing (MK Group, Victoria Group)
- *Value-added manufacturing* (*Johnson Electric, PMC Automotive, Kronospan*)
- *Business infrastructure*, with a focus on logistics and distribution (Atlantic Group, Nelt)
- *Sub-national finance*, with a focus on municipal infrastructure and waste management (Vinca advisory)

THANK YOU

Magdalena Soljakova
Senior Country Officer
msoljakova@ifc.org