# The World Bank Group

<table>
<thead>
<tr>
<th>Organization</th>
<th>Established</th>
<th>Role</th>
<th>Clients</th>
<th>Products</th>
</tr>
</thead>
</table>
| IBRD International Bank       | Est. 1945   | To promote institutional, legal and regulatory reform                 | Governments of member countries with per capita income between $1,025 and $6,055 | • Technical Assistance  
• Loans  
• Policy Advice |
| IDA International Development Association | Est. 1960 | To promote institutional, legal and regulatory reform                 | Governments of poorest countries with per capita income of less than $1,025 | • Technical Assistance  
• Interest Free Loans  
• Policy Advice |
| IFC International Finance Corporation | Est. 1956 | To promote private sector development                               | Private companies in member countries                                   | • Equity/Loans  
• Risk Management  
• Advisory Services |
| MIGA Multilateral Investment and Guarantee Agency | Est. 1998 | To reduce political investment risk                                   | Foreign investors in member countries                                   | • Political Risk Insurance |
Over $97 Billion Invested Since 1956

- Largest multilateral source of loan/equity financing for the emerging markets private sector
- Founded in 1956 with 182 member countries
- AAA-rated by S&P and Moody’s
- Equity, quasi-equity, loans, risk management and local currency products
- Takes market risk with no sovereign guarantees
- Promoter of environmental, social, and corporate governance standards
- Resources and know-how of a global development bank with the flexibility of a merchant bank
- Holds equity in over 722 companies worldwide, 184 of which are funds

IFC FY2011 Highlights

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio</td>
<td>$42.8 billion</td>
</tr>
<tr>
<td>Committed</td>
<td>$12.2 billion</td>
</tr>
<tr>
<td>Mobilized</td>
<td>$6.5 billion</td>
</tr>
<tr>
<td># of Companies</td>
<td>1,737</td>
</tr>
<tr>
<td># of Countries</td>
<td>127</td>
</tr>
</tbody>
</table>

Worldwide Investment by Region:

- Latin America: 24%
- East Asia and the Pacific: 14%
- Europe & Central Asia: 26%
- Sub-Saharan Africa: 14%
- Middle East & N. Africa: 11%
- Global: 1%
- South Asia: 10%
- Latin America: 24%
IFC’s Global Reach

100+ country and regional offices worldwide

- Washington
- Dakar
- Bogota
- Port-of-Spain
- Sao Paulo
- Buenos Aires
- Moscow
- Almaty
- Istanbul
- New Delhi
- Hong Kong
- Tokyo
- Singapore
- Beijing

- IFC HQ/Hub Offices
- IFC Operational Centers
- IFC Country Offices
$500 Million Mining Portfolio (57% equity)

37 Projects in 25 Countries
Book value as of June 2011

By Product
- Gold 44%
- Other Metals 22%
- Copper 12%
- Aluminum & Bauxite 4%
- Iron Ore 9%
- Diamonds 10%

By Region
- Sub-Saharan Africa 56%
- Latin America 22%
- Eastern & Central Europe 11%
- East Asia & Pacific 9%
- Eastern & Central Europe 11%
- MENA 2%
- World 2%
## IFC Value-Add in Mining

<table>
<thead>
<tr>
<th>Long-Term Competitive Financing</th>
<th>Regional Knowledge</th>
<th>Global Mining Expertise</th>
<th>Country Risk Mitigation</th>
<th>Environmental &amp; Social Risk Management</th>
<th>Advisory Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Equity</td>
<td>• Extensive Local Office Network</td>
<td>• 50+ Years of Sector Experience</td>
<td>• Government Relations</td>
<td>• Advice on Environmental &amp; Social Best Practices</td>
<td>• Local Supplier Development</td>
</tr>
<tr>
<td>• Fixed &amp; Floating Rates, Local Currencies</td>
<td>• Local Transaction Experience</td>
<td>• Greenfield</td>
<td>• World Bank Synergies</td>
<td>• Equator Principles Modeled after IFC Standards</td>
<td>• Local Economic Development</td>
</tr>
<tr>
<td>• Up to 15 Year Loan Maturity</td>
<td>• World Bank Synergies</td>
<td>• Expansion / Modernization</td>
<td>• Withholding Tax Benefit</td>
<td>• Local Consultation &amp; Disclosure</td>
<td>• Community Development Funding</td>
</tr>
<tr>
<td>• Catalyst for Other Investors and Lenders</td>
<td></td>
<td>• Corporate Strategy</td>
<td></td>
<td></td>
<td>• Financial Valuation Tool</td>
</tr>
<tr>
<td>• Capital Mobilization</td>
<td></td>
<td>• Access to International Investors</td>
<td></td>
<td></td>
<td>• Resource Efficiency</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Technical Advice</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Financing & Sustainability Expertise Under One Roof

IFC Mining
Integrated Solutions Combining Capital and Expertise

**Financing**
- Equity
- Quasi-equity
- Loans
- Capital markets access and mobilization
- Risk management
- Frontier countries

**Advisory Services**
- Supplier development (linkages)
- Community Development
- Municipal Capacity Building
- World-class environmental and social advice
- Resettlement & Indigenous Peoples
- Access to Community Development Funding

- IFC’s package deal brings together world-class talent, a global outlook and a social/environmental mandate to deliver sustainable business solutions; IFC’s team includes finance professionals, mining engineers, environmental and social specialists, development experts, and communications specialists
# IFC: The Complete Package

## IFC Investment & Advisory Services

<table>
<thead>
<tr>
<th>Project</th>
<th>Ahafo (Ghana)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>$75 million A Loan, $10 million B Loan</td>
</tr>
</tbody>
</table>
| IFC Role      | • IFC social and environmental specialists supported complex resettlement process that affected close to 10,000 people  
• IFC Advisory Services helped increase # of women working at the mine and designed a supplier program enabling entrepreneurs to deliver goods and services to Newmont |

<table>
<thead>
<tr>
<th>Project</th>
<th>Simandou (Guinea)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>$35 million (5% equity stake)</td>
</tr>
<tr>
<td>IFC Role</td>
<td>• IFC Advisory Services is working with Rio Tinto to establish and manage a national mining supplier development and training program</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project</th>
<th>Tulu Kapi (Ethiopia)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>$15 million equity</td>
</tr>
<tr>
<td>IFC Role</td>
<td>• IFC and Nyota are designing a program to help build long-term relationships with local communities in the context of an exploration project</td>
</tr>
</tbody>
</table>
When Does IFC Invest?

IFC in the Project Life Cycle

- IFC funds projects in all stages of development

<table>
<thead>
<tr>
<th>Value</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grassroots Exploration</td>
<td>Equity</td>
</tr>
<tr>
<td>Project Discovery</td>
<td>Quasi-Equity / Mezzanine</td>
</tr>
<tr>
<td>Project Finance</td>
<td>Senior Debts and Equivalents</td>
</tr>
<tr>
<td>Mature Production</td>
<td></td>
</tr>
</tbody>
</table>

IFC International Finance Corporation

IWM Finance Group
A Broad Range of Financial Products

**Equity**
- Corporate
  - Typically 5-15% shareholding
  - Long-term investor, typically 6-8 year holding period
  - Not just financial investor, adding to shareholder value
  - Usually no seat on board

**Mezzanine / Quasi-Equity**
- Subordinated loans
- Income participating loans
- Convertibles
- Other hybrid instruments

**Senior Debts & Equivalents**
- Senior Debt (reserve-based lending, corporate finance, project finance)
- Fixed/floating rates, US$, Euro and local currencies available
- Commercial rates, repayment tailored to project/company needs
- Long maturities: 7-12 years, appropriate grace periods
- Range of security packages suited to project/country
- Mobilization of funds from other lenders and investors, through financings, syndications (IFC “B” Loan structure), underwritings and guarantees
IFC as a Strategic Partner: Equity Investments

General IFC Offerings and Criteria

**IFC Advantages**
- IFC acts as a long-term strategic partner, cornerstone investor
- Ability to participate at project or corporate level
- Deep pockets for future support
- Demonstration effect: possibly catalyze further financial support from other investors
- Support for international listing
- Third-party, neutral, honest broker
- Advisory Services
  - Strategic community investment, linkages, other
  - Best practice environmental and social practice
    - Includes special environmental and/or social issues, such as resettlement or indigenous peoples
- Direct government engagement
- World Bank Group synergies

**Criteria for Investment**
- Not largest shareholder, not more than 20% ownership
- Typically does not seek a board seat; not involved in general management but will help with E&S issues
- Large resource potential
- Regions of strategic interest to IFC
  - IDA country, frontier regions of non-IDA countries
- Formal E&S risk management system
- Transparency
  - Payments to government (EITI)
  - Contract/License
### IFC as a Strategic Partner: Debt Investments

#### General IFC Offerings and Criteria

**IFC Advantages**
- IFC acts as a long-term strategic partner
- Deep pockets for future support
- Demonstration effect: possibly catalyze further financial support from other debt providers
- Mobilization (“B Loan” structure)
- Possible corporate finance in special situations
- Potential political risk carve-outs
- Third-party, neutral, honest broker
- Advisory Services
  - Strategic community investment, linkages, other
- Best practice environmental and social practice
  - Includes special environmental and/or social issues, such as resettlement or indigenous peoples
- Direct government engagement
- World Bank Group synergies

**Criteria for Investment**
- Project anticipated to have major development impact
- Long mine life
- Role for IFC in environmental and social issues or Advisory Services
- Regions of strategic interest to IFC
  - IDA country, frontier regions of non-IDA countries
- Transparency
  - Payments to government (EITI)
  - Contract/License
Advisory Services

- IFC relies on 50+ years of experience of working in developing countries to develop practical, sustainable business solutions for its clients

**Community Development**
- Community investment strategies
- Measuring the impact of community spending
- Increasing participation of local businesses in supply chain
- Business skills training for local entrepreneurs
- Promoting female workforce
- Helping local governments manage mining revenues for economic development
- Water risk/footprint assessment
- Energy efficiency analysis to reduce water, energy and raw materials use

**Corporate Governance**
- IFC works with the different governance priorities:
  - Publicly listed companies
  - Founder and family-owned firms
  - Financial institutions
  - Newly privatized and state-owned enterprises
- IFC Corporate Governance experts advise clients on:
  - Defining shareholder rights
  - Creating a solid control environment
  - Ensuring high levels of transparency and disclosure
  - Setting up an empowered board of directors
Examples of IFC Investments

**Ahafo**
- Ghana
- $75,000,000
- Senior Term Loan
- $10,000,000
- Syndicated Loan
- **Mandated Lead Arranger**
- 2006

**Simandou/RioTinto**
- Guinea
- $35,000,000
- Equity

**Escondida Copper**
- Chile
- $94,600,000
- Senior Term Loan
- $15,000,000
- Equity
- **Equity Investor & Lender**
- 1989 and 1999

**Williamson**
- Tanzania
- $40,000,000
- Equity
- **Equity Investor & Lender**
- 2010

**Lonmin**
- South Africa
- $100,000,000
- Senior Term Loan
- $50,000,000
- Equity
- **Equity Investor & Lender**
- 2006

**Minera Quellaveco**
- Peru
- $42,000,000
- Equity
- **Equity Investor**
- 1993-2011

**Antares Minerals**
- Peru
- $12,800,000
- Equity
- **Equity Investor**
- 2009

**Gold Ridge**
- Solomon Islands
- $30,000,000
- Debt
- **Mandated Lead Arranger**
- 2010

**Achmmach Tin**
- Morocco
- $5,700,000
- Equity
- **Equity Investor**
- 2010

**Dalhol**
- Ethiopia
- $10,000,000
- Equity
- **Equity Investor**
- 2011
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