

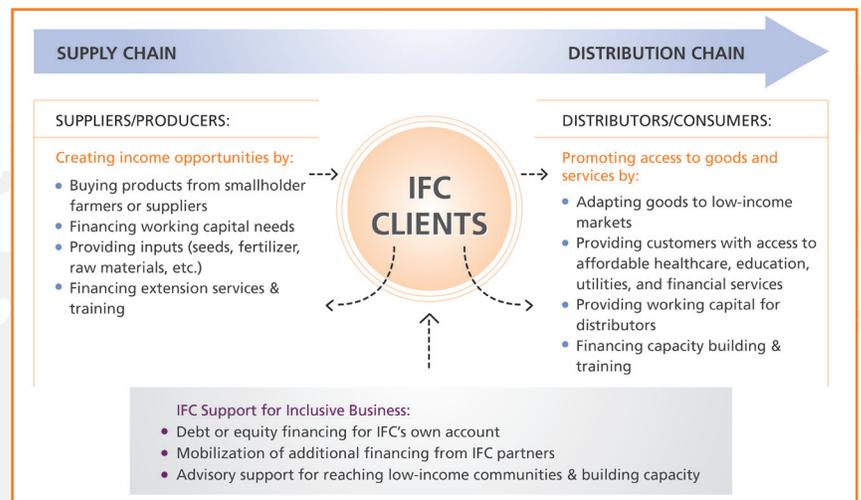
INCLUSIVE BUSINESS AT IFC

TODAY'S RISING BUSINESS LEADERS UNDERSTAND THAT THE BEST OPPORTUNITIES ARE THOSE THAT HAVE BEEN LEFT UNTAPPED.

They understand that people living in low-income communities are value-conscious consumers seeking out goods and services that can improve their lives. Global businesses see interesting new supply sources and strategic distribution and retail partners in emerging and newly emerging economies. And they are correlating positive business growth with business models that offer goods, services and job opportunities to low-income communities. IFC calls these "inclusive business models."

What is Inclusive Business?

Inclusive business models are commercially viable and replicable business models that include low-income consumers, retailers, suppliers, or distributors in core operations. By adopting the models, companies build the capacity of low-income businesses and entrepreneurs; increase access to finance for businesses and consumers; create or adapt products to meet local needs and requirements; and develop innovative distribution approaches to hard-to-reach communities. Far from philanthropy-driven, these business models can be part of a successful long-term growth strategy that creates new market-based opportunities, eliminates market inefficiencies, solidifies supply chains, and builds future brand loyalty.

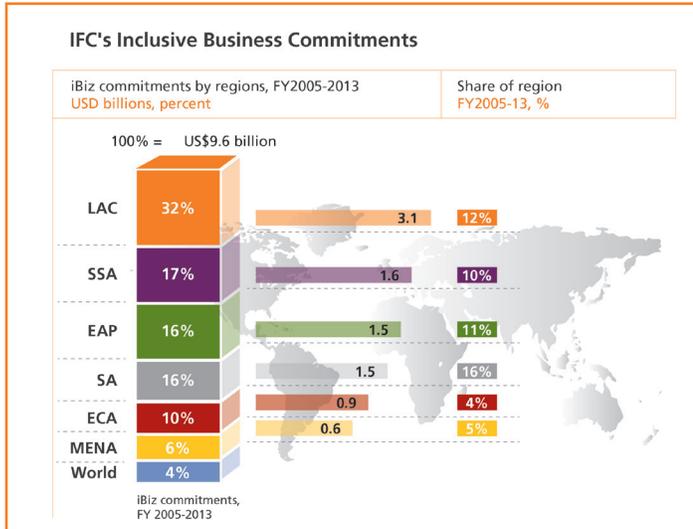


IFC at the Forefront of Inclusive Business

IFC is at the forefront of a growing inclusive business movement. Since 2005, IFC has committed more than \$9.5 billion and worked with over 400 inclusive businesses in more than 85 countries to integrate more than 200 million people, including farmers, students, patients, and utility customers in core business operations. These investments are helping to improve lives, promote prosperity, and transform sustainable development outcomes in low-income communities around the globe.

Recognizing the growing importance of this new approach to business, IFC established its Inclusive Business team in 2010. Today, the team is leading efforts to promote inclusive business across IFC by:

- **Catalyzing** ideas and innovation to grow and expand inclusive businesses worldwide by sharing data and providing IFC clients with market insights, developing customized inclusive business tools and resources, and helping IFC clients replicate inclusive business models.
- **Convening** IFC clients, investment professionals, leading thinkers on inclusive business, and international development stakeholders during the annual Inclusive Business Forum and other global meetings to promote collaboration.
- **Communicating** which models work, generating and disseminating knowledge on best practices through a library of case studies, and highlighting innovation through initiatives such as the FT/IFC Transformational Business Awards.



What Do We Invest In?

IFC IS THE LARGEST INVESTOR OF INCLUSIVE BUSINESS, ACTIVELY INVESTING IN DIVERSE GEOGRAPHIES AND INDUSTRIES.

Inclusive business investments span the entire IFC investment portfolio. They are equally divided across sectors with approximately 1/3 of all projects focusing on financial markets including microfinance, rural banking, and microinsurance; 1/3 on the agribusiness, education, health, housing, and manufacturing sectors; and 1/3 on power, water, sanitation, and internet and mobile technologies.

Sample Investments

 <p>KENYA TEA DEVELOPMENT AGENCY (KTDA) Agriculture, Kenya</p> <p>KTDA is an association of 63 tea-processing factories collectively owned by smallholder tea farmers. The company assists its tea farmers by providing agronomic and other technical services in farming, processing, and marketing of tea. KTDA also provides financial services to farmers.</p>	<p>GOOD FOR BUSINESS:</p> <ul style="list-style-type: none"> Sustainable practices adopted by KTDA have enabled farmers to increase yields by 36% on average <p>GOOD FOR SOCIETY:</p> <ul style="list-style-type: none"> More than 565,000 small tea farmers are also company shareholders 52,000 farmers have received loans to buy farm inputs and tools 	 <p>MANILA WATER COMPANY Utilities, Philippines</p> <p>Since 1997, the Manila Water Company has provided clean water and sewage facilities to more than 6 million people in Manila's East Zone, providing 1.7 million low-income consumers with a steady supply of clean water, reducing water wastage and improving local public water facilities.</p>	<p>GOOD FOR BUSINESS:</p> <ul style="list-style-type: none"> EBITDA increased from \$6.1 million to \$185.5 million between 1999 and 2011. <p>GOOD FOR SOCIETY:</p> <ul style="list-style-type: none"> 99% of customers have 24-hour water availability Customers now pay 20 times below per cubic meter rates previously charged 	 <p>TRIBANCO Finance, Brazil</p> <p>Tribanco provides financial and management solutions to micro, small and medium (MSME) retail clients of Grupo Martins, Brazil's largest wholesaler and distributor. Tribanco's clients are located in areas where there is little or no access to financial services.</p>	<p>GOOD FOR BUSINESS:</p> <ul style="list-style-type: none"> More than 2.5 million active credit cards Repayment rates are 96.5% 56% of Tribanco's clients showed increase in store invoicing <p>GOOD FOR SOCIETY:</p> <ul style="list-style-type: none"> Provides over 37,083 MSMEs with credit and financial services
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Partnering

Ending extreme poverty and promoting shared prosperity requires innovative new approaches that go beyond traditional investment, official aid, or philanthropy. What's needed is an inclusive approach that leverages the best of the public and private sectors to accelerate real change and scale impact with a market-based approach. At IFC, we aim to create transformational solutions to critical development challenges. But we can't achieve this on our own. We need business, government, and civil society partners to help us accelerate inclusive business around the world.

To learn more about partnership opportunities or to share your ideas, contact **Toshiya Masuoka, Director, Inclusive Business - Development Impact.**