

IFC and Spain

Partners in Private Sector Development



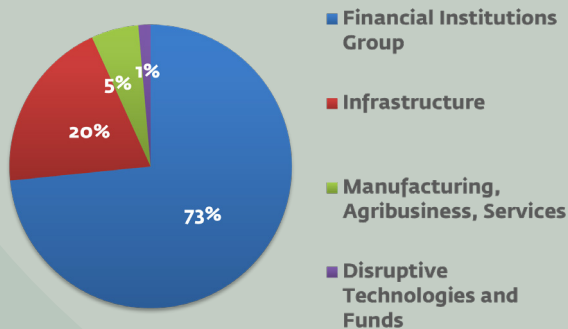
OVERVIEW

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working in more than 100 countries, in fiscal year 2022 (FY22), IFC committed a record \$32.8 billion — in own-account investments and mobilization from third parties — to private companies and financial institutions in developing countries. IFC partners with multinationals and mid-sized firms that are interested in investing in emerging markets. As of June 2022, IFC had a long-term committed investment portfolio of close to \$2.8 billion with Spanish partners spread across several sectors and regions.

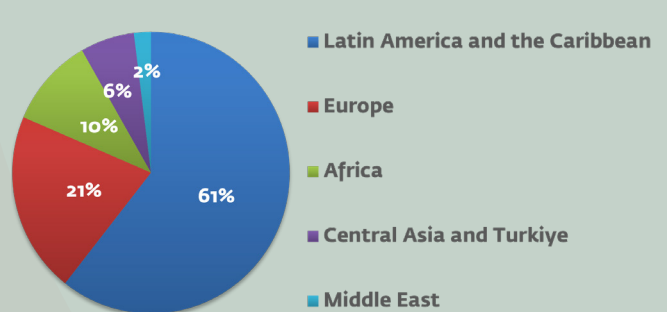
IFC's Long-Term Investment Portfolio with Spanish Sponsors

As of FY22 (ending June 2022), IFC's long-term investment portfolio with Spanish sponsors amounted to \$2.8 billion. Spanish private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

IFC Long-term Investment Portfolio as of June 2022 by Industry with Spanish Sponsors (\$2.8 billion)



IFC Long-term Investment Portfolio as of June 2022 by Region with Spanish Sponsors (\$2.8 billion)



IFC Long-Term Investment Portfolio as of June 2022 (Dollar Amounts in Millions)

Banking	1,449
Power	539
NBFI	239
Other FIG Sector	112
Health, Education & Life Sciences	75
Manufacturing	75
Microfinance	66
Trade Finance	62
Housing Finance	60
Distressed Assets	42
Private Equity Funds	39
Telecom, Media and Technology	8
Total	2,765

- Mobilization:** IFC has a strong relationship with Spanish financial institutions (FIs) and an active engagement across multiple sectors. As of June 2022, Spanish FIs held close to \$465 million in IFC Syndicated Loans.
- Global Trade Finance Program (GTFP):** As of June 2022, IFC issued over 2380 guarantees amounting to \$7.8 billion for Spanish banks since the GTFP began in 2005. The most active confirming banks have been CaixaBank, Banco Santander and BBVA.

PARTNERSHIP WITH THE GOVERNMENT AND DEVELOPMENT FINANCE INSTITUTION

The Directorate for International Finance, under the Ministry of Economic Affairs and Digital Transformation (MINECO), is IFC's main counterpart. IFC works closely with the MINECO, the Ministry of Industry, Trade and Tourism (MINCOTUR), COFIDES (the Spanish Development Finance Institution), ICO (the State's Financial Agency under the MINECO), and ICEX (the Spanish Institute for Foreign Trade under the MINCOTUR).

In October 2022, IFC and the MINECO announced a €4 million replenishment of the Spain-IFC Technical Assistance Trust Fund (TATF) to boost private sector development in Latin America and Africa. In FY18-22, Spain provided cumulative funding of around \$3.5 million to support IFC Advisory Services. As of FY22, the TATF funded a portfolio of 58 projects since inception, with a total funding of \$13 million. The projects under Spain TATF span across all IFC regions with the largest allocations to Latin America and the Caribbean (24% of total), Middle East and North Africa (19%), Europe and Central Asia (17%), and the rest with a global scope (21%).

Examples of Successful Cooperation

BBVA, Colombia

In June 2022, IFC committed an up to \$200 million loan to BBVA Colombia, part of the Spain-headquartered multinational banking group Banco Bilbao Vizcaya Argentina (BBVA), to support the bank's lending program for climate-smart projects, with a focus on green buildings and green construction. The loan will also fund other climate-smart projects across sectors, including agriculture, housing, and renewable energy. IFC's investment will increase access to climate finance in Colombia, promoting a greener financial sector and supporting the nation's goal of becoming carbon-neutral by 2050.

BBVA, Romania

In June 2022, IFC committed a €10 million senior loan in local currency to Garanti BBVA Consumer Finance, a financial services company in Romania held by TGB, whose majority shareholder is BBVA. The loan will help the company scale up its green loan portfolio while diversifying its funding base. This was IFC's first loan to a consumer finance institution in the country. IFC's support will provide funding to individuals who seek to invest in climate-change mitigation measures, increasing the access to finance for Romanians to fund green asset purchases and contributing to the country's green transition.

BBVA, Peru

In January 2022, IFC committed a \$60 million loan to support BBVA Perú's efforts to develop its green building business line by financing homebuyers' green mortgages. BBVA Perú is part of BBVA. The investment is IFC's first green project in Peru supported by the Market Accelerator for Green Construction program, sponsored by the UK, acting through the Department for Business, Energy and Industrial Strategy (BEIS). IFC's investment will help jump-start Peru's underdeveloped green building finance market, strengthening BBVA's ability to structure green building financing following international best practices and helping mitigate climate change. IFC will support BBVA Perú in identifying green building business opportunities for its housing lending portfolio through EDGE, IFC's green building certification program.

Iberdrola, Brazil

In June 2022, IFC committed a \$115 million green and sustainability-linked loan in local currency to Neoenergia Coelba, a power distribution company operating in the state of Bahia, Brazil, with over 6.2 million customers. Neoenergia Coelba is part of Neoenergia, an integrated energy company which is majority owned by the Spanish electric utility group Iberdrola. The loan will help Neoenergia Coelba upgrade, expand, and digitalize its distribution network. This is the first "super green" loan—combining traditional "green" use-of-proceeds with sustainability-linked financing features linked to environmental and gender targets—for a power distribution company in Latin America; and the first sustainability-linked loan in the Brazilian power sector. IFC's investment will improve the quality and reliability of power supply in Brazil, boosting the resilience of the country's energy sector. It is expected to support up to 140,000 new connections per year, including 18,000 new rural connections over the next 5 years in the state of Bahia. As the sustainability coordinator for this project, IFC is also helping Neoenergia Coelba develop its first sustainability-linked financing framework and define ambitious corporate climate and gender targets.

Santander, Brazil

In March 2022, IFC committed a \$150 million social loan under its Global Health Platform to Santander Brazil, the third largest private bank in Brazil in terms of assets, to expand its financing to doctors and healthcare MSMEs to support their working capital needs and the purchase of medical equipment. Banco Santander, one of the largest European multinational banks based in Spain, is the majority shareholder of Santander Brazil. This is IFC's first social loan in healthcare in the Latin America and the Caribbean region. IFC's investment will help improve access to finance for Brazil's medical professionals, strengthening the country's health system, supporting greater market resilience and addressing the continuing challenges of COVID-19.

CIE Automotive, Mexico

In July 2018, IFC committed an A loan of up to \$75 million and mobilized an additional \$75 million from Export Development of Canada (EDC) to CIE Automotive, a global supplier of automotive components based in Spain, to finance its expansion in Mexico. The loan will be used for the acquisition of machinery to increase the production capacity of parts for more efficient engines and electric vehicles. IFC's investment will support the creation of 1,000 skilled jobs in CIE's manufacturing plants in Mexico and improve the performance of the automotive sector in key areas such as reducing the energy consumption of manufacturing operations by 20% and developing a competitive local supplier base.



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