IFC in Latin America and the Caribbean

CREATING OPPORTUNITY
IFC: Your Partner in Sustainable Investment

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in developing countries. We strive to create sustainable private sector growth, eradicate poverty, and improve people’s lives.

WE FOCUS ON:

- Financing private sector investment
- Mobilizing capital in the international financial markets
- Providing advisory and risk-mitigation services to business and governments
- Managing assets for third-party clients

We are global – owned by more than 180 countries and active in more than 145.

We are local – with more than 100 offices in 92 countries and programs in many others.

Our 3,500 staff help companies grow, create jobs, and generate opportunities that make a real difference in people’s lives.

In fiscal year 2012, IFC committed $20.4 billion in financing, including $15.4 billion from IFC’s own account and an additional $4.9 billion in mobilized, third-party financing. Our Advisory Services portfolio comprised 632 active projects valued at $894 million.

Founded in 1956, IFC has committed a total of $102 billion to 4,984 clients around the world (as of June 30, 2012).

OUR GLOBAL BENCHMARKS

- Doing Business Report: This joint World Bank-IFC annual publication provides an objective basis for evaluating the regulatory environment surrounding the private sector. The report assesses over 185 economies in 10 areas of business regulation.
- Equator Principles: A set of voluntary guidelines on environmental and social risk in project finance developed with IFC’s support. 70 banks around the world follow these standards, covering more than 70 percent of project finance debt in emerging markets.
- Corporate Governance Framework: A platform adopted by 30 financial development institutions to evaluate and improve the corporate governance practices of investee companies in middle and low-income countries.

IFC: Key Facts

Credit Rating: AAA (Moody’s, Standard & Poor’s)

- Portfolio: $45.3 billion, representing 1,825 companies in more than 128 countries (as of June 30, 2012).
- Investments committed in FY12: 577 in 114 developing countries.

Industry Coverage:

- Global financial markets; private equity and investment funds; trade finance.
- Global manufacturing and services; agribusiness; health and education.
- Infrastructure; information and communication technologies; oil, gas, mining, and chemicals.

FY12 Commitments by Region ($15.4b)
OUR 4 STRATEGIC PRIORITIES

• **Inclusive growth:** Increase access to finance, basic goods and services, and infrastructure with a particular focus on the poor, women, and indigenous populations.

• **Competition and innovation:** Address infrastructure and logistics bottlenecks by increasing PPPs and improving the investment climate; expanding vocational and tertiary education; and supporting new sectors and products, such as mobile banking.

• **Regional and global integration:** Improve legal frameworks for trade logistics; integrate regional financial markets; increase south-south initiatives; and strengthen energy networks and transportation. Sustainable growth and competitiveness depend on integration.

• **Climate change:** Catalyze private-sector involvement in addressing mitigation and adaptation issues in the region. Mitigation activities address renewable energy, cleaner production, and land use, while adaptation focuses on waste water treatment, catastrophe insurance, and zoning codes.

WE DELIVER RESULTS

• IFC facilitated access to finance in the region for micro-entrepreneurs and SMEs with $15.1 billion in loans from investment partners in FY12.

• Our record $17 billion regional trade finance program in FY12 stimulated foreign investment by guaranteeing financiers against trade risks.

• IFC has invested more than $11.2 billion in infrastructure projects in the region since 2000.

• Through our clients, FY12 commitments reached 210,000 farmers, 130,000 students, supported water distribution to 2.42m people, increased power distribution for 800,000, and helped employ 80,000.

• We facilitated $540 million for “south-south” investments, supporting local players to grow and expand in the region.

• Advisory Services’ portfolio includes over $30 million for the poorest countries in the region and $17 million for climate change.

• IFC’s historical program in the region surpassed $50 billion in FY12, demonstrating our commitment to Latin America and the Caribbean.

IFC in Latin America and the Caribbean

The Latin American and Caribbean region (LAC) accounts for the largest share of IFC commitments – 24 percent in fiscal year 2012 - with $5 billion in financing for 134 new private sector projects. IFC committed $3.7 billion from its own account to the region in FY12 and mobilized an additional $1.3 billion in financing from investment partners. Its $10 billion portfolio was managed by more than 200 officers in 16 countries, and its Advisory Services had a portfolio of 79 projects worth $81.6 million. Since its first deal in 1956 with Siemens in Brazil, IFC has lent and invested over $30 billion in the region and mobilized an additional $20 billion in loans from its investment partners.
In fiscal year 2012, IFC committed $20.4 billion in financing, including $15.4 billion from IFC’s own account and an additional $30.8 million syndicated, to expand garment manufacturer Grupo M and their industrial park Codevi in Haiti, which provides 6,500 jobs.

IFC Advisory Services streamlined trade processes and regulations among 17 Colombian agencies, reducing the time needed to import and export by 30 percent.

IFC provided $50 million and mobilized $110 million to build Nicaragua’s largest Greenfield geothermal power project in 25 years. It will supply almost 20 percent of Nicaragua’s power.

An IFC program linking more than 400 agribusiness entrepreneurs.

Long-Term Partnership: IFC helps clients grow, often providing multiple rounds of financing. We see clients through turbulent economic times; when other financial institutions leave emerging markets, we offer solutions for recovery.

Broad Reach: We are based in 16 countries across Latin America and the Caribbean with more than 200 Investment and Advisory Services officers. We provide in-depth local and industry knowledge as well as access to IFC’s global networks.

Sector Expertise: In addition to sharing their expertise and lessons learned worldwide, our industry specialists assess each project we finance and provide invaluable guidance to clients.

Brand Enhancement: IFC’s high standards help strengthen clients’ reputations and open doors to new sources of funding.

Tailored Solutions: Our integrated investment and advisory services respond to each client’s specific needs. We provide flexible financial structures and a full suite of products.

Mobilization Capacity: We increase investor confidence, help mitigate the perceived risk of investing in emerging markets, and facilitate access to international financial institutions and other developmental agencies.

Why Do Business with IFC?

Development and Economic Impact: We help clients raise their environmental, social, and corporate governance standards and support governments’ economic development priorities for maximum impact.

Leadership in Sustainability: IFC supports clean technologies and sustainable financing, helping strengthen clients’ competitiveness by reducing operating costs and enhancing energy efficiency. Our green initiatives help mitigate climate change.

E&S Risk Management: IFC helps companies assess environmental and social risks and develop appropriate management and mitigation tools to address them.

Mobilizing Third-Party Capital: Launched in 2009, the IFC Asset Management Company (AMC) is a wholly-owned subsidiary of IFC and serves as a fund manager of third-party capital mobilized under various IFC initiatives.

Coordination Capacity: IFC is willing to lead and coordinate joint due diligence efforts with parallel lenders, export credit agencies, and commercial banks.
INVESTMENT PRODUCTS

IFC’s financial products enable companies to grow, manage risks, and broaden their access to foreign and domestic capital markets.

• IFC operates on a commercial basis. It invests in profitable and sustainable projects and shares risks with its partners.
• Many IFC clients cannot access financing or technical expertise through traditional sources. IFC offers a unique opportunity for investment and advisory services.
• By working with IFC, companies draw on the expertise and reputation of a partner recognized for its social and environmental safeguards.

Our Financial Products Include:

• Loans from IFC’s account
• Syndicated loans
• Equity investments
• Quasi-equity investments
• Equity & debt funds
• Structured finance
• Intermediary services
• Trade finance
• Local-currency financing
• Subnational finance
• Risk-management products

ADVISORY SERVICES

IFC’s Advisory Services help ensure private sector projects are sustainable. We provide solutions in key sectors such as agribusiness, extractive industries, and forestry.

• Access to Finance: IFC works with financial institutions and regulators to strengthen the financial sector and increase access to financial services, with a focus on microfinance, small and medium-enterprise finance, and sustainable energy finance.
• Public-Private Partnerships: IFC helps structure public-private partnerships to improve access to basic services such as electricity, water and sanitation, transportation (roads, airports, ports), telecom, health, and education.
• Sustainable Business Advisory: We promote sustainable business practices among firms in infrastructure, extractive industries, manufacturing, agribusiness, and service sectors. Our programs encourage good corporate governance, build capacity in small firms, support women entrepreneurs, and increase firms’ commitment to minimizing the effects of climate change.
• Investment Climate: We help governments, civil society, and private firms design and implement reforms to improve the investment climate for business and financial institutions.

IFC’s Advisory Services are provided with the financial support of donor institutions.

ASSET MANAGEMENT

IFC Asset Management Company (AMC), a wholly-owned subsidiary of IFC, mobilizes and manages third-party funds for investment in emerging markets. It manages funds on behalf of a wide variety of institutional investors, including sovereign funds, pension funds, and development finance institutions.

Leveraging IFC’s network of more than 100 offices in 92 different countries, AMC introduces some of the world’s largest investors to emerging markets in general and emerging markets private equity in particular.

AMC helps IFC achieve one of its core development mandates—mobilizing additional capital resources for investment in productive private enterprise in developing countries.

AMC Funds:

• The IFC Capitalization Fund.
• The IFC African, Latin American, and Caribbean Fund.
• The African Capitalization Fund.

As of June 30, 2012, IFC’s Asset Management Company had approximately $4.5 billion in assets under management.

Committed Portfolio by Industry in LAC ($10 Billion as of June 30, 2012)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Committed Portfolio ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Markets</td>
<td>$3.0b</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$0.5b</td>
</tr>
<tr>
<td>Trade Finance</td>
<td>$1.0b</td>
</tr>
<tr>
<td>Health &amp; Education</td>
<td>$0.5b</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$2.4b</td>
</tr>
<tr>
<td>Oil, Gas &amp; Mining</td>
<td>$1.0b</td>
</tr>
<tr>
<td>Agribusiness &amp; Services</td>
<td>$1.6b</td>
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</tbody>
</table>

Total Committed Portfolio in LAC (US$ Billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Committed Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$8.1b</td>
</tr>
<tr>
<td>2009</td>
<td>$8.6b</td>
</tr>
<tr>
<td>2010</td>
<td>$9.3b</td>
</tr>
<tr>
<td>2011</td>
<td>$9.9b</td>
</tr>
<tr>
<td>2012</td>
<td>$10b</td>
</tr>
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Awards and Headlines

IFC awarded “Best Multilateral/Development Bank of the Year” in 2011 by LatinFinance

“Brazil: IFC Promotes Energy-Efficiency Initiatives” - Bloomberg

Haiti: IFC Client Codevi, “An Example for Reconstruction” - Financial Times

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