IFC in Financial Markets

IFC’s Financial Markets Group helps to build mature, private sector-driven financial markets that foster economic prosperity and create jobs. And we offer financing solutions that help combat climate change in East Asia and the Pacific.

We promote access to finance in remote and rural areas, linking farmers and laborers to the opportunities that an interconnected economy offers.

Priority Areas:

- **Small and Medium Enterprises** – Increasing access to financing for smaller entrepreneurs that form the backbone of most of East Asia’s and the Pacific’s economies
- **Microfinance** – Helping small lenders scale up and respond to demand for loans at the base of the pyramid

- **Climate Change** – Alleviating the effects of greenhouse gases by developing financial products that both enhance profitability and encourage investments in climate-friendly technology

Private Sector Financing

With our Triple-A rating, IFC helps financial institutions access longer term financing and diversify funding sources through the international capital markets. Our global experts and country teams work together to identify local needs and opportunities and offer clients a tailor-made combination of investment and advisory services that meets clients’ constantly changing needs.

Financial Products

- Equity
- Quasi-equity/convertibles
- Subordinated debt
- Senior debt
- Partial risk guarantees
- Syndications
- Local currency financing
- Carbon finance
- Short-term finance, including trade finance

VIETINBANK: REFORMING VIETNAM’S BANKING SYSTEM

IFC’s $307 million investment in VietinBank in 2011 has helped increase the bank’s reach into the Vietnamese small and medium enterprises market, supporting local job creation.

IFC’s commitment marked the first strategic investment by a foreign institution in a Vietnamese state-owned bank. IFC’s $125 million in subordinated debt and the $182 million in equity from IFC and IFC’s Capitalization Fund provided Vietnam’s third-largest bank with long-term capital and enabled it to leverage its nationwide network to offer greater support to small and medium enterprises.

We are also helping VietinBank align its risk management and governance policies with global standards and best practices and to move into new areas of lending, such as energy efficiency.

“IFC and the IFC Capitalization Fund’s financial and advisory support are helping our bank implement its expansion and modernization strategy,” says Pham Huy Hung, VietinBank’s Chairman.
Access to Finance Advice

IFC helps strengthen local banks and other financial institutions throughout East Asia and the Pacific, focusing on improving their services to small and medium enterprises, rural households, and farms.

- We work with governments in improving regulations to promote greater access to finance.
- By expanding credit information services, we reduce risks and costs for banks, enabling them to expand services to poorer segments of society.
- By helping to set up movable collateral registries, we build systems that help the poor use their possessions as guarantees for bank loans that they otherwise would not be able to obtain.
- We support microfinance institutions, increasing competition for the financial business of the poor.
- We promote responsible finance practices, making new services transparent and appropriate, and helping mitigate the risks of over-indebtedness.

Why Partner With Us

Global Expertise and Local Presence: Combining worldwide industry expertise with regional presence and know-how.

Long-Term Partner: Staying with clients for the long term in challenging markets.

Tailor-Made Financial Products: Providing financial support beyond what is available in the commercial banking market and structuring products to match clients’ individual needs.

Sustainability Advice Beyond Money: Helping clients move into new markets such as energy-efficiency financing. Helping to get corporate governance and risk management right. Advising on how best to respond to environmental and social investment risks.

Stamp of Approval, Catalytic Role, Strong Brand: With more than 50 years of investment experience in financial markets around the world, IFC helps mobilize strategic investors and international capital.

Access to Finance Advice

PIONEERING ROLE IN CHINA

IFC was at the vanguard of foreign investors’ first forays into the Chinese banking market, starting with technical advice in the 1990s and later expanding to investments. We took equity stakes at a time when most other commercial banks were still reluctant to put money into the Chinese banking sector.

Chinese banks, in particular city commercial banks, rural banks, and microfinance institutions, have been seen by many as challenging, at times saddled with non-performing loans, poor capital adequacy ratios, and insufficient management systems.

IFC is among the first foreign investors supporting China’s city commercial banks and rural finance institutions. We partner with them and with industry associations to improve corporate governance, risk management, and commitment to expanding financing for small and medium enterprises, farmers, manufacturers, and shop owners.

Our work with Chinese banks also includes offering market-based climate-change financing solutions. Under the innovative China Utility-based Energy Efficiency Finance program (CHUEE), IFC shoulders some of the financial risk by guaranteeing commercial bank loans for energy efficiency projects and assisting in assessing and implementing energy efficiency projects.

We are now expanding the successful model of China-IFC cooperation across East Asia, entering into similar partnerships with Vietnam, the Philippines, and Bangladesh and facilitating South-to-South cooperation to build on China’s expertise and experience.

Contact

If you have a project at any stage of planning or development, please contact us to see how we may be able to support and add value to your project.

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