

Credit Mobilization

A PIONEERING INSURANCE SOLUTION FOR LONG-TERM FUNDING IN EMERGING MARKETS

Credit Mobilization provides a model for enabling a new class of institutional investors to expand exposure to emerging market risk. Development institutions, governments, and the investment community are exploring ways to increase private capital flows to support critical development projects. Credit Mobilization—IFC’s innovative credit insurance solution—expands the pool of long-term funding available for emerging-market firms by applying the risk-bearing capacity and know-how of insurance companies. It allows these companies to take what are, in many cases, their first insurance exposures to these markets and counterparties.

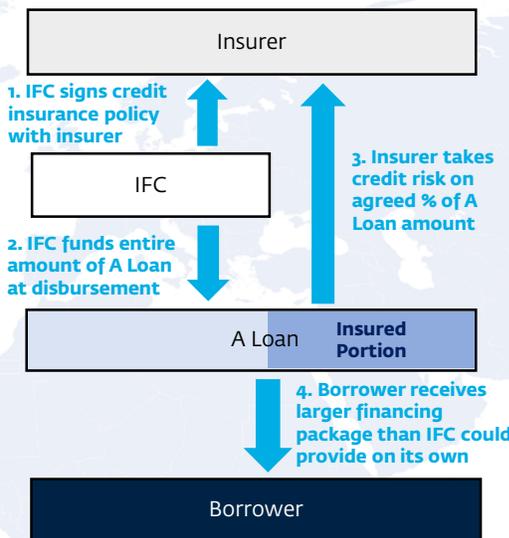
WHAT IS CREDIT MOBILIZATION?

Credit Mobilization is a risk-sharing arrangement structured on an unfunded basis where IFC provides the loan capital from its own balance sheet but transfers the risk to a third party. It gives IFC an additional source of mobilization from entities that have significant unfunded credit risk appetite for emerging markets, but that do not have the ability to fund these investments

HOW DOES CREDIT MOBILIZATION WORK?

Partnerships with insurance companies to mobilize capacity to support long-term debt projects deliver benefits for IFC, its clients and its mobilization partners:

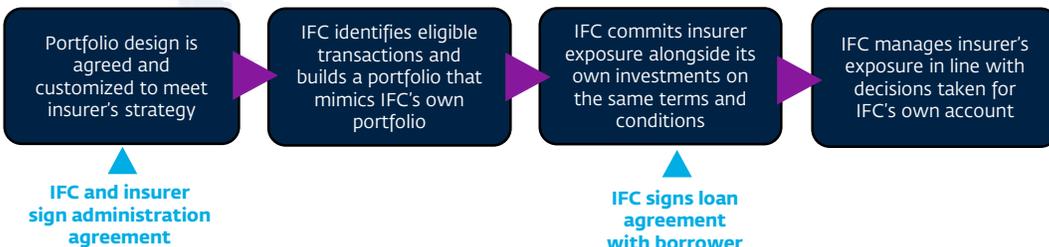
- Supplementing risk appetite and thus allowing IFC to provide larger amounts to clients under a single loan agreement
- Lowering transaction costs for both IFC and its clients
- Providing clients a source of longer tenor mobilization/local currency mobilization than is generally provided by commercial banks
- Providing mobilization partners access to EM risk through IFC’s origination capacity



STANDALONE VS. PORTFOLIO APPROACH

Syndications has employed Credit Mobilization on a portfolio basis using the MCPP (Managed Co-Lending Portfolio Program), as well as via a standalone insurance policy that leverages insurers’ risk appetite on a single-deal basis.

- **Standalone approach.** Insurers are invited to participate in individual projects on an as-needed basis, similar to the syndication process for B Loans. IFC and insurers sign a standalone insurance policy during the investment process.
- **Portfolio approach.** MCPP builds a portfolio that mimics IFC’s own future portfolio or subset thereof—similar to an index fund. Insurers and IFC sign upfront administration agreements determining the makeup of the portfolio. As IFC identifies and disburses funds for eligible deals, insurer exposure is allocated alongside IFC’s own per the terms of the agreement.



BY THE NUMBERS

\$1.9bn

Total exposure mobilized

4

Credit mobilization partners

\$700mn

Total exposure approved

20

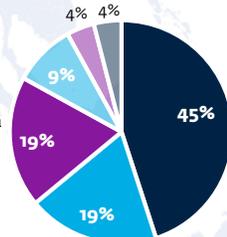
Projects approved

18

Countries with approved projects

Approved funds by region

- LatAm & Caribbean
- Sub-Saharan Africa
- East Asia & Pacific
- Europe & Central Asia
- Middle East & N. Africa
- South Asia



Approved partners

