

IFC and Portugal

Partners in Private Sector Development



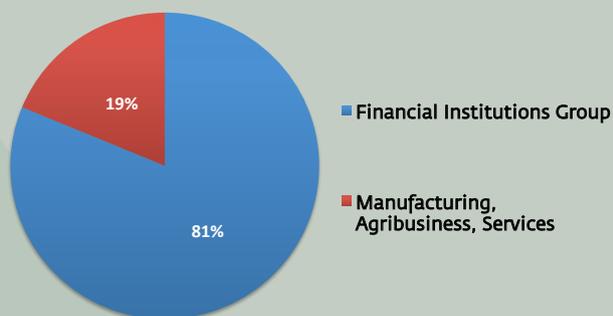
OVERVIEW

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with over 2,000 businesses worldwide, IFC's long-term investments in developing countries exceeded \$23 billion in fiscal year (FY) 2018. IFC is an active partner of established Portuguese multinationals and mid-sized firms interested in investing in emerging markets. Of IFC's long-term investment portfolio of \$162 million with Portuguese partners, 81% is in the financial sector, and 19% in manufacturing, agribusiness and services. In terms of geographical distribution, all investments are in Sub-Saharan Africa.

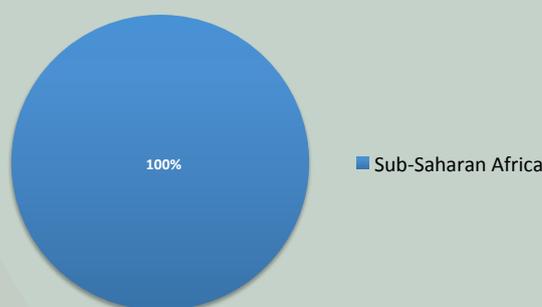
IFC's Long-Term Investment Portfolio with Portuguese Sponsors

As of FY18 (ending June 2018), IFC's long-term investment portfolio with Portuguese sponsors amounted to \$162 million. Portuguese private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

IFC Long-Term Investment Portfolio as of June 2018 by Industry with Portuguese Sponsors (\$162 million)



IFC Long-Term Investment Portfolio as of June 2018 by Region with Portuguese Sponsors (\$162 million)



IFC Committed Exposure by Sector as of June 2018 (Dollar Amounts in Millions)

| | |
|-------------------------|------------|
| Banking | 132 |
| Agribusiness & Forestry | 30 |
| Total | 162 |

- **Mobilization:** IFC has a relationship with Portuguese financial institutions (FIs) and an active engagement across multiple sectors. As of June 2018, Portuguese FIs held over \$20 million in IFC Syndicated Loans.
- **Global Trade Finance Program (GTFP):** As of June 2018, IFC issued over 1,200 guarantees amounting to close to \$360 million for Portuguese banks since the GTFP began in 2005. The most active confirming banks have been Banco Português de Investimento, Caixa Geral de Depósitos, and Novo Banco.

PARTNERSHIP WITH THE GOVERNMENT

IFC and the Portuguese Ministry of Finance signed a Memorandum of Understanding in 2015 to reinforce cooperation and promote the financing of investment projects by Portuguese companies in emerging markets. In 2009, IFC and Portugal set up a €500,000 trust fund to support IFC Advisory Services in Lusophone countries, aiming to improve the investment climate, facilitate investment, develop SMEs, and support access to finance and infrastructure. As of June 2018, Portugal provided cumulative funding of close to \$6 million in support of IFC Advisory Services.



Examples of Successful Cooperation

Caixa Geral de Depósitos, South Africa



In December 2017, IFC committed an A loan of up to \$60 million in local currency equivalent to finance Mercantile Bank Limited (MBL)'s lending operations to Small and Medium Enterprises (SMEs) in South Africa, with a focus on women-owned and black-owned SMEs. MBL is an SME-focused bank in South Africa and a wholly-owned subsidiary of Caixa Geral de Depósitos, which is a state-owned bank based in Portugal with international operations in Africa, Latin America, Europe and Asia. IFC's investment will provide much-needed funding to the South African SME sector, and is expected to help SMEs grow and contribute to economic activity in the country. In addition, this project will provide a demonstration effect, as MBL will be the first bank in South Africa to specifically allocating a portion of funding to women-owned and black-owned SMEs.

Caixa Geral de Depósitos, São Tomé e Príncipe



In July 2015, IFC committed a Risk Sharing Facility (RSF) with Banco Internacional de São Tomé e Príncipe (BISTP), a 27% owned subsidiary of Caixa Geral de Depósitos in São Tomé and Príncipe, on a portfolio of loans to local SMEs for up to STD 66 billion (equivalent to \$3 million). Under the RSF, IFC will share 50% of portfolio losses for a total IFC exposure of STD 33 billion (approximately equivalent to \$1.5 million). The project, which is supported by donor funds from the government of Japan, will increase access to finance for SMEs that are key to job creation and assist in deepening the financial sector in São Tomé and Príncipe by introducing a new funding structure that will enable BISTP to lend to the SME segment. The project will have a significant demonstration effect in the market.

Portucel Moçambique



In December 2014, IFC committed an equity investment of up to \$32 million in Portucel Moçambique, a fully owned subsidiary of the leading European pulp and paper producer Portucel Soporcel Group, to establish its operational base in the country and develop up to 40,000 hectares of sustainably managed eucalyptus plantations. In addition, IFC's investment will help establish commercial scale eucalyptus plantations and build a 1.5 million ton pulp as well as a biomass power generation plant by 2023. The project will develop several types of infrastructure, generate up to 6,500 jobs, and improve the livelihood of 23,000 farmer households. In addition, the project will promote the development of roughly 100 micro, small and medium entrepreneurs as suppliers of goods and services to Portucel Moçambique. As the first project in Mozambique integrating eucalyptus plantation, agriculture, pulp and energy, it has contributed to increasing the country's competitiveness through economic diversification.

CONTACT

Andrea Engel
Principal Country Officer
For Portugal
Tel: +32 2 522 00 39
E-mail: AEngel@ifc.org

BRUSSELS

17 avenue Marnix
2nd Floor
1000 Brussels, Belgium
Tel: +32 2 522 00 39

PARIS

66 avenue d'Iéna
75116 Paris, France
Tel: +33 1 40 69 30 60

FRANKFURT

Bockenheimer
Landstrasse 43
60325 Frankfurt am Main
Germany
Tel: +49 69 743 48230

LONDON

12th Floor Millbank Tower
21-24 Millbank
SW1P4QP London, UK
Tel: +44 207 592 8400