



Domestic Capital Markets: Foundations for Long- Term Growth

Developing domestic capital markets is a priority for IFC. Deep, efficient local capital markets create access to long-term local currency finance, mobilize funds for key sectors such as infrastructure, reduce dependency on foreign debt, and protect economies from sudden swings in international capital flows.

Local capital markets are essential for a thriving private sector—the key engine of growth and jobs.

IFC: Supporting China's Capital Markets

- First non-resident issuer of Panda Bonds (2005)
- First to invest proceeds from Dim Sum bonds in the private sector in mainland China (2011)
- First multilateral institution to sign the NAFMII Master Agreement with domestic Chinese banks (2012)
- First international issuer to set up a short-term Discount Note Program in Hong Kong (2013)

Expanding Access to Finance for Chinese Businesses

Jiangsu Financial Leasing Company provides financing to small and medium enterprises in China, so they can obtain equipment they need to run their businesses.

IFC has made equity investments of \$38.9 million in Jiangsu Financial Leasing Company. As a shareholder we are helping the company apply international best practices in governance and management.

To help the company expand its services to more remote provinces, in 2012 IFC also provided a local currency loan of 315 million Chinese yuan through swaps set up under NAFMII Master Swap Agreements with Chinese banks.

IFC's support to Jiangsu Financial Leasing Company is helping to increase access to finance for thousands of small and medium businesses across China.

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector.

We help developing countries achieve sustainable growth by financing private sector investment, mobilizing capital in international financial markets, and providing advisory services to businesses and governments.

In FY12, our investments reached an all-time high of more than \$20 billion, leveraging the power of the private sector to create jobs, spark innovation, and tackle the world's most pressing development challenges.

A PIONEER IN LOCAL CAPITAL MARKETS

- Paving the Way for Corporate Issuers: IFC is among the first international, high credit issuers in many markets. We have issued bonds in 12 local currencies including the Brazilian real, Chinese renminbi, Dominican peso, Malaysian ringgit, and Nigerian naira.
- Offering Local Currency Solutions Globally: IFC has provided over \$10 billion in local currency financing across 58 currencies—more than any other international finance institution.



LOCAL CURRENCY BONDS

IFC issues local currency bonds to support local capital markets and fund local-currency loans for businesses in emerging markets. In issuing bonds, IFC works with regulators and investors to improve the regulatory framework, encourage greater participation in the local markets, and provide a model for other international issuers.

IFC Local Currency Bonds:

- Rated triple-A
- Denominated in local currency and listed on the local exchange
- Subject to local laws and jurisdictions
- Sold to local and international investors

LOCAL CURRENCY FINANCE

IFC provides local currency finance through loans, swaps, or credit enhancement structures that enable businesses to borrow from local banks and capital markets. Often, IFC local currency solutions are benchmark transactions that help other market participants secure long-term, local-currency funding.

Examples include:

- Local-currency loans to expand access to finance for microenterprises in Cameroon and Ghana
- First mortgage-backed securities issuances in eight emerging markets
- First securitization of non-performing loans in Latin America
- First partial credit guarantees for bond issuance in six emerging markets
- First future-flow securitization of tuition payments in Chile

CONTACTS

Beijing: **Hyun-Chan Cho** · Country Manager for China, Mongolia and Korea · +86 10 5860 3000 · hcho@ifc.org
Wenqin Zhu · Senior Country Officer · +86 10 5860 3130 · wzhu@ifc.org

Hong Kong: **Philippe Ahoua** · Principal Financial Officer · +852 2509 8166 · pahoua@ifc.org
Julean H'ng · Associate Financial Officer · +852 2509 8178 · jhng@ifc.org

Washington, DC: **Kevin Kime** · Principal Financial Officer · +1 202 473 6104 · kkime@ifc.org

Supporting Energy Efficiency in China

IFC's China Utility-Based Energy Efficiency Finance (CHUEE) Program is an innovative market-based solution to China's energy and environmental challenges. It enables Chinese banks to provide funding for investments that reduce greenhouse gas emissions and promote cleaner production.

Through CHUEE, IFC guarantees loans that banks make to climate-friendly energy projects. IFC also helps banks assess risks and opportunities of the renewable energy and energy efficiency market.

Since 2004, banks participating in CHUEE have provided loans totaling close to \$783 million. These loans have financed more than 178 projects that are estimated to reduce around 19.3 million tons of carbon dioxide emissions every year.

