

IFC Presentation
September 2015

**WE CAN END
EXTREME
POVERTY
IN A GENERATION
AND BOOST
SHARED
PROSPERITY**

THE POWER
OF PARTNERSHIPS

About IFC

With a global presence in
more than

100 countries

a network of more than

**900 financial
institutions**

and nearly

**2,000 private
sector clients**

IFC is uniquely positioned
to create opportunity
where it's needed most.



IFC: What We Do



Our Vision

- That people should have the opportunity to escape poverty and improve their lives

Our Values

- Excellence, Commitment, Integrity, Teamwork, and Diversity

Our Purpose

- To create opportunity for people to escape poverty and improve their lives by catalyzing the means for inclusive and sustainable growth through
- Mobilizing other sources of finance for private enterprise development
- Promoting open and competitive markets in developing countries
- Supporting companies and other private sector partners where there is a gap
- Helping generate productive jobs and deliver essential services to the poor and vulnerable.

IFC: Part of the World Bank Group

IBRD

International
Bank for
Reconstruction
and
Development

Loans to
middle-income
and credit-
worthy low-
income country
governments



IDA

International
Development
Association

Interest-free
loans and
grants to
governments
of poorest
countries



IFC

International
Finance
Corporation

**Solutions
in
private
sector
development**



MIGA

Multilateral
Investment and
Guarantee
Agency

Guarantees of
private sector
investment's
non-
commercial
risks



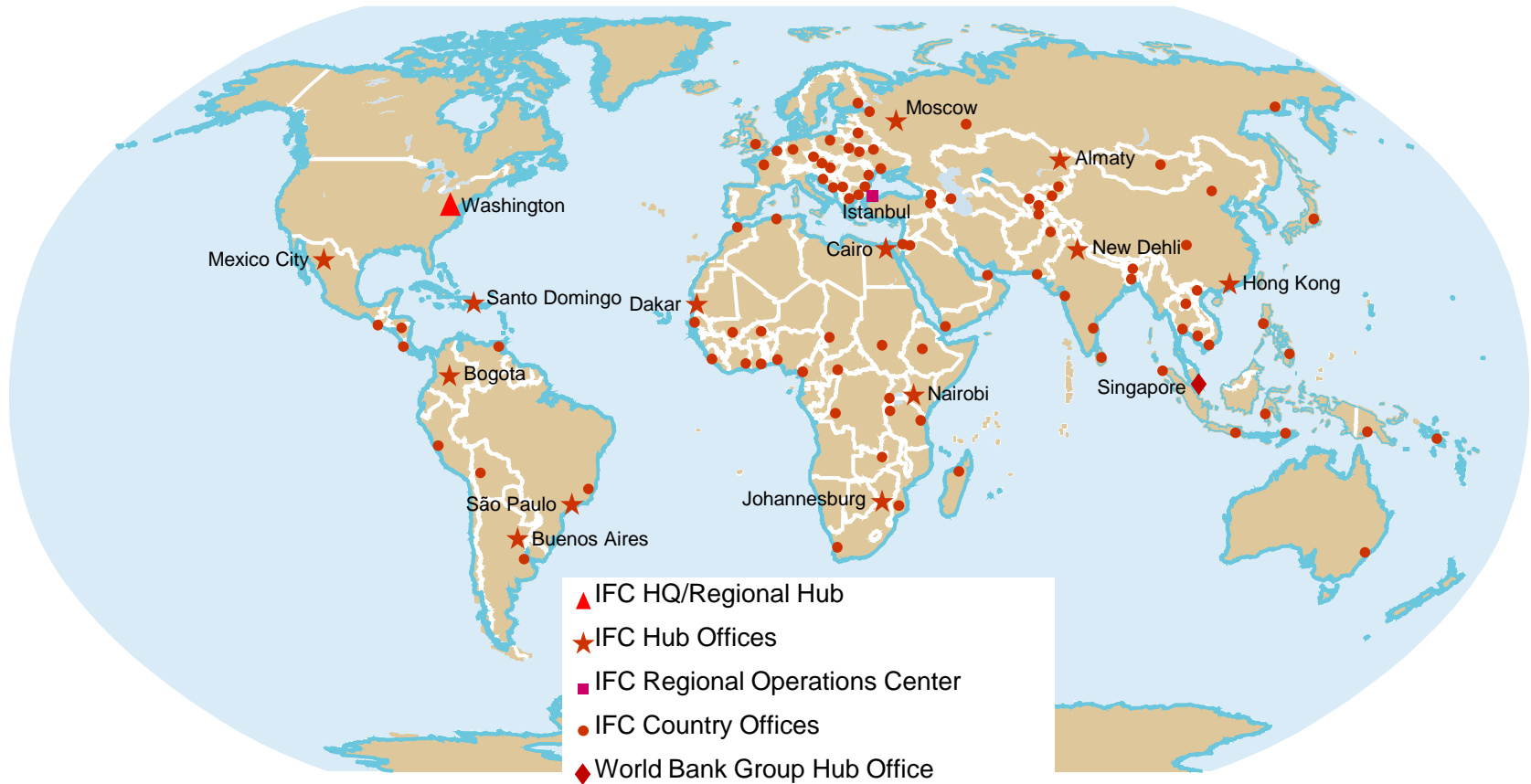
ICSID

International
Center for
Settlement of
Investment
Disputes

Conciliation
and arbitration
of investment
disputes



IFC's Global Reach



- Global Knowledge and Local access: more than **109 offices** worldwide in **84 countries**, with over half of IFC's **4,015 staff** based in emerging markets

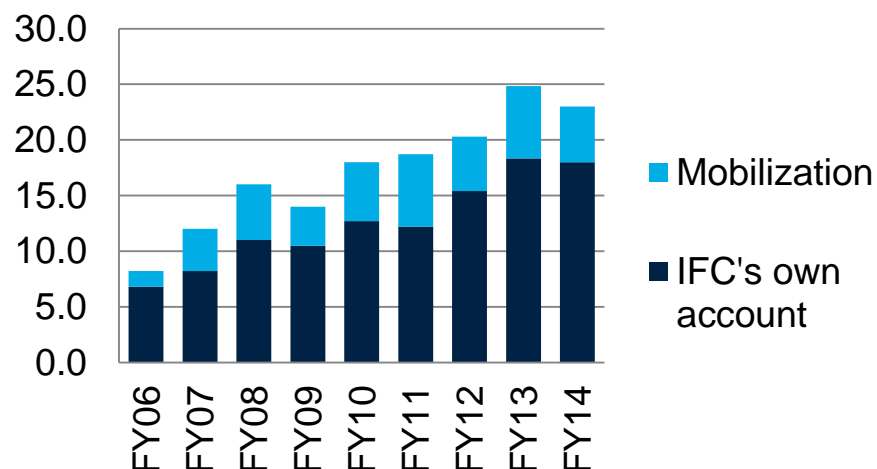
- Owned by **184 member countries**. Collaborate with the rest of the World Bank Group
- Staff with specializations in financial services, industry, environment, corporate governance, advisory services and more

Over US\$100 billion Invested in Emerging Markets since 1956

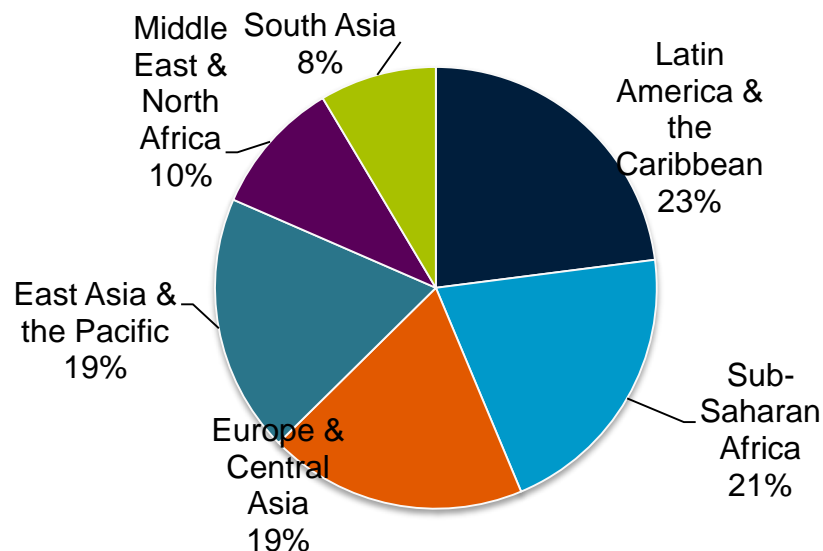
Shareholders	184 member countries
S&P & Moody's Rating	AAA/Aaa
Total Assets	US\$84.1 billion
Portfolio	US\$51.7 billion
Committed in FY14	US\$22 billion
- Own Account	- US\$17.3 billion
- Mobilized	- US\$ 4.7 billion
# of Active Projects	2,011
# of Countries	98

- Take market risk with no sovereign guarantees
- Promoter of environmental, social, and corporate governance standards
- Focus on development impact
- What we look for from clients:
 - Commitment to project (equity)
 - Successful track record & long-term strategy
 - Integrity

FY14 Investment Commitments: \$22 Billion



FY14 Commitments by Region



How IFC Differs from Other Partners

Global Industry Expertise

- Global investment team dedicated to **the consumer services sectors in emerging markets**
- **Industry specialists on staff:**
 - In house specialists with sector track record in emerging markets
 - Ability to share relevant insights and knowledge pre and post investment
 - Post investment available as a strategic and operational sounding board
 - Actively part of investment team and all deal stages
- **Green Building and energy efficient expertise** and advisory services

Capital Mobilization

- IFC can **mobilize funding**: debt from commercial banks and other DFIs (syndications), equity from investors (AMC), etc.

Country Risk Mitigation

- **Reduced Political risk** through government relations, preferred creditor status, neutral broker role
- Withholding tax benefit

Long-term Competitive Financing

- **One-stop-shop for financing**: equity, debt, structured finance, etc., based on client needs
- **Longer investment horizon and less cyclical than most financial investors**: up to 10-12 years, both equity and debt

Regional Knowledge

- Global and **local presence in more than 80 countries** with increased **focus on local presence** and expertise
- Investment professionals in regional hubs and large country offices

Environmental & Social Risk Management

- Advice on **Environmental and Social Best Practices**
- **Equator Principles** modeled after IFC Standards (60 international banks)
- Local Consultation and Disclosure
- Corporate Governance and Sustainability Toolkit

IFC in VIETNAM

IFC opened offices in Hanoi and Hochiminh in 1997; however, the first investment of IFC in Vietnam was dated back to 1994.

- IFC has invested about US\$4,500 million in 123 projects in Vietnam (excluding mobilization) since then
- The outstanding portfolio as end FY14 is US\$721 million



IFC's Selected Investments in Vietnam



Commercial banks

Equity/Sub-debt: US\$300 million

Support the equitization of a state-owned commercial bank in Vietnam



Construction materials

Loan: US\$30 million (1997) & US\$35 million (2008)

Support NM Cement Company Ltd. to build a greenfield cement factory in Vietnam in 1997 and expansion in 2008.



Agri-business

Equity: US\$9 million

Support Sumitomo Forestry Co., Ltd. To build a greenfield particleboard plant in Vietnam.



Consumer goods

Convertible Loan: US\$40 million

Expand and upgrade Masan Food's operations, and enter into other agribusiness ventures



Affordable housing

Equity: US\$7.5 million

Support building apartments for mid-income earners to alleviate the shortage of affordable housing in HCMC.



Tourism

**Equity: US\$14 million
Loan: US\$12 million**

Expansion of hospitality business including tour operating and hotel chains to promote sustainable tourism

IFC's Selected Investments in Vietnam

Global Trade Finance Program (GTFP)

Financial Market

Trade finance facilities: US\$600 million

Provide Trade finance facilities to various commercial banks in Vietnam



Agri-business

Equity: US\$6.5 million

Support the Company's expansion plan in the agricultural and food sectors



PIAGGIO®

Transport machinery

Loan: US\$55 million

Support Piaggio & C. S.p.A. to building two new plants in Vietnam and India



Fund Management

Equity: US\$22million

Support a Vietnam-focused private equity fund to make investments in private companies as well as SOEs under privatization



Container Port

Loan: US\$38 million

Development and operation of a greenfield container terminal in the North of Vietnam



Container Port

Loan: US\$70 million

Development and operation of a greenfield container terminal in the South of Vietnam

Long-Term Financial Products: A one-stop-shop from Equity to Debt

Equity

- Corporate and JV
- Typically 5-15% shareholding (not to exceed 20% of total equity)
- Long-term investor, typically 6-8 year holding period
- Not just financial investor, adding to shareholder value
- Private Equity and Venture Capital

Mezzanine / Quasi Equity

- Subordinated loans
- Income participating loans
- Convertibles
- Other hybrid instruments

Senior Debt & Equivalents

- Senior Debt (corporate finance, project finance)
- Fixed/floating rates, US\$, Euro and local currencies available
- Commercial rates, repayment tailored to project/company needs
- Long maturities: 8-20 years, appropriate grace periods
- Range of security packages suited to project/country
- Mobilization of funds from other lenders and investors, through co-financings, syndications, underwritings and guarantees

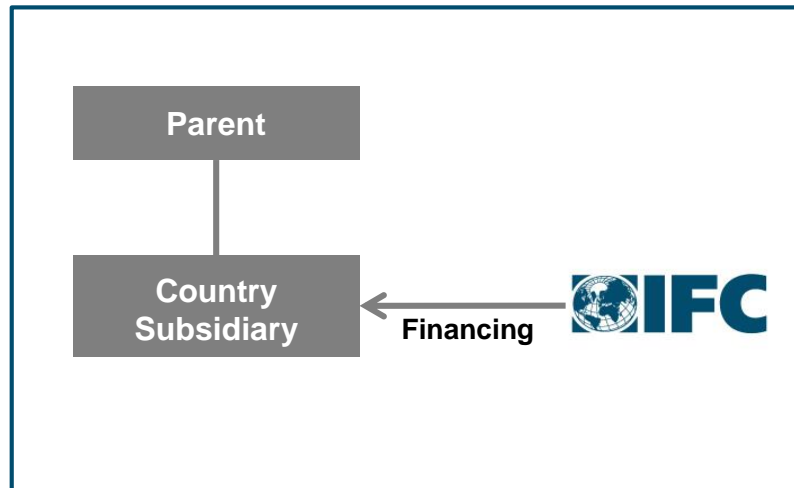
Project / Subsidiary Finance

Client Needs

- Long term project/subsidiary financing not available in local financial market
- Local currency financing to provide natural FX hedge
- Comfort to penetrate new markets



IFC Solution: Long term financing at project/subsidiary level



Main Features

- Financing up to 25% (greenfield) or 50% (brownfield) of total investment capex
- Possibility to include working capital financing
- Sponsor support at least until project completion
- Possibility of equity investment if there is strong growth strategy and clear exit

IFC Benefits to Clients

- ✓ **Long Term funding - Maturity and grace period tailor to project needs**
- ✓ **Financing in US\$, €, and 30+ local currencies**
- ✓ **Diversified source of funding available across economic cycles**
- ✓ **Possibility to mobilize additional financing (syndicated debt, equity funds, etc.)**
- ✓ **No withholding tax**
- ✓ **World Bank Group reputation**

Corporate / Holding Finance

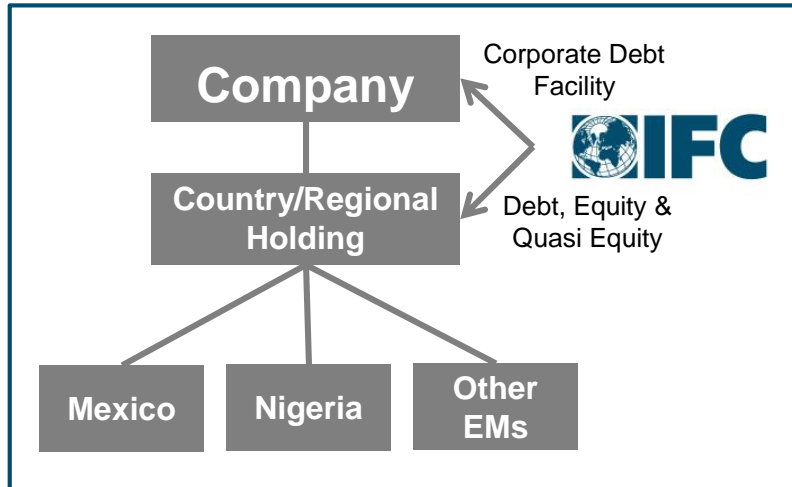
Client Needs

- Reputable partner to enter and expand in new markets
- Sharing risk of emerging market expansion
- Additional capital



IFC Solution:

Debt, Equity and/or quasi-equity financing in holding for country or regional operations



Main Features

- Equity: IFC can invest up to 20% equity (up to 49% with IFC subsidiary fund), with exit identified (IFC to be minority investor)
- Quasi-equity: high return mezzanine/high yield debt
- Corporate debt facility dedicated to emerging markets
- Client needs to keep at least 30% of equity

IFC Benefits to Clients

- ✓ **World Bank Group reputation**
- ✓ **IFC has appetite for emerging market risk sharing**
- ✓ **IFC stamp of approval**
- ✓ **IFC provides own capital and mobilize from other investors through the AMC**

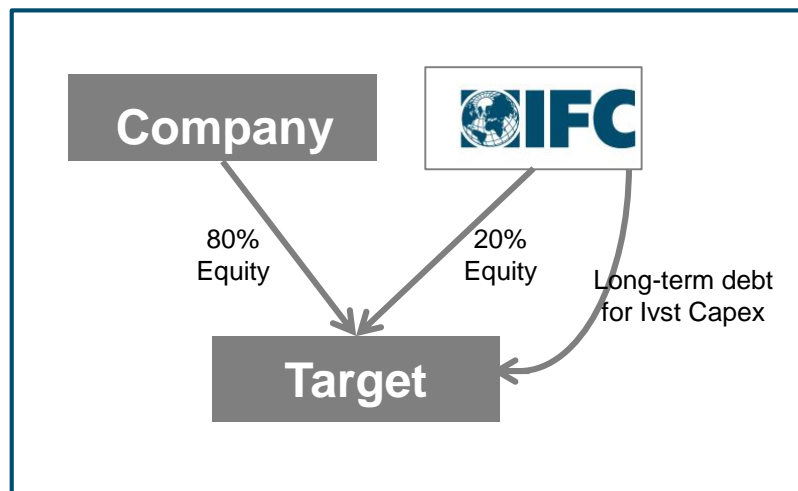
Acquisition Finance

Client Needs

- Long term capital to support strategic acquisitions that drive outside growth and operational synergies
- Reliable financing partner to support expansion in emerging markets
- Opportunity to source additional capital through direct co-investments into the acquisition target by the financing partner

IFC Solution:

Equity and debt capital commitments to finance strategic acquisitions in emerging markets



Main Features

- Debt or equity financing for strategic acquisitions in emerging markets
- Direct equity investments in acquisition targets with strong growth potential
- Mobilization of additional capital through AMC (IFC's Asset Management arm) for compelling investment opportunities

IFC Benefits to Clients

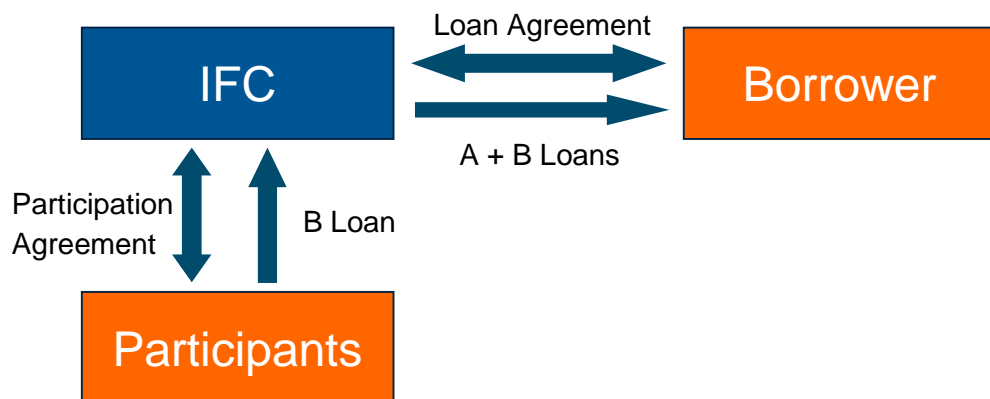
- ✓ **World Bank Group reputation**
- ✓ **IFC has appetite for emerging market risk sharing**
- ✓ **IFC stamp of approval**
- ✓ **IFC provides own capital and mobilize from other investors through the AMC**
- ✓ **Broad suite of equity and debt products**

IFC's Project Cycle – a 3-Step Process



Mobilizing Financing – Syndication “B-Loan” Structure

Syndication “B-loan” Structure



- A loan is for IFC’s own account
- B loan is for the account of participant commercial banks
- Only one loan agreement signed by the borrower and IFC
- IFC is the lender of record for the entire loan (A+B)
- Structure allows participants to benefit from IFC privileges and immunities
- Better pricing/tenors than otherwise available; preferred creditor access to foreign exchange
- IFC Loans exempt from withholding taxes

Committed Portfolio

USD K, as of June 30, 2014

1	UniCredit	574,927
2	DnB NOR	478,666
3	Mitsubishi UFJ Financial Group	427,911
4	FMO	405,248
5	ING	391,314
6	Société Générale	384,737
7	Credit Agricole	342,730
8	KFW Ipex-Bank	332,069
9	Nordea	273,791
10	Portigon	243,293
11	BNP Paribas	218,616
12	Erste Bank Group	217,313
13	Santander	215,615
14	HSBC	215,379
15	Standard Chartered Bank	212,000
16	Sumitomo Mitsui Financial Group	204,085
17	Arab Bank	188,022
18	SEB	183,031
19	RZB	157,515
20	National Bank of Abu Dhabi	148,150

IFC Corporate Finance Services (CFS)

In addition to financing, IFC's private sector (esp. Mid Market) clients routinely request Corporate Finance Advisory Services to support their growth in Emerging Markets.

Leveraging **IFC's comparative advantages (see right)**, we offer a unique level of tailored strategic and transactional advisory support to private sector clients operating in Emerging and Frontier Markets.



Worldwide WBG
Field Presence



Global Network
of Clients



Deep Market &
Industry Insight



Perceived Stamp of
Approval

CFS offerings can be grouped into 3 categories

Buy Side Advisory

1. Bespoke Research

2. Matchmaking

3. Merger & Acquisition (M&A) Advisory

Assist clients assess markets and industry for entry/expansion; identify and shortlist targets for acquisition or partnership; support negotiations up to deal close

Sell Side Advisory

Assist clients market to, attract and screen investors/strategic partners; facilitate buyer due diligence efforts; support negotiations up to deal close

Corporate Advisory

4. Financing Advisory

5. Corporate Restructuring

6. Pre IPO Support

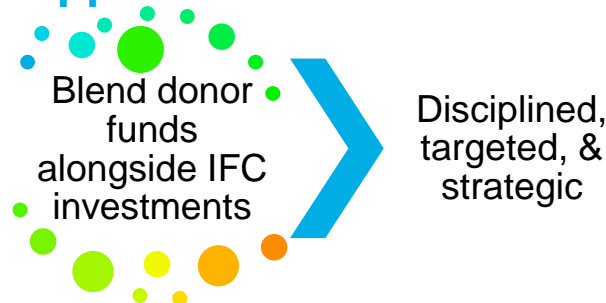
Assist clients structure bankable projects and raise capital through debt and mezzanine financing; support balance sheet restructuring; assist in preparing for IPO

Blended Finance: “Blending Donor Funds for Impact”

What is Blended Finance?

- Blended Finance = Concessional Finance + IFC Investment
- Concessional Finance = Financing at softer terms through price, tenor, rank, security or a combination to de-risk a project
- Aimed to **catalyze investments, address market barriers,** and **achieve demonstration effect.**
- Only climate related projects are qualified for concessional finance.

Approach



Examples:
Lower interest
Longer tenor
Contractually subordinated loan alongside IFC

FY13 Results

- ✓ To support total project size of **\$2.5B**
- ✓ Blended with **\$605M** IFC financing
- ✓ **\$127M** concessional funds

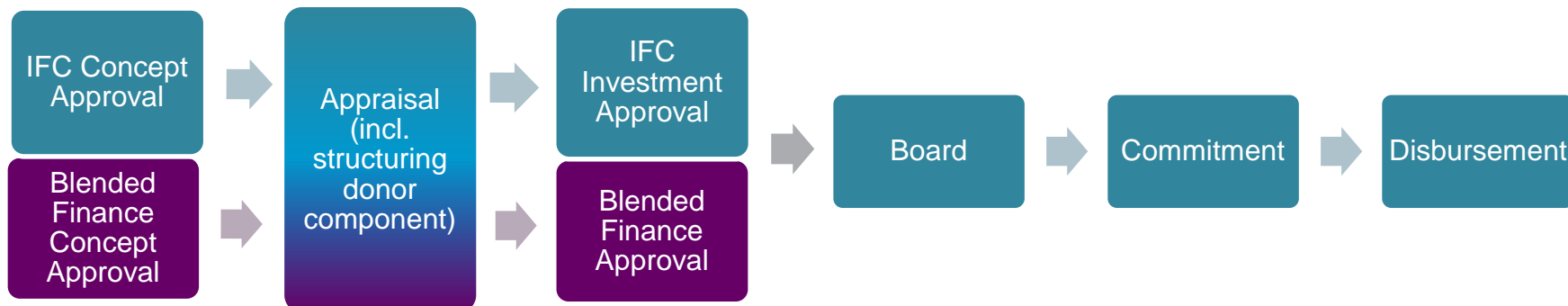
Sample of Projects



Housing Finance



Project Processing



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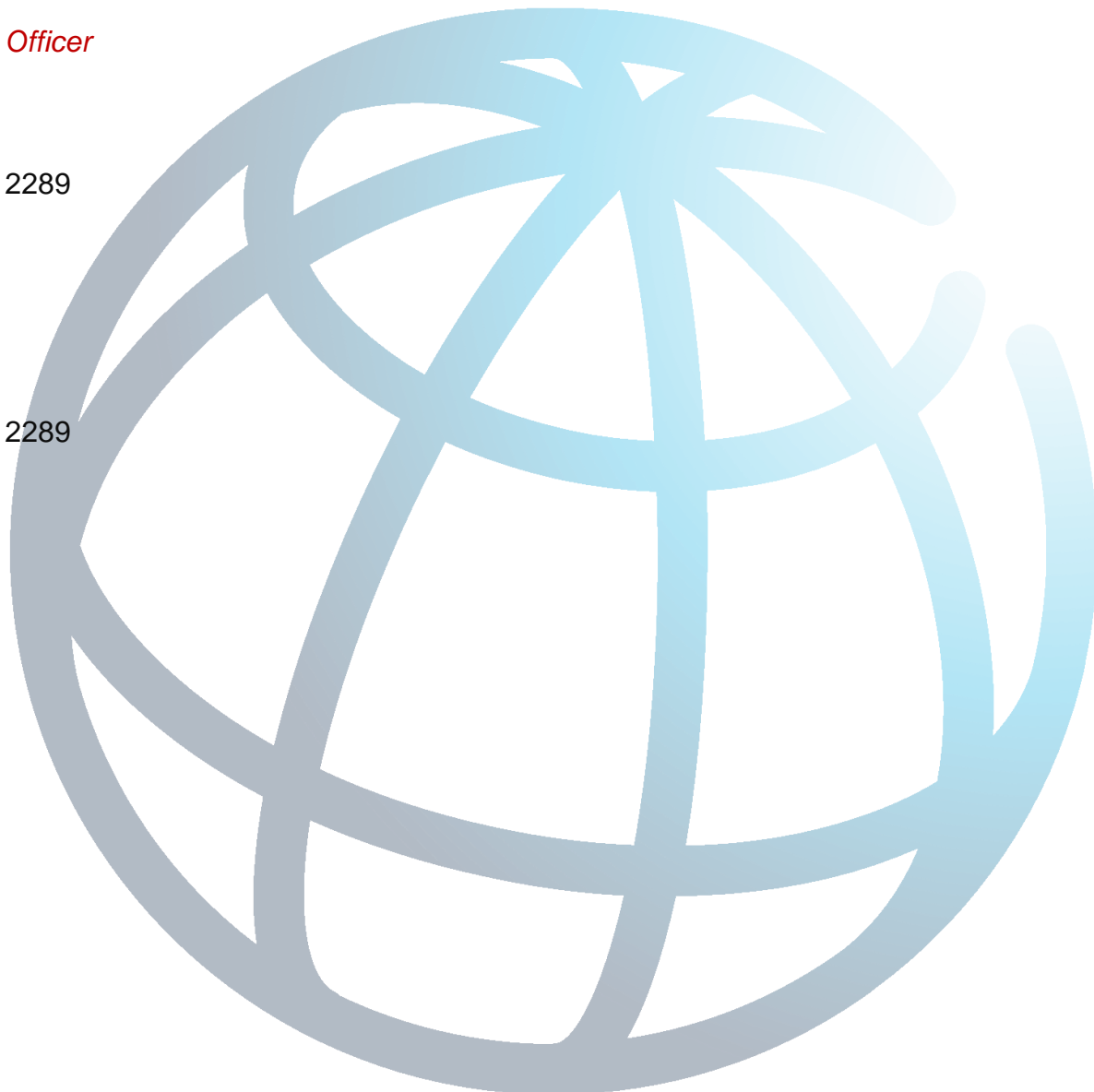
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Disclaimer: This summary has been prepared to facilitate the discussion of certain basic terms and conditions of IFC's proposal. All figures, terms, and conditions are subject to change. Only the legal documents as finally executed will contain binding terms and conditions. The summary of indicative terms does not constitute a contract or an offer or a commitment by IFC. IFC's decision to invest in the project is contingent on approval by IFC's management and Board of Directors and execution of final documentation in form and substance satisfactory to IFC.