



Pakistan & Afghanistan Summit

May 24, 2011

10 Things to know about IFC for investors in Pakistan and Afghanistan



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**IFC is a Member of the World
Bank Group whose role is to
foster private sector
development**

The World Bank Group

IBRD
International Bank
for Reconstruction
and Development

Est. 1945

Role: To promote institutional, legal and regulatory reform

Clients: Governments of member countries with per capita income between \$1,025 and \$6,055.

Products:

- Technical assistance
- Loans
- Policy Advice

IDA
International
Development
Association

Est. 1960

To promote institutional, legal and regulatory reform

Governments of poorest countries with per capita income of less than \$1,025

- Technical assistance
- Interest Free Loans
- Policy Advice

IFC
International
Finance Corporation

Est. 1956

To promote private sector development

Private companies in 182 member countries

- Equity/Quasi-Equity
- Long-term Loans
- Risk Management
- Advisory Services

MIGA
Multilateral
Investment and
Guarantee Agency

Est. 1988

To reduce political investment risk

Foreign investors in member countries

- Political Risk Insurance

← Shared Mission: To Promote Economic Development and Reduce Poverty →





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**IFC provides long term
financing to private companies
and advisory services to
government**

Financial Products - From Equity to Debt



- Typically 5-15% shareholding
- Long-term investor, typically 6-8 year holding period
- Not just financial investor, adding to shareholder value

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

- Senior Debt (corporate finance, project finance)
- Fixed/floating rates, US\$ or Euro
- Commercial rates, repayment tailored to project needs
- Long maturities: 8-20 years, appropriate grace periods
- Mobilization of funds from other lenders and investors



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IFC's key investment criteria

IFC: Main Investment Criteria

- Project with sound technical and economical **fundamentals**
- Commercially viable **business model**
- Credible and experienced **Shareholders / Management**

- **Environmental & social** sustainability
- Good **Corporate Governance**
- Overall **Development Impacts** – Benefits to stakeholders and neighbors




- Fair **risks allocation** between all stakeholders
- Return **on investment commensurate with risk level**



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**IFC aims to play a catalytic role
in attracting other investors**

➤ **IFC's maximum investment for its account**

Project Type	IFC Investment
Greenfield, total cost less than \$50 million	 Up to 35% of project cost for IFC's account
Greenfield, total cost more than \$50 million	 Up to 25% of project cost for IFC's account
Expansion or rehabilitation	 Up to 50% of project cost



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**In addition to financing, IFC
brings 55 years of experience
in emerging markets**

IFC Experience

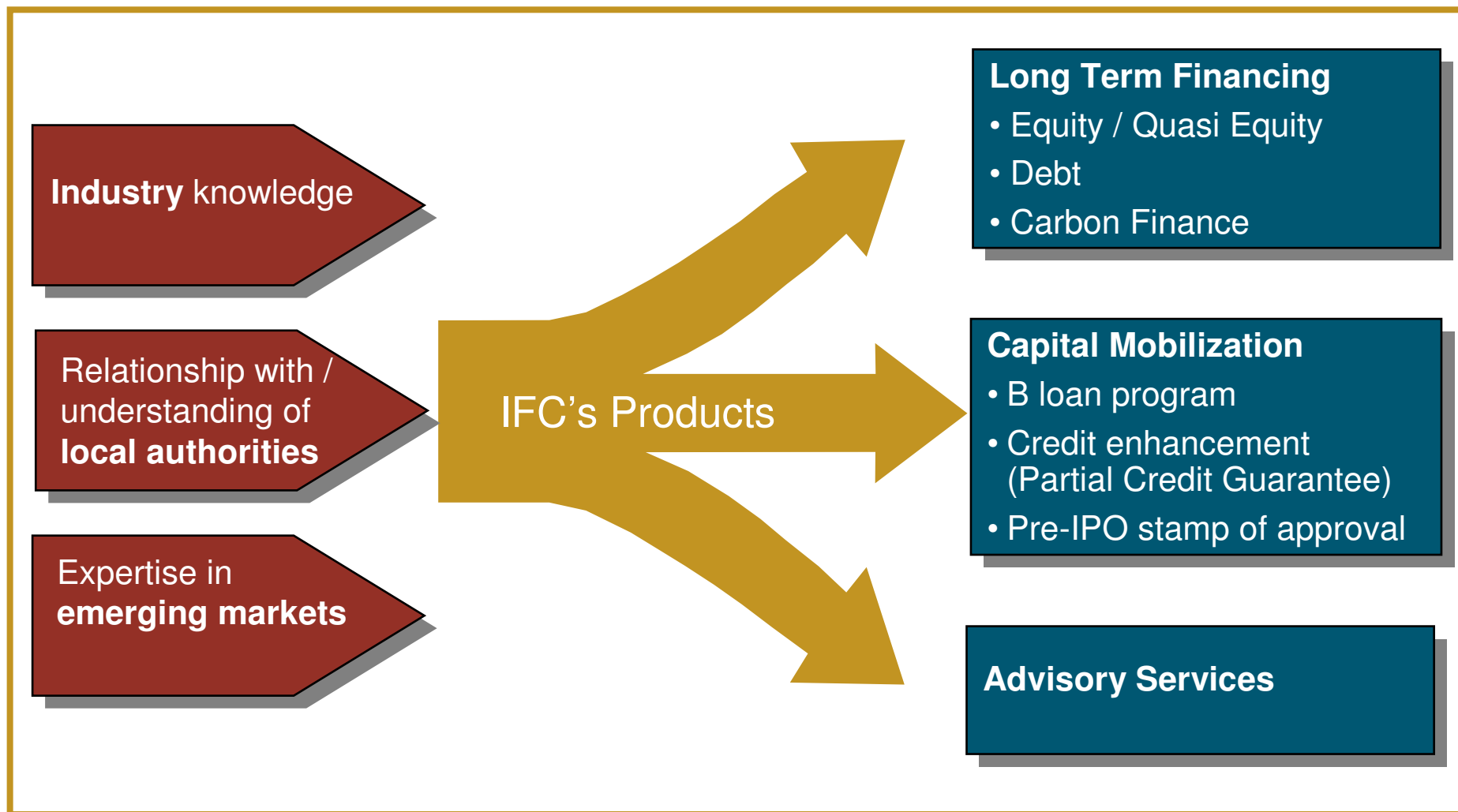
Over US\$ 100 billion committed since 1956

Portfolio as of June 2010:

- US\$ 39 Billion**
- 1,656 companies spread over 120 countries**
- equity stake in 800+ companies**

FY 2010: US\$ 12.7 Bn invested in 528 companies

IFC Value Added

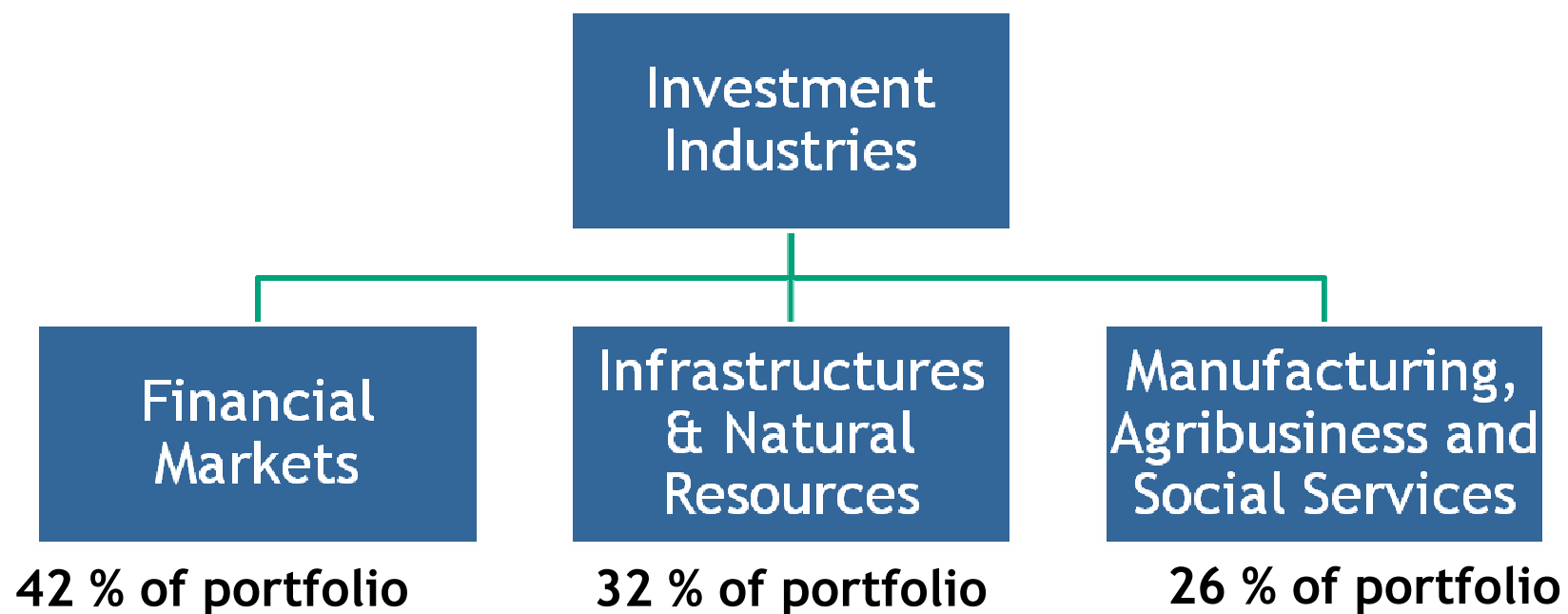




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**IFC's investment services are
structured into three groups of
industries**

IFC INVESTMENT PORTFOLIO AS OF JUNE 2010

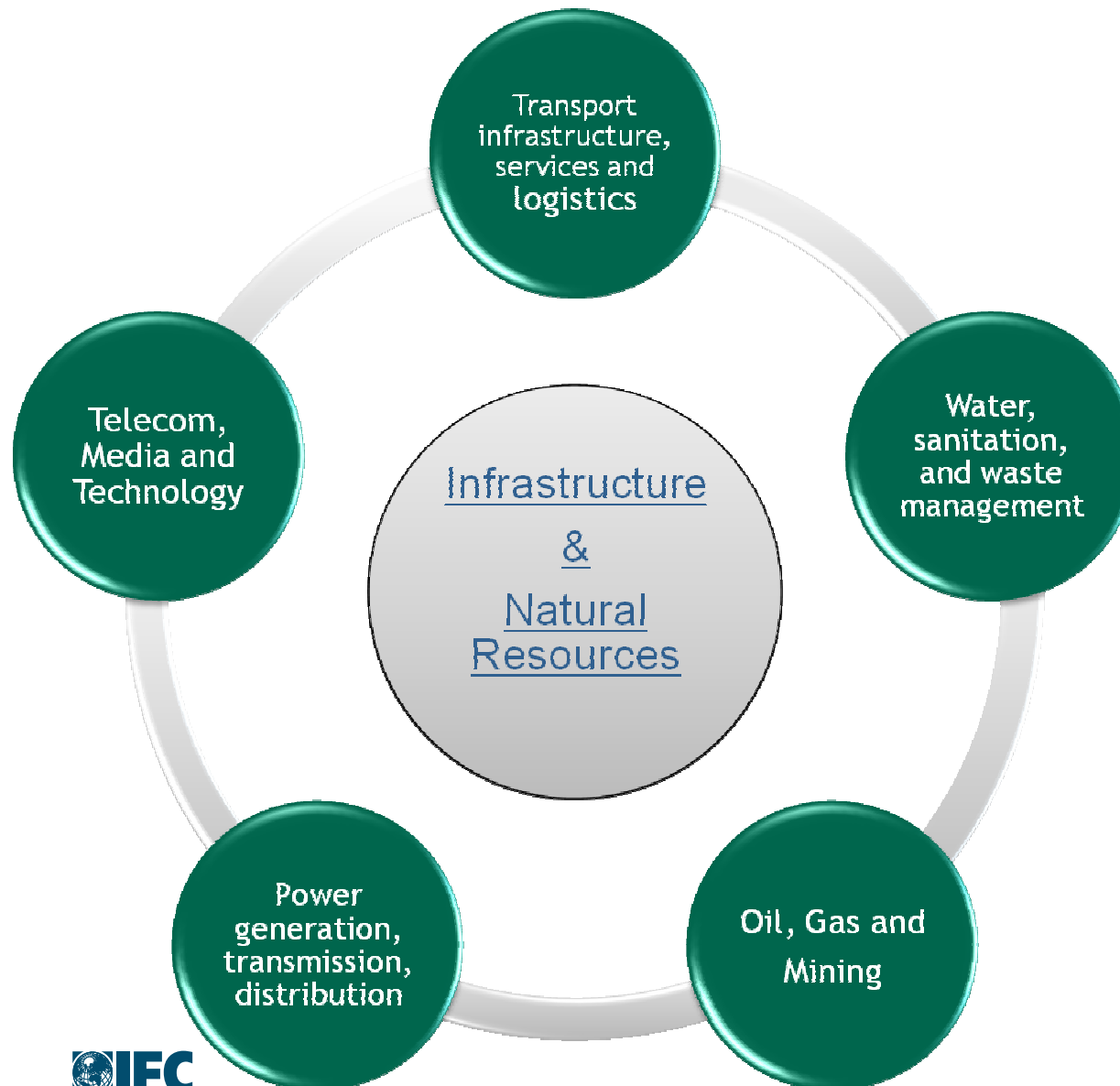




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**Infrastructure development is
one of IFC's priority**

IFC & Infrastructure



(As of June 2010)

- Total committed portfolio of **US\$ 10 Bn** with **470 projects**
- Power : 101 projects, 32%
- Transport: 119 projects, 21%
- Oil & gas: 62 projects, 19%
- Telecom: 93 projects, 14%
- Utilities: 36 projects, 9%
- Mining: 37 projects, 5%

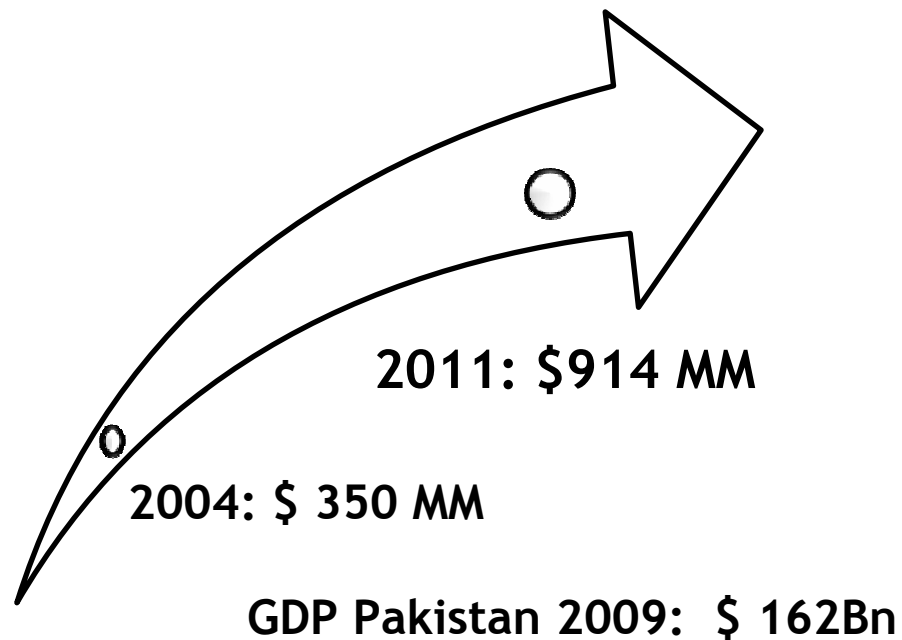


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IFC's experience in Pakistan and Afghanistan

IFC in Pakistan and Afghanistan

Committed Portfolio - Pakistan



- 30% of the portfolio is infrastructure
- Since 1995 IFC has committed US\$511 million in the power sector

Committed Portfolio - Afghanistan



- Current portfolio: telecom, financial markets, social services
- Average investment size of US\$ 15 million



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IFC's value added in Pakistan and Afghanistan



IFC Value Added in Pakistan and Afghanistan

- Ability to take the country risk
- Long-term financing
- Leverage on its experience and global knowledge to structure innovative transactions tailored to a given project / context
- Network of partners : - IBRD, MIGA, IDA - Multilateral and Bilateral Institutions - Sponsors and Technical partners
- Stamp of approval : Fundamentals of the project, E&S, Corporate Governance



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Contact persons for Pakistan and Afghanistan

IFC Relationship Contacts

Team Member	Position	Contact Info
Zarina Hashemi	Country Officer Afghanistan	Tel: + 93 (0) 70113 3364 Email: ZHashemi@ifc.org Kabul, Afghanistan
Moazzam Ahmed	Country Officer Pakistan	Tel: + 92 21 561 0065 Email: mahmed3@ifc.org Karachi, Pakistan
Djalal Khimdjee	<i>Infrastructure & Natural Resources</i>	Tel: +971 (0) 4360 1062 Email: dkhimdjee @ifc.org Dubai, UAE
Ajay Malik	Manufacturing, Agribusiness and Services	Tel: +971 (0) 4360 1017 Email: amalik @ifc.org Dubai, UAE