



## Industry Context

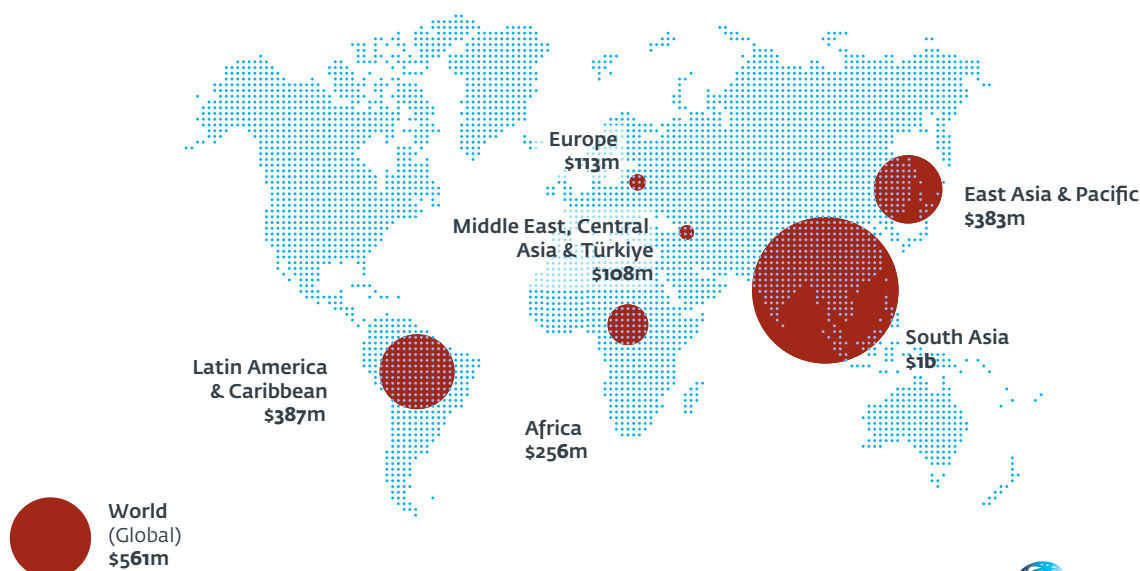
**Companies need risk capital to succeed and grow, but equity remains scarce in most emerging markets.** Over the last few years, the macroeconomic environment for equity investing has shifted substantially, with higher-for-longer interest rates and inflation figures, as well as intensified geopolitical risks and increased volatility spurring trade and investment restrictions. By providing equity to its investees, IFC is providing long-term capital that is not only catalyzing their growth and the development of the sector, it is also entering into a partnership that allows IFC to influence and advance ESG principles and higher standards.

## IFC Strategy and Portfolio

**IFC invests directly in companies' and financial institutions' equity and also through private equity funds.** IFC encourages companies it invests in to broaden share ownership through public listings, thereby deepening local capital markets. FIG's equity strategy supports climate change, digital transformation, and financial inclusion, and plays a key role in mobilizing equity from other investors. FIG's equity investments encompass all regions and include commercial banks, non-banking financial institutions, microfinance institutions, and insurance companies. FIG equity investments in financial institutions have largely been in transition economies with bank privatizations and transformations, crisis response investments, and with a focus on financial inclusion. IFC is increasingly prioritizing equity investments as central to the WBG's broader efforts to meet the Sustainable Development Goals.

## FIG Equity Portfolio

**Current Equity Portfolio: \$2.9 billion (FMV)**  
(Total own-account commitments: \$12.8 billion since 1999)



## Project Examples



### HOLMARCOM FINANCE COMPANY (MOROCCO)

IFC made a landmark equity investment of approximately \$135 million in Holmarcom Finance Company (HFC) in Morocco. HFC is the financial sector arm of Holmarcom Group, a Moroccan family-owned conglomerate. This investment will support HFC's ambitious growth plans including expansion in the insurance sector in Morocco and Sub-Saharan Africa, and partially finance the company's recent strategic acquisition of Crédit du Maroc (CDM), Morocco's seventh-largest privately-owned bank. The project comprises a new IFC investment of approximately \$78 million and the transfer of IFC's shares in Holmarcom Insurance Activities (HIA) – acquired in an equity investment in 2021 – into new HFC shares. This structure allows IFC to continue its support of Holmarcom's strong insurance business through HIA while also capturing the significant growth potential of CDM and leveraging synergies across HFC's integrated banking and insurance operations. IFC will also provide advisory services to strengthen HFC's sustainability framework, with a focus on the financial inclusion of SMEs.



### COMMERCIAL BANK OF CEYLON (SRI LANKA)

IFC and the EU partnered with the Commercial Bank of Ceylon (CBC) - Sri Lanka's largest private sector commercial bank - to scale up green finance, supporting the country's commitments towards a low-carbon economy. The investment reaffirms IFC's long-standing commitment to CBC and will help CBC set the foundations for a net zero transition. With IFC's technical support, CBC will grow its green financing portfolio by expanding into areas such as blue finance and green SMEs. IFC has supported CBC through multiple investments as well as through advisory support and currently holds a 14.45 percent equity stake.



### VELOBANK (POLAND)

IFC, along with Cerberus Capital Management's affiliate and EBRD, completed 100% acquisition of VeloBank, the 9th largest bank in Poland. IFC acquired 9.9% stake with an equity investment of about \$30 million that included both acquisition and recapitalization of VeloBank. Prior to acquisition, VeloBank was placed under resolution by the Polish regulatory authority due to scarce capital levels rendering it unable to carry on its operations. The sale ensures the stability of the entire banking sector and simultaneously serves as a positive signal to enhance the attractiveness of the Polish financial sector for investment.

This investment has strengthened VeloBank's capital base and aims to build its technical capacity and strategically position it in the area of climate finance with a strong focus on innovative digital solutions. IFC's intervention contributes to banking sector stability through this successful resolution and eventual turnaround of the bank while also supporting the government's ambition to reduce the country's carbon footprint and decrease Poland's sizable climate financing gap. VeloBank has also committed to IFC's Green Equity Approach.



### TANNER SERVICIOS FINANCIEROS S.A. (CHILE)

IFC's equity investment of \$20 million in Tanner (5.87 percent equity stake) will strengthen its capital base and support growth, including the creation of a fully licensed and regulated commercial bank subsidiary. Additionally, IFC has provided a long-term senior unsecured convertible loan of up to \$20 million to finance Tanner's electromobility and MSME portfolios, with a focus on women-owned SMEs. The financing will be complemented by advisory services from IFC to support Tanner to develop an embedded finance strategy to enhance client acquisition through partnerships with non-financial companies.