



# IFC

## Financial Institutions Group (FIG)

# Insurance

As of December 2024

### Industry Context

**While emerging markets today make up only about 20% of global premiums, they are the fastest growing insurance markets.** With growth rates consistently four to five percentage points or more above advanced countries, developing markets represent a significant opportunity for IFC and other investors.

**Insurance enables enterprises to take on more risk and provides a safety net for individuals.** Additionally, insurance companies deploy assets into long-term investments in local and regional economies, as well as bonds, equities, real estate and infrastructure, driving the development of deeper local capital markets. Life, non-life, and health insurance products can improve recovery after disasters, support health and social security systems and promote food security.

**Diverse trends are shaping the insurance sector and generating new challenges and opportunities:**

- Climate change
- Demographic shifts
- Evolving regulatory landscapes and adoption of higher standards
- The rise of insurance technology (Insurtech)

### IFC Strategy and Portfolio

**IFC helps clients create insurance markets to serve emerging market consumers and enables insurers to invest in both capital markets and real sectors.**

- IFC is a leading private equity investor and advisor to insurance companies in emerging markets, deploying its own capital for a finite duration and often as the anchor investor that attracts additional investors. IFC specialists provide technical advice and initiate operational improvements. We also provide our ESG frameworks and can offer investment products across the capital structure from common equity to senior debt facilities.
- IFC has invested over \$2 billion in insurance companies, primarily through direct equity investments, and currently has a portfolio of equity investments valued at about \$400 million across 22 insurance companies (including 11 Insurtech/early-stage investments). Looking ahead, IFC intends to grow its portfolio of insurance investments to \$1 billion by 2030.
- IFC utilizes non-payment insurance from highly rated global insurance companies as a mobilization and risk management tool for its own account lending programs. IFC has sourced approximately \$10 billion of capital through credit insurance to support long-term lending to financial institutions and infrastructure projects, as well as short-term trade finance.

### Strategic Initiatives

**The IFC Women's insurance advisory program leverages the private sector to create new women's insurance markets** in some of the most difficult environments. We work closely with our clients to increase their customer base and revenue from women, and by doing so we help increase women's access to insurance and boost their employment opportunities as agents and distributors.

**In Agricultural Index Insurance**, IFC advisory teams work with (re)insurance companies, MFIs, co-ops, agribusinesses, data providers, brokers, and risk modeling firms to provide technical assistance in product design, data collection, modelling and pricing. IFC also sponsors a variety of

educational activities to develop a local skill base that is the backbone of insurance infrastructure.

**The MCPP FIG platform has mobilized \$6.5 billion of insurance capacity** through an innovative reinsurance structure that sources non-payment insurance to increase IFC's long-term lending to FIs in EMDEs; currently, there are 13 global insurance partners participating in this program. Other DFIs are now replicating this approach. IFC supports our insurance investees to invest in more climate finance, including real estate and green and blue bonds. We continue to explore catastrophe bonds, insurance-linked securities and risk sharing for natural disasters and extreme weather events.

## Project Examples



### REINSURANCE CREDIT AND UNDERWRITING RISK PLATFORMS (GLOBAL)

This diagnostic project evaluates the regulatory and market conditions for innovative risk-sharing products in the insurance sector, including Risk Sharing Facilities (RSF), insurance-linked securities (ILS), and guarantee schemes like the Reinsurance Credit Risk Platform (RCRP). Its objectives are to assess the operational, legal, and regulatory frameworks needed to support these instruments, understand the appetite of local and regional reinsurers, and estimate their market potential. Currently underway in Brazil, India, Indonesia, Kenya, Nigeria, South Africa, Turkey, Vietnam and the Philippines, the project focuses on middle-income countries with large, sophisticated capital markets and exposures to disaster risks, including pandemic and cyber risks that often need additional capacity from alternative providers. The findings are expected by June 2025 and will inform the next phase, with the potential to transition to a mainstream investment project for one or more new investment products that will support IFC's efforts to strengthen local and regional insurance markets.

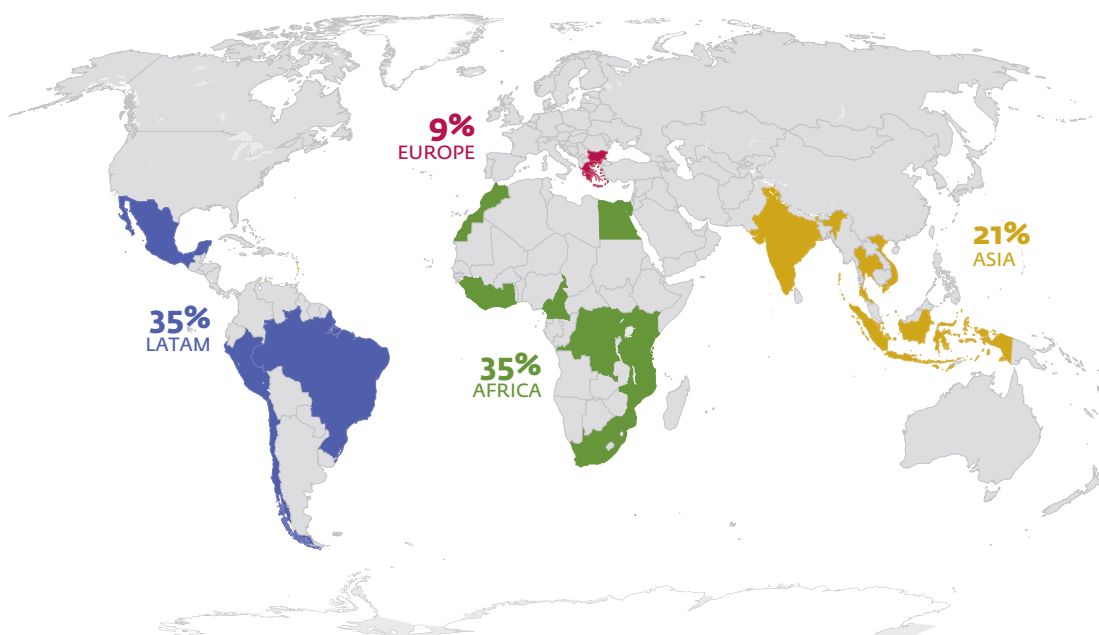


### HOLMARCOM FINANCE COMPANY (MOROCCO)

IFC committed a landmark equity investment of approximately \$135 million in Holmarcom Finance Company (HFC) in Morocco, the financial sector arm of Holmarcom Group, a prominent 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 its recent strategic acquisition of Crédit du Maroc (CDM), Morocco's seventh-largest privately-owned bank by assets. In addition to the investment, IFC will also provide advisory services to help HFC strengthen its sustainability framework to structure and manage environmental, social, and governance ambitions at the group level for its subsidiaries, with a focus on the financial inclusion of SMEs.

## FIG Insurance Committed Portfolio

~\$400 million across 22 companies operating in 29 countries



% represents share of portfolio based on current company valuations