

IFC and China

Partners in Private Sector Development

OVERVIEW

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working in more than 100 countries, IFC committed a record amount of close to \$56 billion in own-account investments and mobilization from third parties to private companies and financial institutions in developing countries in FY24.



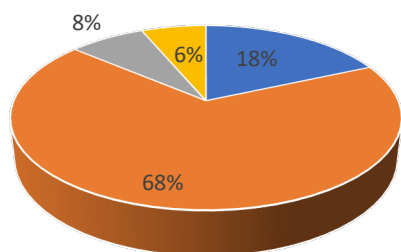
IFC AND CHINA

Since its first investment in China in 1985, IFC's role has evolved, from helping bring foreign investors to China, to expanding the private sector. IFC's committed portfolio in China stood at \$3.7 billion as of June 30, 2024, across approximately 120 projects, which is IFC's 4th largest country portfolio. IFC's equity portfolio in China is the second largest, with committed exposure at \$725 million. China is also IFC's major syndication partner, and at current committed exposure of \$1.54 billion, ranks fourth among IFC's syndications partner countries.

IFC'S LONG-TERM INVESTMENT PORTFOLIO AS OF JUNE 2024 IN CHINA

IFC's committed portfolio in China amounted to \$3.7 billion, representing 5% of IFC's total across around 120 portfolio countries.

IFC's China Investment Portfolio by Industry



- Financial Institutions Group
- Manufacturing, Agribusiness & Services
- Infrastructure
- Disruptive Technologies & Funds

IFC's Portfolio Exposure by Sector

Health, Education, Life Sciences	\$1,578
Financial Markets	\$739
Agribusiness & Forestry	\$482
Collective Investment Vehicles	\$299
Infrastructure	\$272
Manufacturing	\$213
Others	\$110
Total in \$ millions	\$3,693

The World Bank Group fiscal year runs from July 1 to June 30 of the following calendar year.

CHINA TRUST FUND

The China-World Bank Group Partnership Facility (CWPF) is a partnership between the People's Republic of China's Ministry of Finance and the World Bank Group that seeks to assist developing countries in achieving inclusive and sustainable economic growth. The Facility supports IFC activities as well as World Bank Group projects. It also leverages China's development experience in project preparation, and knowledge capture and sharing. Since its establishment in July 2015, China provided \$52.74 million to date. Contributions to IFC were primarily used to support work in Africa and Asia, including for example to enable the establishment of the Alliance for Green Commercial Banks that is hosted in Hong Kong.

EXAMPLES OF SUCCESSFUL COOPERATION PROGRAMS

CHONGHO BRIDGE Chongho Bridge initially founded by the China Foundation of Poverty Alleviation, stands as China's largest rural-focused microfinance institution. It remarkably transitioned from a non-profit to a commercial entity with over \$1.6 billion in managed loans and serves 400,000+ rural clients. Women represent 70% of Chongho's customers. The institution has maintained a strong partnership with IFC for over a decade. IFC's contributions include equity (\$38 million), loans, (\$70 million from IFC's own account) and advisory services. In 2023, IFC invested about \$75 million in its social bond, which is also a first by a micro credit institution in China.

DESANO Desano is a leading pharmaceutical producer for AIDS treatment, addressing a significant and ongoing global health challenge. IFC has provided a \$100 million equivalent loan to Desano's subsidiaries to support the construction of two anti-HIV drug manufacturing facilities, one in China and the other in India. The proposed investment is expected to improve access to affordable treatments for HIV patients and strengthen the resilience of health systems through localized production.

INTCO RECYCLING IFC committed to provide China's Intco Recycling with a \$70 million blue loan to build a multi-material plastic recycling plant in Malaysia. Once operational, the new plant will recycle more than 100,000 tons of plastic per year.

BANK OF QINGDAO In 2022, IFC arranged a landmark \$150 million blue syndicated loan for Bank of Qingdao (BQD), marking its first blue finance investment in China. This new investment will enable BQD to provide \$450 million in financing for 50 blue finance projects by 2025. Blue loans are innovative financing instruments that earmark funds exclusively for ocean-friendly projects and critical clean water resources protection. In the past two years, IFC has supported BQD to develop business strategies and systems to optimize opportunities while managing risks associated with blue finance activities.

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