







IFC PARTNERSHIP WITH PORTUGAL



Creating Markets, Creating Opportunities

IFC: A MEMBER OF THE WORLD BANK GROUP

 WORLD BANK GROUP					
	 IBRD International Bank for Reconstruction and Development	 IDA International Development Association	 IFC International Finance Corporation	 MIGA Multilateral Investment Guarantee Agency	 ICSID International Centre for Settlement of Investment Disputes
Year Established	1945	1960	1956	1988	1966
Role	<ul style="list-style-type: none"> To promote institutional, legal and regulatory reform 	<ul style="list-style-type: none"> To promote institutional, legal and regulatory reform 	<ul style="list-style-type: none"> To promote private sector development 	<ul style="list-style-type: none"> To reduce political investment risk 	<ul style="list-style-type: none"> To settle international investment disputes
Clients	<ul style="list-style-type: none"> Governments of member countries with per capita income between US\$1,025 and US\$6,055. 	<ul style="list-style-type: none"> Governments of poorest countries with per capita income of less than US\$1,025 	<ul style="list-style-type: none"> Private companies in member countries 	<ul style="list-style-type: none"> Foreign investors in member countries 	<ul style="list-style-type: none"> Member States and their nationals/ investors
Products	<ul style="list-style-type: none"> Technical assistance Loans Policy Advice 	<ul style="list-style-type: none"> Technical assistance Interest Free Loans Policy Advice 	<ul style="list-style-type: none"> Investment through Loan, Equity, and Quasi-Equity Resource Mobilization Advisory Services 	<ul style="list-style-type: none"> Political Risk Insurance 	<ul style="list-style-type: none"> Conciliation, arbitration, mediations and fact-finding proceedings
Shared Mission: To Promote Economic Development and Reduce Poverty					

IFC OVERVIEW

- A member of the World Bank Group
- AAA credit rating
- Over 60-year history in Emerging Markets (EM)
- Largest Global development institution focused exclusively on the private sector in emerging markets
- A global institution, now owned by 184 member countries
- More than 100 regional offices



~2,000
Private Sector Clients



Global Presence in
Over **100** Countries




A Network of Over
900 Financial
Institutions

WHAT WE DO: 3 PRODUCT AREAS WITH FOCUS IN 4 INDUSTRIES


Creating Opportunity Where It's Needed Most

Product Areas: Integrated Solutions, Increased Impact

- 


Investment

Competitive Long-term Financing Solutions

- Loans
 - Equity
 - Trade and Supply Chain Finance
 - Syndications
 - Derivative and Structured Finance
 - Blended Finance
- 

Advice

Innovative Solutions Combining IFC's Expertise and Tools to

- Help Create New Markets
 - Unlock Investment Opportunities
 - Strengthen Clients' Performance and Impact
 - Improve Environmental, Social, and Corporate Governance Standards
- 

IFC Asset Management Company

Mobilization and management of capital for businesses in developing countries and frontier markets on behalf of institutional investors

Focus industries



**Manufacturing,
Agribusiness
and Services**



**Financial
Institutions**



**Infrastructure
and Natural
Resources**



**Disruptive Technologies
and Funds**

FISCAL YEAR 2021 HIGHLIGHTS

\$23.3 billion in long-term investment:

- **\$12.5 billion** for IFC's own account
- **\$10.8 billion** mobilized

\$64 billion committed portfolio

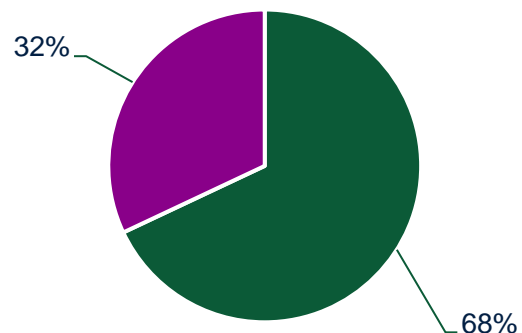
Advice: \$244 million total: **54%** of program in IDA countries, **32%** in sub-Saharan Africa.



IFC'S PORTFOLIO WITH PORTUGUESE SPONSORS

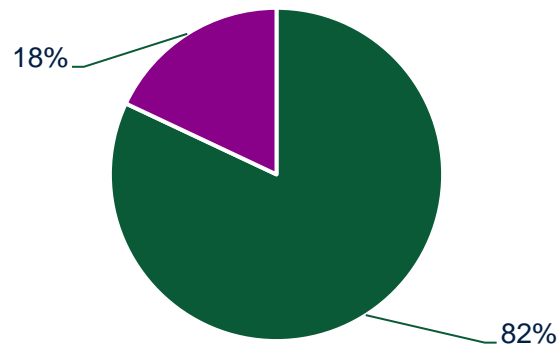
US\$278 million committed portfolio as of December 31, 2022

Exposure to Portuguese sponsors by Region



- Latin America & the Caribbean
- Sub-Saharan Africa

Exposure to Portuguese sponsors by Industry



- Manufacturing, Agribusiness, Services
- Financial Institutions Group

Selected Portuguese clients working with IFC

**Jerónimo
Martins**



 **Portucel**


Caixa Geral de Depósitos

 **IFC** | International
Finance Corporation
WORLD BANK GROUP
Creating Markets, Creating Opportunities

ARA TIENDAS

IFC SUPPORTED ARA TIENDAS DURING THE COVID-19 PANDEMIC FOLLOWING A FIRST PROJECT IN 2018

Company: Jeronimo Martins Colombia SAS (“Ara Tiendas”)
Sector: Retail
Country of incorporation: Portugal
Country of investment: Colombia



US\$93m
A-loan in
2018
+
US\$95 m
A-loan in
2020



Sponsor

- Jeronimo Martins SGPS SA (“Jeronimo Martins”) is the leading food distributor in Portugal, with an annual revenue of € 18.6 billion. It successfully entered Poland in 1995, becoming the leading retailer in just over a decade.

Project Description

- US\$95m loan in 2020: The financing consisted in a corporate loan to Jeronimo Martins Colombia SAS (“Ara Tiendas”), to finance its working capital needs and mitigate short to medium-term fallout, from the COVID-19 crisis.
- US\$93m loan in 2018: The financing consisted in a corporate loan to Ara tiendas, the Colombian subsidiary of Jeronimo Martins to fund its expected capex over the next 2 years, for expansion of its logistic and stores’ infrastructure Colombia.

IFC Investment

- IFC investment: corporate A-loan of up to US\$93 million equivalent in Colombian Pesos and a corporate A-loan of up to US\$95 million equivalent in Colombian Pesos under IFC Real Sector COVID envelope.
- Commitment: June 2018 and July 2020.

IFC’s Additionality

- Long maturity in local currency: Local currency lending with long tenor to finance ramping up operations and with a countercyclical action, during the COVID-19 pandemic.
- De-risking: IFC’s strong knowledge and presence in Colombia are valuable as part of Jeronimo Martins first investment in Colombia.
- IFC global footprint: Industry expertise and knowledge sharing in the retail sector.

Development Impact

- Address essential needs during the COVID-19 lockdown, as Ara provides consumers with easy and convenient access to essential goods at affordable prices.
- Create job opportunities, including in frontier regions, for local communities and women.
- Develop frontier regions by financing the expansion of proximity discount stores in the local neighborhoods across the country, including frontier regions, and boost formality and tax generation.
- Provide quality products at very competitive price, thus helping in improving the living standards for the local population.
- Strengthen SME suppliers and local supply chain (vast majority of products sourced-produced locally).

Env. & Social actions

- IFC’s appraisal considered the environmental and social risk and impacts management, labor and working conditions, resource efficiency and pollution prevention, and community health, safety and security. It included supplier’s quality audits, Life and Fire Safety audits of existing facilities and new stores, and planned reviews of the client’s Environment, Health and Safety capacity within two years, when project has reached 900 stores.

IFC'S VALUE ADD TO PORTUGUESE CLIENTS

A long-term partnership perspective, providing clients important countercyclical financing when commercial banks cut back



Long-term & Patient

- Fixed/Floating Rates, Local Currencies
- Up to 15 year Loan Maturity
- Flexible Amortization Profile
- International Stamp of Approval, catalyst for other Investors and Lenders
- Equity Participation
- Capital Mobilization



Regional Knowledge

- Extensive Local Office Network
- Local Transaction Experience
- Strong bank partnerships through client networks and B loan participants
- World Bank Synergies
- Joint Venture partnership management



Country Risk Mitigation

- Government Relations
- Preferred Creditor Status
- Neutral Broker Role
- Reduced Risk of Expropriation, Breach of Contract, Convertibility
- World Bank Synergies
- Withholding Tax Benefit



Env. & Social Risk Management

- Advice on Environmental & Social Best Practices
- Energy & Water Use Management
- Cleaner Technologies
- Equator Principles Modeled after IFC Standards
- Local Consultation and Disclosure



Global Sector Expertise

- 40+ Years of Sector Expertise
- Group of Industry Specialists in the Agribusiness and Forestry sector
- Greenfield
- Expansion/Modernization
- Corporate Strategy
- Access to International Investors



Sustainability Toolkit

- Supply Chain strengthening: supporting productivity & farmer income
- Environmental/ Social Standards
- Corporate Governance
- Community Investment

THANK YOU

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