

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 US\$43 billion in own-account investments and mobilization from third parties to private companies and financial institution in developing countries in FY23.



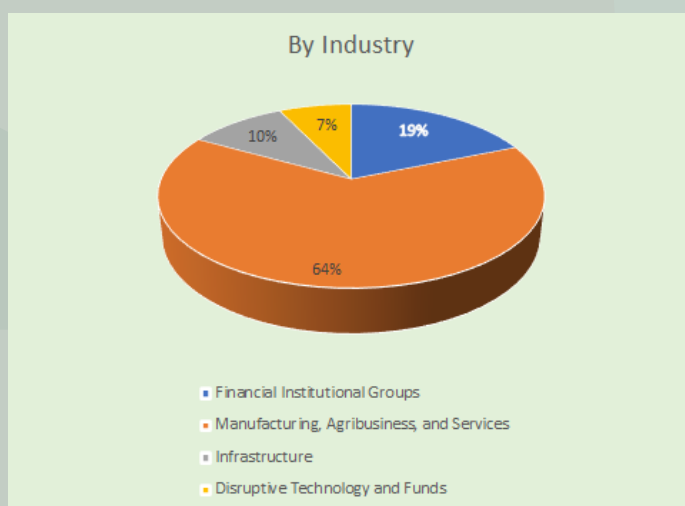
IFC AND CHINA

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 US\$3.4 billion as of August 31, 2023, 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 US\$877 million. China is also IFC's major syndication partner, and at current committed exposure of US\$1.67 billion, ranks second among IFC's syndications partner countries.

IFC's Long-Term Investment Portfolio in China as of August 2023.

IFC's committed portfolio in China amounted to US\$3.4 billion, representing 6% of IFC's total across around 120 portfolio countries.

IFC's China Investment Portfolio



IFC's Committed Portfolio by Sector

Primary Sector	Committed Portfolio (US\$ millions)	% Total
Finance & Insurance	665	20%
Industrial & Consumer Products	556	16%
Agriculture and Forestry	342	10%
Chemicals	298	9%
Education Services	273	8%
Wholesale and Retail Trade	224	7%
Collective Investment Vehicles	211	6%
Utilities	201	6%
Health Care	195	6%
Pulp & Paper	149	4%
Transportation and Warehousing	107	3%
Food & Beverages	86	3%
Professional, Scientific and Technic	61	2%
Construction and Real Estate	23	1%
Primary Metals	5	0%
Total	3,397	100%

*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 US\$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

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 US\$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 (US\$38 million), loans, (US\$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.

Jiangsu Leasing

IFC partnered with Jiangsu Financial Leasing Co., Ltd. (JFLC) since 2010, providing equity, loans, and knowledge sharing. IFC's exposures to JFLC amount to US\$97 million nominally and US\$39 million in economic capital. In 2013/2014, with the collaboration of Jiangsu Transportation Holding Company (JTHC), JFLC's management, and IFC, the company welcomed CITIC Private Equity Fund and BNP Paribas Lease as shareholders. This move reduced state ownership from 49.85% to 39.04% post-IPO, achieving a diverse ownership mix with both local and global insights. Beyond financial involvement, IFC has been sharing expertise with JFLC in corporate governance, risk management, digital finance and asset liability management through board representations and workshops. In 2019, JFLC issued a green bond in the public markets under internationally accepted Green Bond Principles which is IFC's first bond investment in China.

Canvest

IFC partnered with Canvest, a leading private entity in China's waste-to-energy sector. Initially, IFC provided Canvest with a 5-year convertible loan of approximately US\$60mm in 2016, which converted to equity the following year. In 2018, IFC committed an additional US\$180mn corporate loan package. This collaboration represents Canvest's first international debt syndication with a longer tenor of 5-years and ensures they adhere to the rigorous EU2000 environmental and social standards.

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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Creating Markets, Creating Opportunities