

# their/our story

CREATING OPPORTUNITY WHERE IT'S NEEDED MOST™

Highlights from  
IFC 2009 ANNUAL REPORT

message from

IFC EXECUTIVE VICE PRESIDENT  
AND CHIEF EXECUTIVE OFFICER

Our story is about helping people. The global economic crisis is broad—touching all corners of the world. It is also deep, the most severe contraction in over 50 years, and has forced tens of millions more people into poverty. At a time when private capital flows to developing countries have dropped by half, IFC's mission of promoting the private sector in developing countries is more relevant than ever.

IFC moved quickly, engaging with clients to help them adapt to the new economic environment. We created an array of initiatives to address immediate needs and to mobilize funding for critical sectors, like infrastructure, banking, trade finance, microfinance, as well as new Advisory Services programs. We also created a fund to draw private investment into Africa's health sector. In total, we raised over \$5 billion in funding for crisis initiatives this past year, an affirmation of IFC's strong brand and reputation.

We achieved strong development outcomes. In 2008, our clients provided 2.1 million jobs, served 5.5 million patients, and helped educate 1.2 million students. Our clients reached over 200 million water, power, and gas customers, provided phone connections to 220 million people, and provided 9.8 million loans to micro, small, and medium enterprises. We strengthened the managerial capabilities of small and midsize firms in many countries, helping train thousands of entrepreneurs through our Business Edge and SME Toolkit programs.

#### AT A GLANCE

IFC's new investments totaled \$14.5 billion in FY09, compared with the record \$16.2 billion in the previous year. We committed \$10.5 billion for our own account and mobilized an additional \$4 billion from other sources. Just over half of our projects were in the world's poorest countries. IFC's investments in Sub-Saharan Africa increased almost 30 percent to a record \$1.8 billion. Advisory Services expenditures totaled \$291 million, of which 25 percent was directed to projects in Sub-Saharan Africa.

We laid the foundation for future mobilization of private capital for development with the historic launch of a subsidiary to manage commercial funds—IFC Asset Management Company. It is managing the new IFC Capitalization Fund—jointly funded by \$2 billion from the Japan Bank for International Cooperation and \$1 billion from IFC. The company will also manage a new \$1 billion general private equity fund that will allow investors to co-invest alongside IFC in transactions in Africa, Latin America, and the Caribbean.

This impressive performance was possible because we are close to our clients across the world. IFC has a global presence—with a dedicated professional staff representing 135 nationalities in 102 cities in 86 countries. Our global knowledge and local presence has enhanced our ability to react quickly to changing economic conditions and adapt swiftly to our clients' changing needs.

We are the premier private sector development finance institution in the world, and one of the few financial institutions whose brand strengthened in the wake of the crisis. This positions us to play a convening role, bringing together other development finance institutions that share our goals. Our collaboration with other development institutions in joint regional crisis-response financing packages for Eastern Europe, Latin America, and Africa showed how working together can leverage more resources and increase impact.

Well after the crisis is over, IFC's private sector financing will be needed greatly in developing countries. A young and increasingly urban population in poor countries will need higher-quality health services, education, and better infrastructure. Food security and climate change will remain a challenge. IFC will continue to adapt to meet these challenges and work toward a world where economic development is sustainable and inclusive.



Lars H. Thunell  
IFC Executive Vice President and  
Chief Executive Officer

## IFC *at a* GLANCE



### IFC'S FIVE STRATEGIC PILLARS

Our activities are guided by five priorities that allow us to help where we are most needed.

01. Assisting clients in the poorest countries and the poorer regions of middle-income countries.
02. Building enduring partnerships with companies in emerging markets.
03. Addressing climate change and ensuring environmental and social sustainability.
04. Helping the private sector address constraints in infrastructure, education, health care, and the food supply.
05. Developing local financial markets.

### OPERATIONAL HIGHLIGHTS

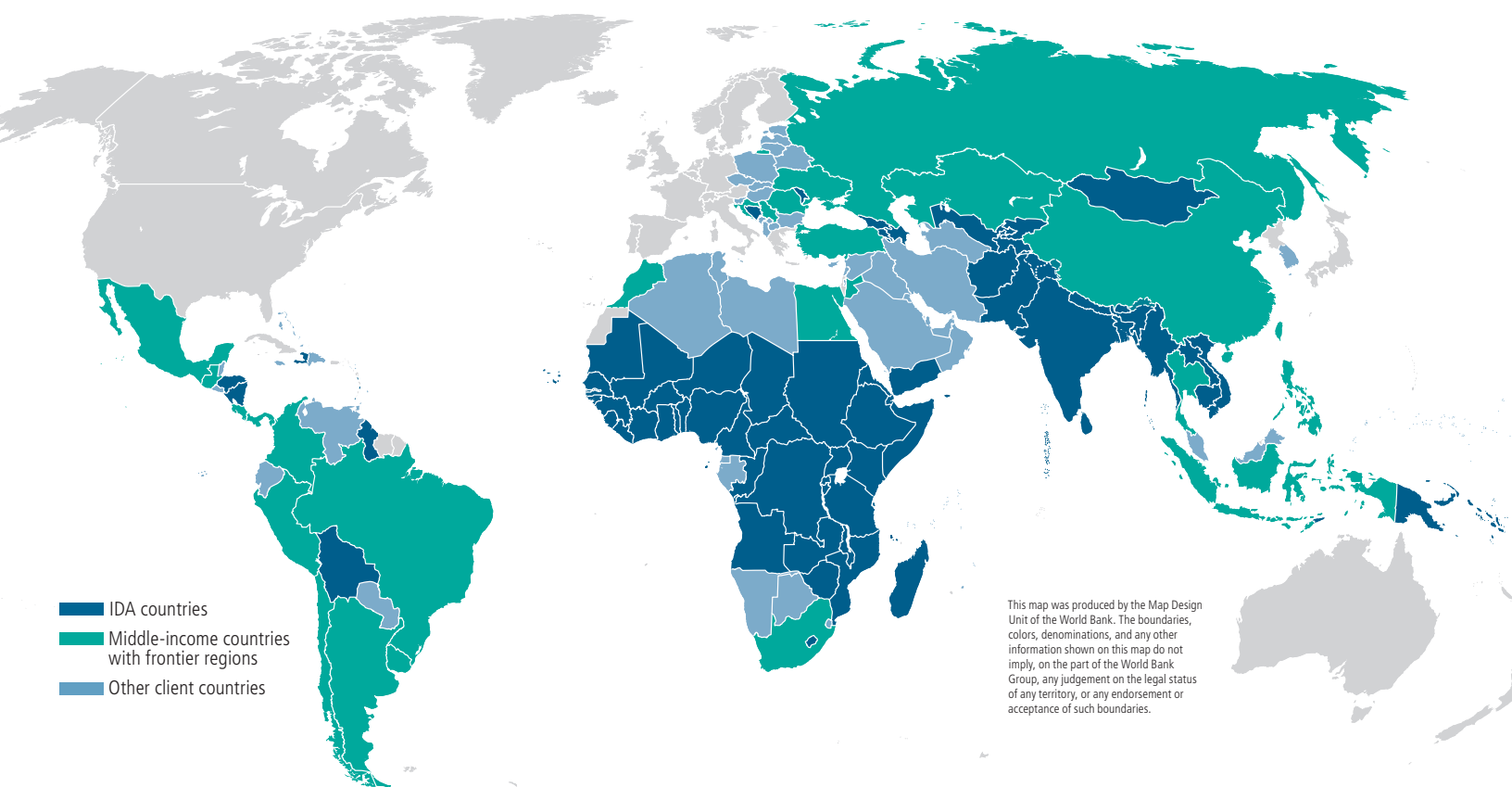
	AS OF AND FOR THE YEARS ENDED JUNE 30				
Dollars in millions	2009	2008	2007	2006	2005
<b>Investment commitments</b>					
Number of projects <sup>1</sup>	447	372	299	284	236
Number of countries	103	85	69	66	67
Total commitments signed <sup>2</sup>	12,405	14,649	9,995	8,275	6,449
For IFC's own account <sup>3</sup>	10,547	11,399	8,220	6,703	5,373
Total resources mobilized <sup>4</sup>	3,964	4,752	3,887	2,817	2,125
<b>Investment disbursements</b>					
Total financing disbursed	7,606	9,921	7,456	5,739	4,011
For IFC's own account	5,640	7,539	5,841	4,428	3,456
Total resources mobilized	1,966	2,382	1,615	1,311	555
<b>Committed portfolio</b>					
Number of firms	1,579	1,490	1,410	1,368	1,313
Total committed portfolio	42,498	39,891	30,954	26,706	24,536
For IFC's own account <sup>3</sup>	34,502	32,366	25,411	21,627	19,253
Syndication <sup>2</sup>	7,996	7,525	5,543	5,079	5,283
<b>Advisory Services</b>					
Number of projects	782	862	1,018		
Approved value (\$ millions)	940.8	919.1	846.3		
AS Expenditures	290.9	268.7	196.9	151.5	122.5

<sup>1</sup> Includes first commitment to projects in the fiscal year. Projects involving financing to more than one company are counted as one commitment.

<sup>2</sup> From FY06, includes loan and guarantees participations.

<sup>3</sup> Includes loan guarantees and risk management products.

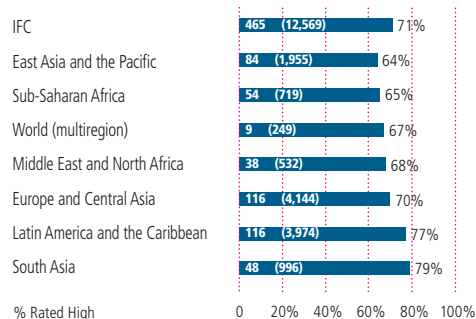
<sup>4</sup> Includes syndications, structured and securitized products, and IFC new initiatives.



## DEVELOPMENT RESULTS

### DEVELOPMENT RESULTS BY REGION

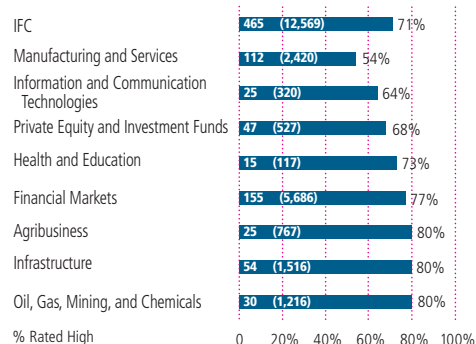
(Investments)



DOTS data as of June 30, 2009, for projects approved in calendar years 2000–2005.  
Note: Number inside bar represents number of rated projects, and number in parentheses represents total IFC investment (\$ millions) in those projects.

### DEVELOPMENT RESULTS BY INDUSTRY

(Investments)



DOTS data as of June 30, 2009, for projects approved in calendar years 2000–2005.  
Note: Number inside bar represents number of rated projects, and number in parentheses represents total IFC investment (\$ millions) in those projects.

### DEVELOPMENT REACH BY IFC'S CLIENT COMPANIES

	PORTFOLIO CY07	PORTFOLIO CY08
<b>Investments</b>		
Employment provided (millions of jobs) <sup>1</sup>	1.9	2.1
<b>Microfinance loans</b>		
Number (millions)	7.0	8.5
Amount (\$ billions)	7.9	9.3
<b>SME loans</b>		
Number (millions)	1.0	1.3
Amount (\$ billions)	86.0	90.6
<b>Customers reached with services:</b>		
Power generation (millions)	152.5	140.9
Power distribution (millions)	21.6	25.2
Water distribution (millions)	18.7	20.5
Gas distribution (millions)	10.7	12.5
Phone connections (millions)	139.7	220.1
Patients reached (millions) <sup>2</sup>	4.7	5.5
Students reached (millions)	0.6	1.2
<b>Payments to suppliers and governments:</b>		
Local purchases of goods and services (\$ billions) <sup>1</sup>	40.4	47.0
Contribution to government revenues or savings (\$ billions)	19.0	22.7

CY08 and CY07 data are not strictly comparable, because they are based on a changed portfolio of IFC clients. Indicator definitions and reporting periods vary somewhat across industries. Some CY07 data have been revised.

<sup>1</sup> Selected departments only. Employment: CY08 data includes infrastructure (172,819 jobs, 107 companies, which only had partial data for CY07 (57,797 jobs, 24 companies).

<sup>2</sup> Includes just over one million patients in a hospital chain in India, in which IFC has a 1.3% equity stake.

FY09 INVESTMENTS IN  
ENERGY EFFICIENCY AND  
RENEWABLE ENERGY:

**\$1.03  
BILLION**

### FY09 COMMITMENTS BY ENVIRONMENTAL AND SOCIAL CATEGORY

CATEGORY <sup>1</sup>	COMMITMENTS (\$ MILLIONS)	NUMBER OF PROJECTS
A	446	4
B	4,283	137
C	2,096	104
FI	2,991	109
N <sup>2</sup>	731	93
	<b>10,547</b>	<b>447</b>

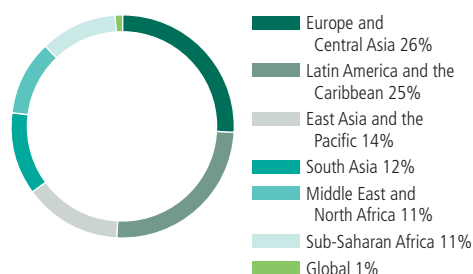
<sup>1</sup> See Category description on page 111 of the Annual Report.

<sup>2</sup> N refers to increased commitments on existing projects or swaps and rights issues.

## INVESTMENT PORTFOLIO

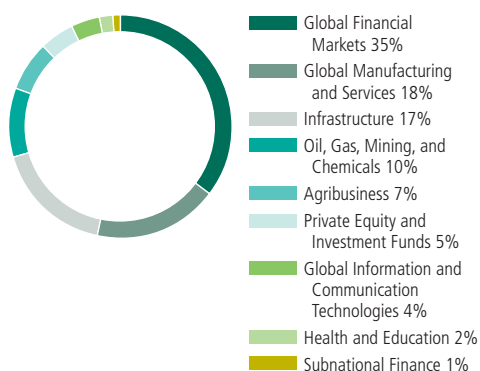
### COMMITTED PORTFOLIO BY REGION

For IFC's own account as of June 30, 2009



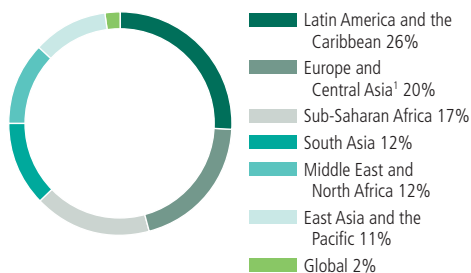
### COMMITTED PORTFOLIO BY INDUSTRY

For IFC's own account as of June 30, 2009



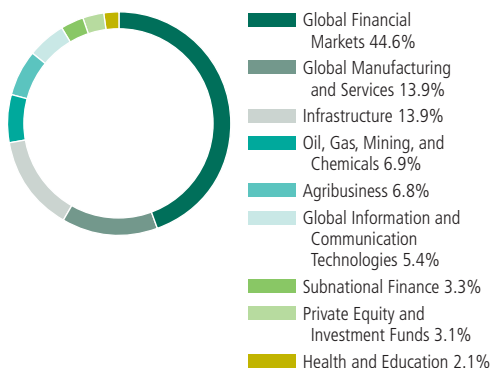
## FY09 INVESTMENTS

### FY09 INVESTMENTS BY REGION



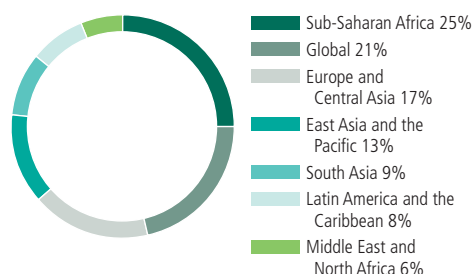
<sup>1</sup>Some amounts include regional shares of investments that are officially classified as global projects. See regional sections for details.

### FY09 INVESTMENTS BY INDUSTRY

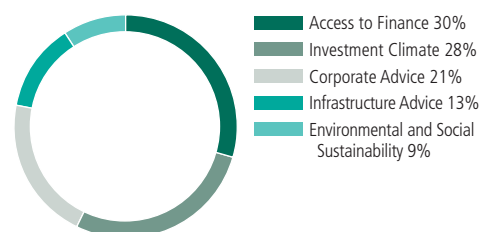


## FY09 ADVISORY SERVICES

### ADVISORY SERVICES EXPENDITURES BY REGION



### ADVISORY SERVICES EXPENDITURES BY BUSINESS LINE



**IFC'S VISION** is that people should have the opportunity to escape poverty and improve their lives

**IFC'S PURPOSE** is to create opportunity for people to escape poverty and improve their lives by:

- Promoting open and competitive markets in developing countries
- Supporting companies and other private sector partners where there is a gap
- Helping to generate productive jobs and deliver essential services to the underserved

2121 Pennsylvania Avenue, NW  
Washington, DC 20433 USA  
202-473-3800

