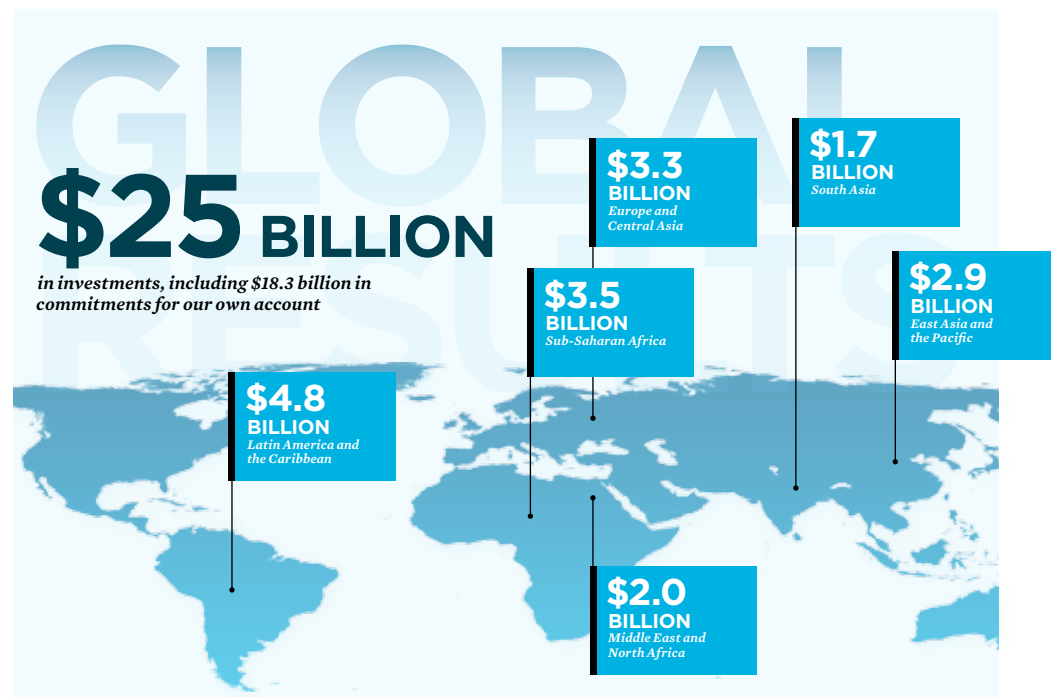


**WE CAN END
EXTREME
POVERTY
IN A GENERATION
AND BOOST
SHAPED
PROSPERITY**

Highlights from the IFC Annual Report 2013

THE POWER OF PARTNERSHIPS

Our record investments and advice helped achieve significant impact for the poor. Nearly half our investment projects were in the world's poorest countries. We helped our clients support 2.7 million jobs and provide more than \$265 billion in loans to micro, small, and medium enterprises in 2012. Our advice helped governments in 43 countries adopt 76 reforms related to the investment climate.



IFC Operational Highlights	2013	2012	2011	2010	2009
Dollars in millions, for the year ended June 30					
NEW INVESTMENT COMMITMENTS					
Number of projects	612	576	518	528	447
Number of countries	113	103	102	103	103
For IFC's own account	\$18,349	\$15,462	\$12,186	\$12,664	\$10,547
CORE MOBILIZATION*					
Syndicated loans ¹	\$3,098	\$2,691	\$4,680	\$1,986	\$1,858
Structured finance	-	-	-	\$797	\$169
IFC initiatives & other	\$1,696	\$1,727	\$1,340	\$2,358	\$1,927
Asset Management Company (AMC) Funds	\$768	\$437	\$454	\$236	\$8
Public-Private Partnership (PPP) ²	\$942	\$41	-	-	-
Total core mobilization	\$6,504	\$4,896	\$6,474	\$5,377	\$3,962
INVESTMENT DISBURSEMENTS					
For IFC's own account	\$9,971	\$7,981	\$6,715	\$6,793	\$5,640
Syndicated loans ³	\$2,142	\$2,587	\$2,029	\$2,855	\$1,958
COMMITTED PORTFOLIO					
Number of firms	1,948	1,825	1,737	1,656	1,579
For IFC's own account	\$49,617	\$45,279	\$42,828	\$38,864	\$34,502
Syndicated loans ⁴	\$13,633	\$11,166	\$12,387	\$9,302	\$8,299
ADVISORY SERVICES					
Advisory Services program expenditures	\$232.0	\$197.0	\$181.7	\$166.4	\$157.8
Share of program in IDA countries ⁵	65%	65%	64%	62%	52%

*Financing from entities other than IFC that becomes available to client due to IFC's direct involvement in raising resources.

1. Includes B-Loans, Parallel Loans and A-Loan Participation Sales (ALPS).

2. Third-party financing made available for public-private partnership projects due to IFC's mandated lead advisor role to national, local, or other government entity.

3. Includes B-Loans and Agented Parallel Loans.

4. Includes B-Loans, A-Loan Participation Sales (ALPS), Agented Parallel Loans, and Unfunded Risk Participations (URPs).

5. All references in this report to percentages of advisory program expenditures in IDA countries and fragile and conflict-affected areas exclude global projects.



A Letter from
**IFC EXECUTIVE VICE PRESIDENT
AND CHIEF EXECUTIVE OFFICER
JIN-YONG CAI**

Across the world, the challenges of development are vast—and growing. So are the needs of entrepreneurs, investors, and businesses in developing countries, which struggle to overcome constraints in finance, infrastructure, employee skills, and the regulatory environment.

For IFC, this represents a tremendous opportunity: to engage the creativity and resources of the business community to change the world for the better. By helping companies overcome obstacles to sustainable growth, we help them create opportunity and improve lives. We enlist them as partners in the global effort to end extreme poverty and promote shared prosperity.

We believe strongly in the power of partnerships to make a transformational difference. As the world's largest global development institution focused on the private sector, we worked this year with nearly 2,000 private sector clients and a wide array of governments, donors, and other stakeholders. The result was another record year for IFC—we invested and mobilized more money for private sector development than ever before, helping sustain development in more than 100 countries.

Our new investments climbed to an all-time high of nearly \$25 billion in FY13, including funds mobilized from other investors, providing capital to more than 600 projects and companies across the world. We invested \$18.3 billion for our own account and mobilized \$6.5 billion from other investors. In a time of declining official aid flows to developing countries, these investments had an impact in every region of the world.

We now have an investment portfolio of nearly \$50 billion in nearly 2,000 companies in 126 countries. This diversification has contributed to our strong risk-adjusted returns—and to our development impact.

At the end of 2012, our investments provided jobs for 2.7 million people in developing countries. With our support, our clients treated 17.2 million patients, educated 1 million students, and improved opportunities for 3.1 million farmers. They generated power for 52.2 million customers, and distributed water to 42 million.

We focused strongly on promoting prosperity in the world's poorest and most fragile regions.

In FY13, nearly half of our projects—totaling more than \$6 billion—were in the poorest countries served by the World Bank's International Development Association, most of them in Sub-Saharan Africa. About two-thirds of our advisory program expenditures were in IDA countries. Our investments in fragile and conflict-affected regions climbed to nearly \$600 million.

Our Advisory Services achieved significant results for our clients—businesses and governments alike. Development-effectiveness ratings for Advisory Services reached a record of 75 percent while client-satisfaction ratings climbed to an all-time high of 90 percent. The advice we provide is a crucial element of the value we bring to our clients, and in FY13 we achieved notable progress in providing client solutions that integrate investment and advice—we had active advisory projects with 250 investment clients.

In FY13, our advice helped mobilize almost \$1 billion in private investment through public-private partnerships, which are expected to improve infrastructure and health services for millions of people. In addition, we helped more than 40,000 small and medium enterprises obtain \$4.5 billion in financing secured with movable property, through our work with collateral registries. We also provided training and capacity-building to about 350,000 people—including farmers, entrepreneurs, and managers of small and medium enterprises.

In addition, IFC Asset Management Company continued to grow, increasing its assets under management to \$5.5 billion across six investment funds, with a strong mix of reputable investors. It has launched two new funds—including the IFC Catalyst Fund, which focuses on climate-smart investments, and the Global Infrastructure Fund, which will invest scarce equity risk capital in the critically important infrastructure sector.

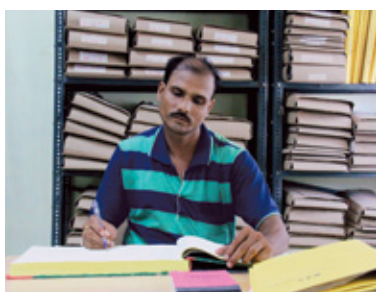
I am confident IFC can achieve even greater impact going forward. This year was my first as IFC's CEO, and I traveled to nearly three dozen countries—in every region of the world—to meet with our clients and staff. I saw firsthand what we can achieve by being ambitious, unafraid of risk, client-focused, and open to new ideas. We can tackle the big problems that have long hindered development—such as access to finance, energy and climate change, and food security.

IFC is a unique organization, one that has managed to combine a businesslike commercial approach with a passionate, focused commitment to achieving meaningful and measurable development impact. Strong, profitable growth builds resources for greater development impact in the future.

Developing countries need transformative solutions. Working with our partners, IFC is well positioned to provide them.

—
JIN-YONG CAI
*IFC Executive Vice President
and Chief Executive Officer*

DEVELOPMENT RESULTS



FY13 INVESTMENT SERVICES DOTS SCORE BY INDUSTRY

IFC Total	716 (29,674)	66%
Funds	84 (1,199)	79%
Infrastructure	101 (4,805)	73%
Financial Markets	219 (11,813)	70%
Agribusiness & Forestry	79 (3,215)	68%
Oil, Gas & Mining	28 (2,200)	64%
Consumer & Social Services	94 (2,045)	56%
Telecommunications & Information Technology	31 (1,067)	55%
Manufacturing	80 (3,329)	49%

Numbers at the left end of each bar are the total number of companies rated.
Numbers in parentheses represent total IFC investment (\$ millions) in those projects.

FY13 INVESTMENT SERVICES DOTS SCORE BY REGION

IFC Total	716 (29,674)	66%
Latin America and the Caribbean	159 (8,007)	74%
East Asia and the Pacific	98 (3,922)	70%
Middle East and North Africa	80 (3,283)	65%
Europe and Central Asia	168 (8,477)	64%
Sub-Saharan Africa	121 (3,094)	61%
South Asia	81 (2,707)	60%

Numbers at the left end of each bar are the total number of companies rated.
Numbers in parentheses represent total IFC investment (\$ millions) in those projects.

DEVELOPMENT REACH BY IFC'S INVESTMENT CLIENTS

	Portfolio CY11	Portfolio CY12
Investments		
Employment (millions of jobs) ¹	2.5	2.7
Microfinance loans²		
Number (million)	19.7	22.0
Amount (\$ billions)	19.84	24.03
SME loans²		
Number (million)	3.3	5.8
Amount (\$ billions)	181.25	241.30
Customers reached with services		
Power generation (millions) ³	47.0	52.2
Power distribution (millions)	49.2	45.7
Water distribution (millions) ⁴	38.7	42.1
Gas distribution (millions) ⁵	22.4	33.8
Phone connections (millions) ⁶	172.2	192.0
Patients reached (millions) ⁷	13.0	17.2
Students reached (millions)	0.9	1.0
Farmers reached (millions)	3.3	3.1
Payments to suppliers and governments		
Domestic purchases of goods and services (\$ billions)	49.84	46.19
Contribution to government revenues or savings (\$ billions)	21.73	27.00

These figures represent the reach of IFC clients as of the end of CY11 and CY12.
CY11 and CY12 portfolio data are not strictly comparable, because they are based on a changed portfolio of IFC clients. In many cases, results reflect also contributions from Advisory Services.

- Portfolio figures for employment include jobs provided by Funds.
- Portfolio reach figures represent SME and microfinance outstanding loan portfolio of IFC clients as of end of CY11 and CY12, for MSME-oriented financial institutions/projects. 268 and 285 clients were required to report their end-of-year SME and microfinance portfolios in CY11 and CY12, respectively, 252 and 269 clients did so for CY11 and CY12, respectively. The missing data were extrapolated.
- CY11 total Power Generation customers revised due to the restatement of one client value in East Asia and the Pacific.
- CY11 total Water Distribution customers revised due to the restatement of one client value in Sub-Saharan Africa.
- One client in East Asia and the Pacific contributed 31.14 million of Gas Distribution customers in CY12.
- One client in South Asia contributed 112.7 million of phone connection customers in CY12.
- CY11 total Patients Reached revised due to the restatement of one client value in Europe and Central Asia.

FY13 COMMITMENTS

Dollar amounts in millions

Total	\$18,349 (100%)	
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BY INDUSTRY

Trade Finance	\$6,477 (35.3%)	
Financial Markets	\$3,647 (19.9%)	
Infrastructure	\$2,247 (12.2%)	
Consumer & Social Services	\$1,635 (8.9%)	
Manufacturing	\$1,314 (7.2%)	
Agribusiness & Forestry	\$1,278 (7.0%)	
Funds	\$890 (4.9%)	
Telecommunications & Information Technology	\$472 (2.6%)	
Oil, Gas & Mining	\$389 (2.1%)	

BY REGION

Latin America and the Caribbean	\$4,822 (26.28%)	
Sub-Saharan Africa	\$3,501 (19.08%)	
Europe and Central Asia	\$3,261 (17.77%)	
East Asia and the Pacific	\$2,873 (15.66%)	
Middle East and North Africa	\$2,038 (11.11%)	
South Asia	\$1,697 (9.25%)	
Global	\$156 (0.85%)	

Some amounts include regional shares of investments that are officially classified as global projects.

BY PRODUCT

Loans ¹	\$8,519 (46.43%)	
Guarantees ²	\$6,959 (37.93%)	
Equity ³	\$2,732 (14.89%)	
Risk-management products	\$138 (0.75%)	

1. Includes loan-type, quasi-equity products.
2. Includes trade finance.
3. Includes equity-type, quasi-equity products.

COMMITTED PORTFOLIO

For IFC's own account as of June 30, 2013

Total	\$49,617 (100%)	
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BY INDUSTRY

Financial Markets	\$14,563 (29%)	
Infrastructure	\$9,358 (19%)	
Manufacturing	\$6,385 (13%)	
Agribusiness & Forestry	\$4,251 (9%)	
Consumer & Social Services	\$4,215 (8%)	
Funds	\$3,733 (8%)	
Trade Finance	\$3,081 (6%)	
Oil, Gas & Mining	\$2,359 (5%)	
Telecommunications & Information Technology	\$1,667 (3%)	
Other	\$5 (0%)	

BY REGION

Europe and Central Asia	\$10,994 (22%)	
Latin America and the Caribbean	\$10,993 (22%)	
Sub-Saharan Africa	\$7,833 (16%)	
East Asia and the Pacific	\$7,726 (16%)	
Middle East and North Africa	\$5,793 (12%)	
South Asia	\$5,582 (11%)	
Global	\$696 (1%)	

Amounts include regional shares of investments that are officially classified as global projects.

FY13 ADVISORY SERVICES PROGRAM EXPENDITURES

Dollar amounts in millions

Total	231.9 (100%)	
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BY REGION

Sub-Saharan Africa	65.4 (28%)	
East Asia and the Pacific	38.5 (17%)	
Europe and Central Asia	36.4 (16%)	
South Asia	33.6 (14%)	
Latin America and the Caribbean	25.5 (11%)	
Middle East and North Africa	20.4 (9%)	
Global	12.2 (5%)	

BY BUSINESS LINE

Investment Climate	74.8 (32%)	
Access to Finance	62.6 (27%)	
Sustainable Business	55.0 (24%)	
Public-Private Partnerships	39.5 (17%)	

OUR VISION

That people should have the opportunity to escape poverty and improve their lives

OUR VALUES

Excellence, Commitment, Integrity, Teamwork, and Diversity

OUR PURPOSE

To create opportunity for people to escape poverty and improve their lives by catalyzing the means for inclusive and sustainable growth, through:

- » Mobilizing other sources of finance for private enterprise development
- » Promoting open and competitive markets in developing countries
- » Supporting companies and other private sector partners where there is a gap

» Helping generate productive jobs and deliver essential services to the poor and vulnerable

To achieve our purpose, IFC offers development-impact solutions through firm-level interventions (Investment Services, Advisory Services, and the IFC Asset Management Company); promoting global collective action; strengthening governance and standard-setting; and business-enabling-environment work.

THE WAY WE WORK

- » We help our clients succeed in a changing world
- » Good business is sustainable, and sustainability is good business
- » One IFC, one team, one goal
- » Diversity creates value
- » Creating opportunity requires partnership
- » Global knowledge, local know-how
- » Innovation is worth the risk
- » We learn from experience
- » Work smart and have fun
- » No frontier is too far or too difficult

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