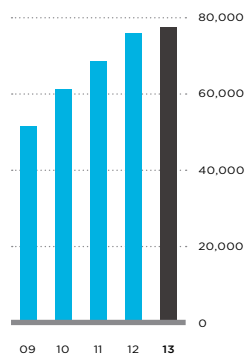


In FY13, our investments climbed to an all-time high of nearly \$25 billion, leveraging the power of the private sector to create jobs and tackle the world's most pressing development challenges.

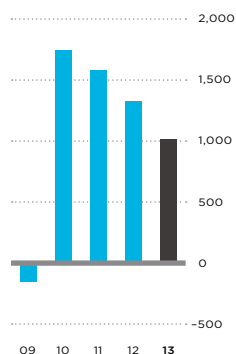
Total Assets

Dollars in millions



Net Income (Loss) Attributable to IFC

Dollars in millions



IFC Financial Highlights

	2013	2012	2011	2010	2009
Dollars in millions, as of and for the years ended June 30*					
Net income (loss) attributable to IFC	\$ 1,018	\$ 1,328	\$ 1,579	\$ 1,746	\$ (151)
Grants to IDA	\$ 340	\$ 330	\$ 600	\$ 200	\$ 450
Income before grants to IDA	\$ 1,350	\$ 1,658	\$ 2,179	\$ 1,946	\$ 299
Total assets	\$77,525	\$75,761	\$68,490	\$61,075	\$51,483
Loans, equity investments and debt securities, net	\$34,677	\$31,438	\$29,934	\$25,944	\$22,214
Estimated fair value of equity investments	\$13,309	\$ 11,977	\$ 13,126	\$ 10,146	\$ 7,932
KEY RATIOS					
Return on average assets (GAAP basis)	1.3%	1.8%	2.4%	3.1%	-0.3%
Return on average capital (GAAP basis)	4.8%	6.5%	8.2%	10.1%	-0.9%
Cash and liquid investments as a percentage of next three years' estimated net cash requirements	77%	77%	83%	71%	75%
Debt-to-equity ratio	2.6:1	2.7:1	2.6:1	2.2:1	2.1:1
Total resources required (\$ billions)	\$ 16.8	\$ 15.5	\$ 14.4	\$ 12.8	\$ 10.9
Total resources available (\$ billions)	\$ 20.5	\$ 19.2	\$ 17.9	\$ 16.8	\$ 14.8
Total reserve against losses on loans to total disbursed loan portfolio	7.20%	6.60%	6.6%	7.4%	7.4%

*See Management's Discussion and Analysis and Consolidated Financial Statements for details on the calculation of these numbers:
http://www.ifc.org/ifcext/annualreport.nsf/Content/AR2013_Financial_Reporting

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.

IFC Annual Report 2013

THE POWER OF PARTNERSHIPS

ABOUT IFC

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector in developing countries.

Established in 1956, IFC is owned by 184 member countries, a group that collectively determines our policies. Our work in more than 100 developing countries allows companies and financial institutions in emerging markets to create jobs, generate tax revenues, improve corporate governance and environmental performance, and contribute to their local communities.

IFC's vision is that people should have the opportunity to escape poverty and improve their lives.

This report summarizes IFC's role in helping the private sector create jobs and opportunity in developing countries. It highlights how we spur innovation (*pages 32–39*), influence policy (*pages 40–47*), provide a demonstration effect for others (*pages 48–55*), and strive to maximize our development impact (*pages 56–63*).





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Leadership Perspectives



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The Power of Partnerships



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IFC's Global Results



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How IFC Creates Opportunity



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Measuring Up

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Our Business and Expertise



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Our People and Practices



111
Stay Connected





Leadership Perspectives

A Letter from
**WORLD BANK GROUP PRESIDENT
 JIM YONG KIM**

We are at an auspicious moment in history. Thanks to the successes of the past few decades and a favorable economic outlook, developing countries now have an unprecedented opportunity: the chance to end extreme poverty within a generation. This opportunity must not be squandered.

Earlier this year, we in the World Bank Group set two specific and measurable goals for ourselves and our partners in the development community: effectively ending extreme poverty by shrinking the share of people living on less than \$1.25 a day to 3 percent by 2030, and promoting shared prosperity by raising the incomes of the poorest 40 percent of the population in every developing country.

These are ambitious goals, and success is far from inevitable. Nearly five years after the global financial crisis began, in 2008, the world's economic recovery remains fragile. Developed countries struggle with high unemployment and weak economic growth. Developing countries are growing more slowly than before the crisis. Moreover, the fight against poverty will become increasingly difficult as we push toward our target, since those who remain poor will be the hardest to reach.

Other challenges could pose new threats to poverty reduction. Conflict and political instability present major risks, because they increase poverty and create long-term obstacles to development. Moreover, a warming planet could increase the prevalence and size of drought-affected areas, and make extreme weather events more frequent, with unpredictable costs in terms of lives and financial resources.

Yet, I remain optimistic that achieving the goals is within our reach. Doing so will require systemic and relentless collaboration from the World Bank Group, our 188 member countries, and other partners.

IFC will play an important role by mobilizing the power of the private sector to create jobs and opportunity where they are needed most.

“ *This year, IFC provided a record of nearly \$25 billion in financing for private sector development, \$6.5 billion of which was mobilized from investment partners.* ”

This year, IFC provided a record of nearly \$25 billion in financing for private sector development, \$6.5 billion of which was mobilized from investment partners. Nearly half of IFC’s 612 investment projects took place in the poorest countries served by the International Development Association. More than \$5 billion went to support private sector development in Sub-Saharan Africa, and more than \$2 billion went to South Asia.

IFC Asset Management Company, an IFC subsidiary that mobilizes capital from third-party investors for investment in developing countries, increased its assets under management to \$5.5 billion. This represents a significant milestone for a company set up just four years ago. In addition, IFC mobilized more than \$3 billion from other investors in the form of syndicated loans.

This Annual Report shows the crucial role IFC has played in providing support for small and medium entrepreneurs, expanding access to finance for the poor, creating jobs, and generating opportunities for women.

In Côte d’Ivoire, for example, IFC arranged a financing package that will allow the Azito power plant to increase energy production by 50 percent without using additional gas. This will help reduce power shortages in the country and support its economic recovery. In Latin America, IFC is extending quality healthcare to poor communities in the Brazilian state of Bahia with a highly innovative public-private partnership model. And, working under a joint strategy with the World Bank, IFC is bringing new opportunity to Myanmar, a country whose economic development has lagged significantly behind that of its East Asian counterparts.

IFC is also making important strides in helping the private sector address climate change. Earlier in 2013, IFC issued the world’s largest “green” bond, raising \$1 billion that will be directed to climate-related projects across the globe. In addition, IFC helped over 10 building developers in Asia, Latin America, and other regions adopt more energy-efficient designs. These are the types of steps we must take to ensure that climate change does not wipe out the hard-won development gains the world has achieved in recent decades.



—
JIM YONG KIM
World Bank Group President



Leadership Perspectives

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 believe strongly in the power of partnerships to make a transformational difference. ”

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 first-hand 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*

MANAGEMENT TEAM

Our seasoned team of executives ensures that IFC's resources are deployed effectively, with a focus on maximizing development impact and meeting the needs of our clients. IFC's Management Team benefits from years of development experience, a diversity of knowledge, and distinct cultural perspectives—qualities that

enhance IFC's uniqueness. The team shapes our strategies and policies, positioning IFC to help improve the lives of more poor people in the developing world. Our executives are vital in maintaining IFC's corporate culture of performance, accountability, and engagement.



Jingdong Hua

*Vice President,
Treasury and
Syndications*

Janamitra Devan

*Vice President,
Financial and Private
Sector Development*

Jean Philippe Prosper

*Vice President, Sub-
Saharan Africa, Latin
America and the
Caribbean*

Saadia Khairi

*Vice President,
Risk Management
and Portfolio*

Karin Finkelston

*Vice President,
Asia-Pacific*

Dorothy Berry

*Vice President,
Human Resources,
Communications, and
Administration*



Ethiopia Tafara

*Vice President,
General Counsel*

Dimitris Tsitsiragos

*Vice President,
Europe, Central
Asia, Middle East
and North Africa*

Jin-Yong Cai

*IFC Executive Vice
President and CEO*

Nena Stoiljkovic

*Vice President,
Business Advisory
Services*

Gavin Wilson

*CEO, IFC Asset
Management
Company*

Rashad Kaldany

*Vice President
and Chief Operating
Officer*

Jorge Familiar Calderon

*Vice President and
Corporate Secretary
(not pictured)*

ANNUAL REPORT 2013

With a global presence in more than 100 countries, a network of more than 900 financial institutions, and nearly 2,000 private sector clients, IFC is uniquely positioned to create opportunity where it's needed most.

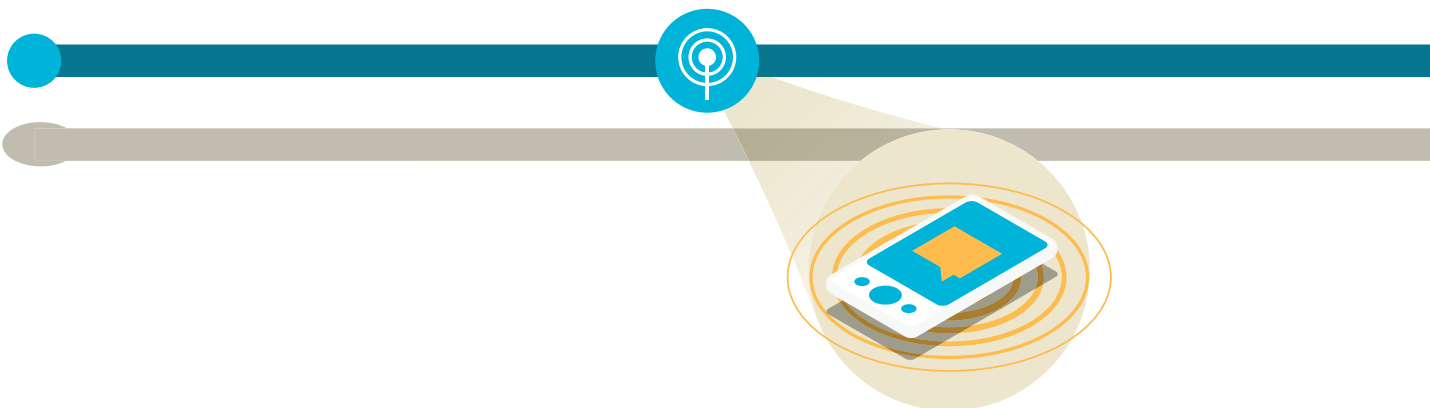
We use our capital, expertise, and influence to help change the world for the better—to eliminate extreme poverty and to boost shared prosperity.

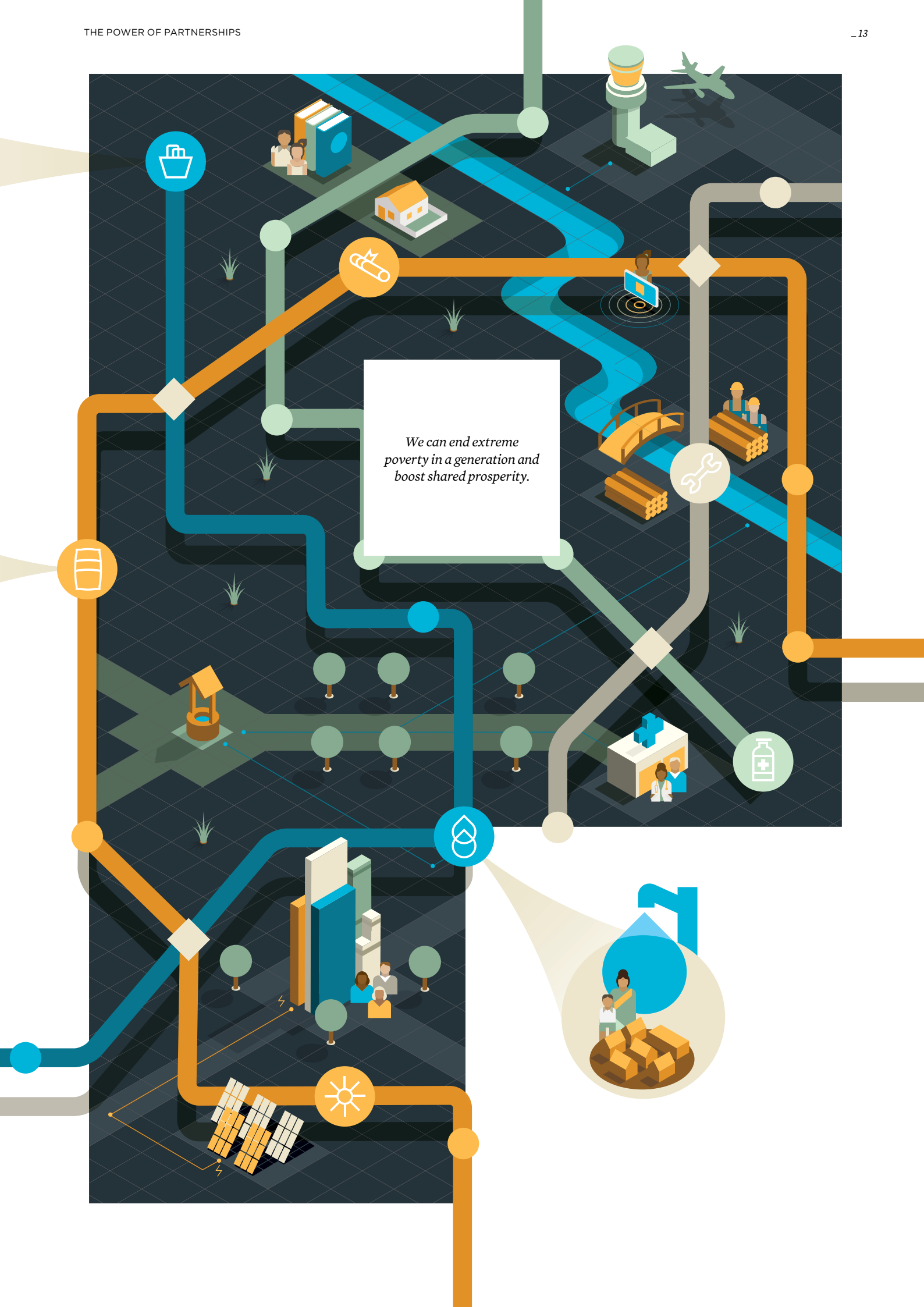
That's the power of partnerships.



Partnerships take *connections*

No institution can solve the challenges of development on its own. But IFC has a distinctive power to bring together a variety of players to address the challenges collectively. We work with our network of partners to craft innovative solutions that make good things happen in difficult places.





We can end extreme poverty in a generation and boost shared prosperity.



Partnerships take *ambition*

In a world in which the needs of developing countries far exceed the available resources, it takes ambition to make a lasting difference in the lives of the poor. We are stepping up to the challenge, unafraid to take risks, and finding new ways to maximize our development impact.

healthcare climate change
access to finance food security
infrastructure local markets
gender issues
conflict-affected
states IDA countries

We can end extreme poverty in a generation and boost shared prosperity.



Partnerships take *focus*

Our clients hold the key to sustainable private sector development in the poorest countries and regions of the world. We use our distinctive combination of broad global knowledge and deep local expertise to align their needs with the opportunities for transformational development in emerging markets.





We can end extreme poverty in a generation and boost shared prosperity.

In all our projects, we aim to do the things that no one else is able or inclined to. We seek to achieve maximum impact—profitably and efficiently, while ensuring we have the funds required to continue our growth.



*We can end extreme
poverty in a generation and
boost shared prosperity.*





Partnerships can *improve* lives

Our work helps expand employment, improve health and education, and broaden access to finance for those who need it most. In 2012, our clients supported 2.7 million jobs, treated 17.2 million patients, and expanded opportunities for more than 3 million farmers.

2.7

million jobs were supported by IFC clients in 2012.

17.2

million patients were treated by IFC clients.

3.1

million farmers benefited from our work with clients.



Partnerships can *promote prosperity*

We help create the conditions needed for sustained prosperity. In 2012, our advice helped governments in 43 countries adopt 76 reforms to strengthen the investment climate. Clients we invested in distributed power to nearly 46 million customers and contributed about \$27 billion to government revenues.

76

investment-climate reforms achieved in 43 countries.

\$27

billion in government revenues, generated by IFC clients.

46

million customers received power because of IFC investments.



Partnerships can *transform* the world

Harnessing the creativity of the private sector, we can help end extreme poverty—within a generation. We can help lift the incomes of the poorest 40 percent of the population—in every developing country. Achieving these goals would change the world.

IFC'S GLOBAL IMPACT

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.



\$4.8
BILLION

*Latin America and
the Caribbean*

\$25 BILLION

in investments, including \$18.3 billion in commitments for our own account

**\$3.3
BILLION**

*Europe and
Central Asia*

**\$1.7
BILLION**

South Asia

**\$3.5
BILLION**

Sub-Saharan Africa

**\$2.9
BILLION**

*East Asia and
the Pacific*

**\$2.0
BILLION**

*Middle East and
North Africa*



FY13 COMMITMENTS

Dollar amounts in millions

Total	\$18,349 (100%)	
-------	-----------------	--

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%)	
-------	-----------------	--

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 COMMITMENTS BY ENVIRONMENTAL AND SOCIAL CATEGORY

Category	Commitments (\$ millions)	Number of Projects
A	\$884	17
B	\$5,490	167
C	\$6,764	269
FI	\$1,751	48
FI-1	\$450	14
FI-2	\$2,203	59
FI-3	\$807	38
Total	\$18,349	612

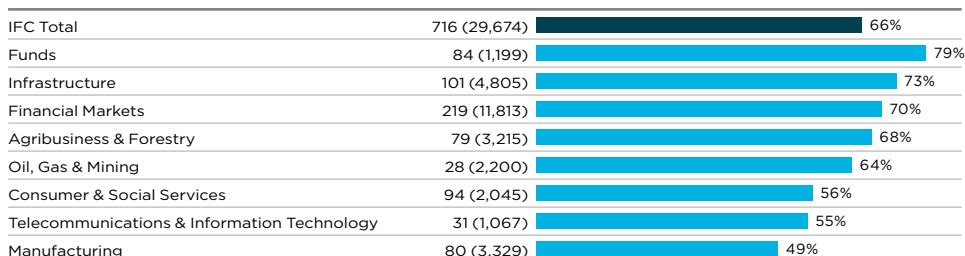
IFC'S LARGEST COUNTRY EXPOSURES¹

June 30, 2013 (Based on IFC's Account)

Country (Global Rank)	Committed Portfolio (\$ millions)	% of Global Portfolio
India (1)	\$4,453	9%
China (2)	\$3,002	6%
Turkey (3)	\$2,856	6%
Brazil (4)	\$2,690	5%
Russian Federation (5)	\$2,145	4%
Mexico (6)	\$1,584	3%
Nigeria (7)	\$1,334	3%
Egypt, Arab Republic of (8)	\$1,130	2%
Ukraine (9)	\$963	2%
Colombia (10)	\$947	2%

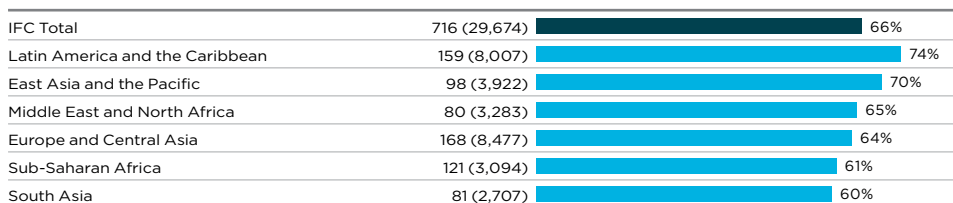
1. Excludes individual country shares of regional and global projects.

FY13 INVESTMENT SERVICES DOTS SCORE BY INDUSTRY



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.

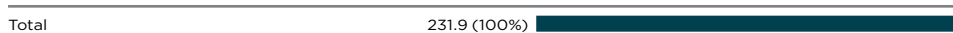
FY13 INVESTMENT SERVICES DOTS SCORE BY REGION



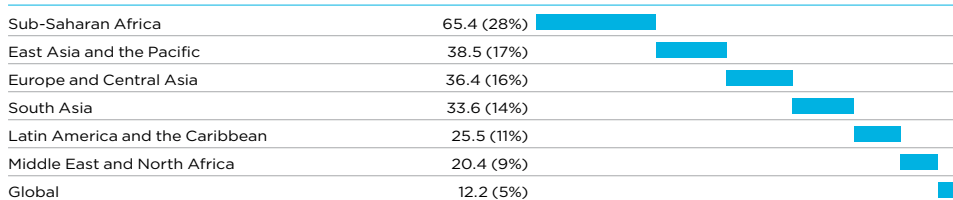
Numbers at the left end of each bar are the total number of companies rated.
Numbers in parentheses represent total IFC investment (\$ millions) in those projects.

FY13 ADVISORY SERVICES PROGRAM EXPENDITURES

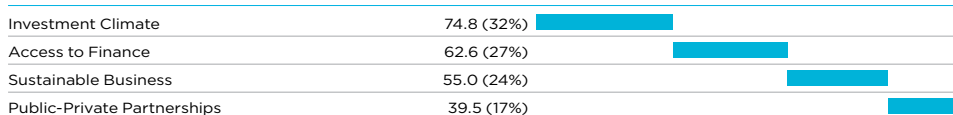
Dollar amounts in millions



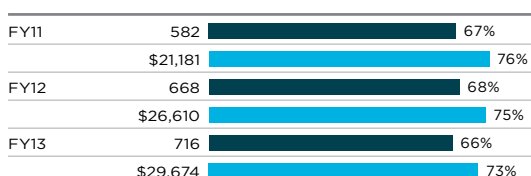
BY REGION



BY BUSINESS LINE



WEIGHTED AND UNWEIGHTED INVESTMENT SERVICES DOTS SCORES



■ Unweighted ■ Weighted

Numbers at the left end of each bar for unweighted DOTS score are the total number of companies rated. Numbers at the left end of each bar for weighted DOTS score represent total IFC investment (\$ millions) in those projects. FY11 and FY12 weighted scores have been restated to reflect methodology changes (see page 82).

IFC'S CLIENT LEADERSHIP AWARD

Every year, IFC recognizes an organization that reflects our values and symbolizes our shared commitment to sustainable development. We present our Client Leadership Award to a corporate client that best demonstrates leadership, innovation, and operational excellence.

This year, the award went to Vegpro Group, a dynamic agribusiness company in Kenya. It has been an IFC client for nearly two decades.

Vegpro is engaged in a tricky market: supplying fresh food to supermarkets in the European Union. As shoppers demand high-quality, ready-to-eat vegetables, growers must assure year-round supply and quick delivery while complying with strict environmental and safety standards.

But the company's creative approach has transformed it into Kenya's largest vegetable producer, with an annual turnover of \$100 million. All of the fresh produce it supplies to the retail market is certified, which usually means higher income for suppliers—4,000 of whom are small-scale farmers.

Vegpro is one of Kenya's largest private employers, with 7,000 employees. About three-quarters of them are women—who enjoy starting wages that are almost 50 percent higher than the average daily minimum, in addition to benefits such as free primary healthcare and counseling.