

OUR EXPERTISE

IFC blends investment with advice and resource mobilization to help the private sector advance development.

WHERE WE WORK

As the largest global development institution focused on the private sector, IFC operates in more than 100 countries. We apply lessons learned in one region to solve problems in another. We help local companies make better use of their own knowledge, by matching it to opportunities in other developing countries.

OUR OFFICES



WHAT WE DO

IFC provides investment, advice, and asset management. These are mutually reinforcing services, delivering financing and global expertise to clients in developing countries.

Together, they give us a special advantage in helping the private sector create opportunity—our investment and advice can be tailored to a client's specific needs, and in ways that add value. Our ability to attract other investors brings additional benefits, introducing our clients to new sources of capital and better ways of doing business.

*In FY14,
IFC invested
\$17.2
BILLION
in about
600 projects
and mobilized
more than
\$5 billion.*

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for nearly
\$7.6
BILLION
in new loans
in FY14.*

INVESTMENT

Our investment services provide a broad suite of financial products and services that can ease poverty and spur long-term growth by promoting sustainable enterprises, encouraging entrepreneurship, and mobilizing resources that wouldn't otherwise be available.

Our financing products are designed to meet the needs of each project. We provide growth capital, but the bulk of the funding comes from private sector owners, who also bear leadership and management responsibility.

In FY14, we invested \$17.2 billion in about 600 projects. In addition, we mobilized more than \$5 billion to support the private sector in developing countries.

PRODUCT LINES

LOANS

IFC finances projects and companies through loans for our own account, typically for seven to 12 years. We also make loans to intermediary banks, leasing companies, and other financial institutions for on-lending.

While IFC loans traditionally have been denominated in the currencies of major industrial nations, we have made it a priority to structure local-currency products. IFC has provided local-currency financing in more than 50 local currencies.

In FY14, we made commitments for nearly \$7.6 billion in new loans.

EQUITY

Equity investments provide developmental support and long-term growth capital that private enterprises need. We invest directly in companies' equity, and also through private-equity funds. In FY14, equity investments accounted for about \$2.3 billion of commitments we made for our own account.

IFC generally invests between 5 percent and 20 percent of a company's equity. We encourage the companies we invest in to broaden share ownership through public listings, thereby deepening local capital markets. We also invest through profit-participating loans, convertible loans, and preferred shares.

TRADE AND SUPPLY-CHAIN FINANCE

The IFC Global Trade Finance Program guarantees trade-related payment obligations of approved financial institutions. The program extends and complements the capacity of banks to deliver trade finance by providing risk mitigation on a per-transaction basis for more than 200 banks across more than 80 countries.

In FY14, trade finance accounted for more than \$7 billion of the commitments we made for IFC's own account. Our Global Trade Liquidity Program has supported \$32 billion in trade in developing countries since it was launched in 2009.

SYNDICATIONS

IFC's Syndicated Loan Program is the oldest and largest among multilateral development banks. In FY14, it accounted for 60 percent of the funds mobilized by IFC.

In FY14, IFC syndicated about \$3.1 billion in B-loans, parallel loans, and MCPP loans, provided by more than 80 financial institutions. These included commercial banks, institutional investors, development finance institutions, and an emerging-markets central bank. A record \$1.1 billion was provided by co-financiers in emerging markets. The syndicated loan portfolio stood at \$15.2 billion.

Borrowers in the infrastructure sector received 44 percent of the total volume. More than a quarter of the financing we provided through syndications—\$816 million in all—went to borrowers in IDA countries.

CLIENT RISK-MANAGEMENT SERVICES

IFC provides derivative products for our clients to allow them to hedge their interest rate, currency, or commodity-price exposures. IFC mediates between clients in developing countries and derivatives market makers in order to provide clients with full market access to risk-management products.

ADVICE

Private sector development requires more than finance. Experience shows the powerful role advice can play in unlocking investment by the private sector, helping businesses expand and create jobs, and so strengthening the World Bank Groups' impact.

At the end of FY14, IFC had an active portfolio of 719 advisory services projects in more than 100 countries. The majority of the program is in IDA countries, and about 20 percent is in fragile and conflict-affected areas. During FY14, IFC provided advice through four business lines:

Access to Finance helps increase the availability and affordability of financial services for individuals and for micro, small, and medium enterprises. We help our financial clients provide broad-based financial services and build the financial infrastructure necessary for sustainable growth and employment. At the end of FY14, we had an active portfolio of 294 projects—valued at more than \$361 million—in 77 countries.

Investment Climate helps governments implement reforms that improve the business environment and encourage and retain investment, thereby fostering competitive markets, growth, and job creation. We also help resolve legal and policy weaknesses that inhibit investment. At the end of FY14, IFC had an active portfolio of 161 investment-climate projects in 68 countries, valued at nearly \$336 million.

At the end of FY14, IFC had an active portfolio of

719

ADVISORY SERVICES PROJECTS

in more than 100 countries.

IFC's active projects related to access to finance totaled more than

\$361

MILLION
at the end of FY14.

AMC
had about
\$6.4
BILLION
in assets
under
management
at the end
of FY14.

IFC
Capitalization
Fund's
investment
commitments
had totaled
\$2.7
BILLION
at the end
of FY14.

Public-Private Partnerships helps governments to design and implement public-private partnerships in infrastructure and other basic public services. Our advice helps maximize the potential of the private sector to increase access to public services such as electricity, water, health, and education while enhancing their quality and efficiency. At the end of FY14, we had an active portfolio of 118 PPP projects in 54 countries, valued at about \$152 million.

Sustainable Business helps clients to promote sound environmental, social, governance, and industry standards; catalyze investment in clean energy and resource efficiency; and support sustainable supply chains and community investment. We work in several sectors including agribusiness and forestry; manufacturing and services; infrastructure; oil, gas, and mining; and financial markets. At the end of FY14, we had an active portfolio of 146 sustainable-business projects in 53 countries, valued at about \$263 million.

In recent years, IFC has introduced a wave of bold reforms to strengthen the impact and performance of our advisory services. To further strengthen client focus and impact, from July 1, 2014, advisory services will be more closely aligned with relevant IFC Investment Services and World Bank Group Global Practices.

IFC ASSET MANAGEMENT COMPANY

IFC Asset Management Company, LLC, a wholly owned subsidiary of IFC, mobilizes and manages capital for investment in developing and frontier markets. It was created in 2009 to provide investors with access to IFC's emerging-markets investment pipeline and to expand the supply of long-term capital to these markets, enhancing IFC's development goals and generating profits for investors by leveraging IFC's global reach, standards, investment approach, and track record.

As of June 30, 2014, AMC had approximately \$6.4 billion in assets under management. It manages six investment funds on behalf of a wide variety of institutional investors, including sovereign wealth funds, pension funds, and development finance institutions.

AMC FUNDS

IFC CAPITALIZATION FUND

The \$3 billion IFC Capitalization Fund consists of an equity fund of \$1.3 billion and a subordinated debt fund of \$1.7 billion. Launched in 2009, the fund helps strengthen systemically important banks in emerging markets, bolstering their ability to cope with financial and economic downturns. As of June 30, 2014, the fund had made 39 investment commitments totaling \$2.7 billion.

IFC AFRICAN, LATIN AMERICAN, AND CARIBBEAN FUND

The \$1 billion IFC African, Latin American, and Caribbean Fund was launched in 2010. The fund co-invests with IFC in equity and equity-related investments across a range of sectors in Sub-Saharan Africa and in Latin America and the Caribbean. As of June 30, 2014, the fund had made 25 investment commitments totaling \$715 million.

AFRICA CAPITALIZATION FUND

The \$182 million Africa Capitalization Fund was launched in 2010 to invest in systemically important commercial-banking institutions in Africa. As of June 30, 2014, the fund had made six investment commitments totaling \$102 million.

IFC RUSSIAN BANK CAPITALIZATION FUND

The \$550 million IFC Russian Bank Capitalization Fund was launched in 2012 to invest in commercial-banking institutions in Russia. As of June 30, 2014, the fund had made three investment commitments totaling \$82 million.

IFC CATALYST FUND

The \$418 million IFC Catalyst Fund invests in funds that provide growth capital to companies developing innovative ways to address climate change in emerging markets. It also may invest directly in those companies. As of June 30, 2014, the fund had made four fund commitments totaling \$95 million.

IFC GLOBAL INFRASTRUCTURE FUND

The \$1.2 billion IFC Global Infrastructure Fund co-invests with IFC in equity and equity-related investments in the infrastructure sector in emerging markets. As of June 30, 2014, the fund had made five investment commitments totaling \$172 million.

OUR INDUSTRY EXPERTISE

IFC's leadership role in sustainable private sector development reflects a special advantage—the depth and breadth of expertise we have acquired over more than 50 years of helping emerging-market firms succeed and grow.

IFC's new commitments in agribusiness and forestry totaled

\$1

BILLION
in FY14.

In FY14, IFC's commitments in financial markets totaled more than

\$3.4

BILLION.

We have moved to leverage our global industry knowledge to tackle the biggest development challenges of the coming years—including climate change, unemployment, and food and water security.

AGRIBUSINESS AND FORESTRY

Agribusiness has an important role to play in poverty reduction. The agricultural sector often accounts for at least half of GDP and employment in many developing countries, which makes it a priority for IFC.

IFC provides support for the private sector to address rising demand in an environmentally sustainable and socially inclusive way. To help clients finance inventories, seeds, fertilizers, chemicals, and fuel for farmers, IFC offers working-capital facilities. To facilitate trade and lower costs, we pursue investments in infrastructure such as warehouses and cold-storage facilities. To bring land into sustainable production, we work to improve productivity by transferring technologies and making the best use of resources.

In FY14, our new commitments in agribusiness and forestry totaled \$1 billion, accounting for about 6 percent of commitments for IFC's own account.

FINANCIAL INSTITUTIONS

Sound, inclusive, and sustainable financial markets are vital to development because they ensure efficient resource allocation. IFC's work with financial intermediaries helps strengthen financial institutions and overall financial systems. It also allows us to support far more micro, small, and medium enterprises than we would be able to on our own.

Working through financial intermediaries enables IFC to encourage them to become more involved in sectors that are strategic priorities—such as women-owned businesses and climate change—and in underserved regions such as fragile and conflict-affected states as well as in housing, infrastructure, and social services.

In FY14, our commitments in financial markets totaled more than \$3.4 billion, about 20 percent of commitments for IFC's own account.

CONSUMER AND SOCIAL SERVICES

IFC is the world's largest multilateral investor in private health care and education. We work to increase access to high-quality health and education while also supporting job-creating sectors such as tourism, retail, and property. We help improve standards of quality and efficiency, facilitate the exchange of best practices, and create jobs for skilled professionals.

In addition to making direct investments in socially responsible companies, our role includes sharing industry knowledge and expertise, funding smaller companies, raising medical and education standards, and helping clients expand services to lower-income groups. In FY14, our new commitments in consumer and social services totaled \$928 million, or about 5 percent of IFC's commitments for our own account.

INFRASTRUCTURE

Modern infrastructure spurs economic growth, improves living standards, and can represent an opportunity to address emerging development challenges, including rapid urbanization and climate change.

It is also an area in which the private sector can make a significant contribution, providing essential services to large numbers of people efficiently, affordably, and profitably. This is IFC's focus: supporting private infrastructure projects whose innovative, high-impact business models can be widely replicated.

We help increase access to power, transportation, and water by financing infrastructure projects and advising client governments on public-private partnerships. We mitigate risk and leverage specialized financial structuring and other capabilities. In FY14, our new commitments in this sector totaled about \$2.4 billion, or about 14 percent of commitments for IFC's own account.

MANUFACTURING

The manufacturing sector plays a vital role in creating opportunity and reducing poverty in developing countries. IFC's manufacturing clients tend to create or maintain more employment than those in any other sector.

We have increased our activities in the sector, which includes construction materials, energy-efficient machinery, chemicals, and equipment for solar and wind power. We invest in companies that are developing new products and markets or restructuring and modernizing to become internationally competitive.

We are also helping clients make investments that can reduce carbon emissions and energy consumption.

In FY14, our new commitments in the manufacturing sector totaled \$984 million, or nearly 6 percent of commitments for IFC's own account.

OIL, GAS, AND MINING

Industries that can harness natural resources are vital for many of the world's poorest countries. They are a key source of jobs, energy, government revenues, and a wide array of other benefits for local economies. In Africa, in particular, large-scale sustainable investments in these industries can create equally large-scale gains in economic development.

IFC's mission in the oil, gas, and mining sector is to help developing countries realize these benefits. We provide financing and advice for private sector clients, and also help governments adopt effective regulations and strengthen their capacity to manage these industries across the value chain.

We support private investment in these industries, and we work to ensure that local communities enjoy concrete benefits. In FY14, our new commitments for our own account in the sector totaled \$441 million.

TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY

Modern information and communication technologies make it easier for the poor to obtain access to services and resources. They expand opportunity and make markets and institutions more efficient. IFC works to extend the availability of such technologies. We channel investments toward private companies that build modern communications infrastructure and information-technology businesses and develop climate-friendly technologies.

IFC increasingly helps clients move beyond their own national borders and into other developing markets. In FY14, our new commitments for our own account in this sector totaled \$489 million.