#privatesector
matters for
development

OPPORTUNITY
CAPITAL
GROWTH
IMPACT

Adjective: *essential*
Absolutely necessary; extremely important.
"Jobs are essential for lasting prosperity."

IFC Annual Report 2015

We believe that private sector investment is essential if the world is to end extreme poverty by 2030 and boost shared prosperity.

World Bank Group 2015 Summary Results

Message from the President of the World Bank Group and Chairman of the Board of Executive Directors

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This has been a pivotal year for global development. The international community's decisions in 2015 will have long-term impacts on the world's ability to reach our goal of ending extreme poverty by 2030.

Today, nearly 1 billion people still live on less than $1.25 a day. This is a staggering number, but it is important to remember that over the past 25 years, the world has reduced the rate of extreme poverty by two-thirds. Over that time, many countries have succeeded in making the seemingly impossible possible.

> "Working together, we can promote inclusive and sustainable growth, as well as opportunity for the poor and the vulnerable. We can be the generation that ended extreme poverty."

Ending extreme poverty by 2030 will be difficult but entirely possible. For decades, the World Bank Group's principal institutions—the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA)—have distilled and analyzed our global experience in fighting poverty. We have learned from our experience what has worked for development and what has not in specific contexts, and some clear patterns have emerged.

Evidence shows that great gains can be made through the strategy of "grow, invest, and insure." We must promote strong, sustainable, and inclusive economic growth; we must invest in people—especially in health and education; and we must build social safety nets and protections against natural disasters and pandemics to prevent people from plunging into extreme poverty.

We also know that, as an institution, the World Bank Group needs to better meet the evolving needs of low- and middle-income countries. In a world where capital is more easily available, we must emphasize our greatest strengths—the marriage of our vast knowledge with innovative financing to deliver programs that have the greatest impact on the poorest. Our aim is to help countries translate global experience into practical know-how to solve their most difficult problems.

This year, the World Bank Group committed nearly $60 billion in loans, grants, equity investments, and guarantees to its members and private businesses. IBRD delivered record amounts of financing for any year except at the height of the global financial crisis, with commitments totaling $23.5 billion. And IDA, the World Bank's fund for the poorest, has just had the strongest first year of a replenishment cycle ever, committing $19 billion. Thanks to our determined and dedicated staff, we have been able to strengthen our performance and ensure that the development knowledge and expertise within our institution moves more easily around the globe.

As the world seeks to go from billions to trillions of dollars in development finance—with sources of financing from high-, middle-, and low-income countries—the work of our entire World Bank Group will be critical to driving private sector investment to emerging markets and fragile countries. IFC and MIGA, two of our institutions focused on private sector development, are strengthening their efforts in this regard. This year, IFC provided about $17.7 billion in financing for private sector development, about $7.1 billion of which was mobilized from investment partners. MIGA issued $2.8 billion in political risk and credit enhancement guarantees underpinning various investments, including in much-needed infrastructure projects.

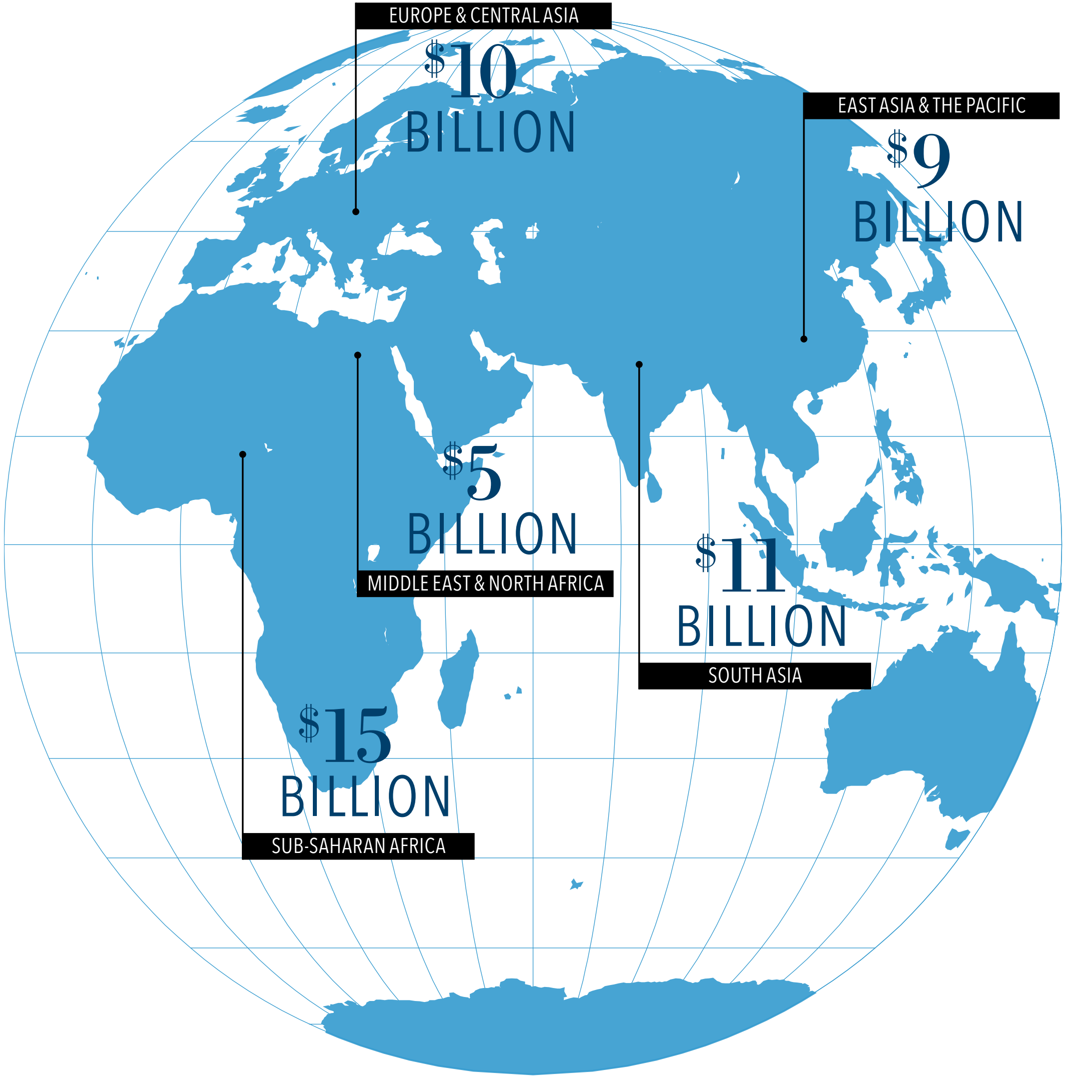
Nearly 1 billion people living in extreme poverty want an equal opportunity for a better life. They are counting on policies and programs that give them a chance. Governments must seize this moment. Our private sector partners must explore new investments. The World Bank Group, our multilateral development bank partners, and our new partners on the horizon must all work together to not let this opportunity slip away and collaborate with real conviction. Working together, we can promote inclusive and sustainable growth, as well as opportunity for the poor and the vulnerable. We can be the generation that ended extreme poverty.

DR. JIM YONG KIM

President of the World Bank Group
and Chairman of the Board of
Executive Directors

GLOBAL COMMITMENTS

The World Bank Group maintained strong support for developing countries over the past year as the organization focused on delivering results more quickly, increasing its relevance for its clients and partners, and bringing global solutions to local challenges.



$60 BILLION

in loans, grants, equity investments, and guarantees to partner countries and private businesses

Total includes multiregional and global projects. Regional breakdowns reflect World Bank country classifications.

OUR IMPACT

The World Bank Group leveraged its strengths, expertise, and resources to help countries and other partners make a real impact on development—by driving economic growth, promoting inclusiveness, and ensuring sustainability.

DRIVING ECONOMIC GROWTH

IBRD/IDA

49
million people and micro, small, and medium enterprises reached with financial services

27,700
kilometers of roads constructed or rehabilitated

IFC

237
million customers supplied with phone connections

2.5
million jobs provided

MIGA

$14.7
billion in new loans issued by MIGA clients

100,325
jobs provided

PROMOTING INCLUSIVENESS

IBRD/IDA

123
million people received health, nutrition, and population services

14.5
million beneficiaries covered by social safety net programs

IFC

3.5
million students received educational benefits

3.4
million farmers assisted

MIGA

21.8
million people provided access to power

142
million people provided access to transport

ENSURING SUSTAINABILITY

IBRD/IDA

41
million tons of CO_2 equivalent emissions expected to be reduced with support of special climate instruments

34
countries with strengthened public financial management systems

IFC

$19.5
billion in government revenues generated by IFC clients

9.7
million metric tons of greenhouse emissions expected to be reduced as a result of IFC investments in FY15

MIGA

4
million people provided access to clean water

$3
billion in government revenues generated by MIGA clients

THE INSTITUTIONS OF THE WORLD BANK GROUP

The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries, consisting of five institutions with a common commitment to reducing poverty, increasing shared prosperity, and promoting sustainable development.

International Bank for Reconstruction and Development (IBRD)

lends to governments of middle-income and creditworthy low-income countries

International Development Association (IDA)

provides interest-free loans, or credits, and grants to governments of the poorest countries

International Finance Corporation (IFC)

provides loans, equity, and advisory services to stimulate private sector investment in developing countries

Multilateral Investment Guarantee Agency (MIGA)

provides political risk insurance and credit enhancement to investors and lenders to facilitate foreign direct investment in emerging economies

International Centre for Settlement of Investment Disputes (ICSID)

provides international facilities for conciliation and arbitration of investment disputes

WORLD BANK GROUP FINANCING FOR PARTNER COUNTRIES

By fiscal year, in millions of dollars

WORLD BANK GROUP	2015	2014	2013	2012	2011
Commitments[a]	59,776	58,190	50,232	51,221	56,424
Disbursements[b]	44,582	44,398	40,570	42,390	42,028
IBRD					
Commitments	23,528	18,604	15,249	20,582	26,737
Disbursements	19,012	18,761	16,030	19,777	21,879
IDA					
Commitments	18,966	22,239	16,298	14,753	16,269
Disbursements	12,905	13,432	11,228	11,061	10,282
IFC					
Commitments[c]	10,539	9,967	11,008	9,241	7,491
Disbursements	9,264	8,904	9,971	7,981	6,715
MIGA					
Gross issuance	2,828	3,155	2,781	2,657	2,099
RECIPIENT-EXECUTED TRUST FUNDS					
Commitments	3,914	4,225	4,897	3,988	3,828
Disbursements	3,401	3,301	3,341	3,571	3,152

a. Includes IBRD, IDA, IFC, and Recipient-Executed Trust Fund (RETF) commitments, and MIGA gross issuance. RETF commitments include all recipient-executed grants, and therefore total WBG commitments differ from the amounts reported in the WBG Corporate Scorecard, which includes only a subset of trust-funded activities.

b. Includes IBRD, IDA, IFC, and RETF disbursements. NOTE: The disbursement total for 2015 has been corrected since publication of the print edition. It includes previously omitted IDA data.

c. Long-term commitments for IFC's own account. Does not include short-term finance or funds mobilized from other investors.

es·sen·tial

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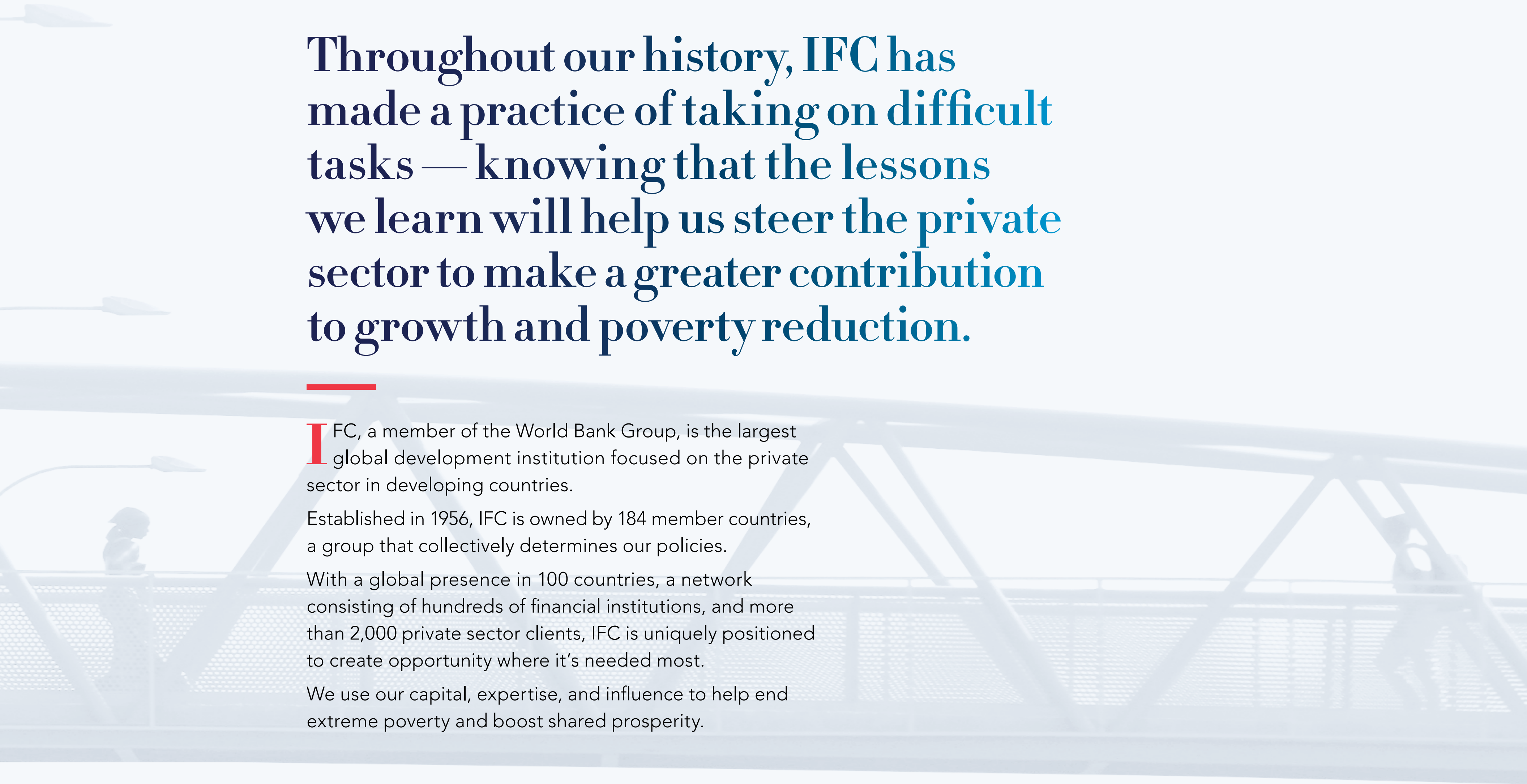
ABOUT IFC

Throughout our history, IFC has made a practice of taking on difficult tasks — knowing that the lessons we learn will help us steer the private sector to make a greater contribution to growth and poverty reduction.



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

Established in 1956, IFC is owned by 184 member countries, a group that collectively determines our policies.

With a global presence in 100 countries, a network consisting of hundreds of financial institutions, and more than 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 end extreme poverty and boost shared prosperity.

> It’s imperative for the public and private sectors to play their respective roles.

LEADERSHIP PERSPECTIVE

A Letter from IFC Executive Vice President and Chief Executive Officer, Jin-Yong Cai

The needs of developing countries are immense.

But our experience over the past two decades has shown that strong partnership between the public and private sectors can achieve dramatic results. Since 1990, the number of people living in extreme poverty has been reduced by more than half, and the size of the working middle class in developing countries has nearly tripled.

Now the global community has embarked on an ambitious initiative—the Sustainable Development Goals—to address the full spectrum of challenges that inhibit progress and prosperity in developing countries. Meeting these goals over the next 15 years will require trillions of dollars a year. It will require the world to unleash the power of market economies—which are most effective when they are fair, transparent, and inclusive. It’s imperative for the public and private sectors to play their respective roles in this effort.

At IFC, we believe the private sector is essential for sustainable development—and we know how to forge the public-private partnerships necessary to address the most urgent challenges of development. In fiscal year 2015, our long-term investments in developing countries totaled $17.7 billion, a 17 percent increase over the previous year. More than a third of that amount—over $7 billion—was mobilized from other investors who joined us in our projects because of our 60-year track record of achieving strong development results along with sound financial returns.

Our work helped spark opportunity in more than 100 developing countries, particularly in the most challenging markets. Our long-term investments in the poorest countries—those eligible to borrow from the World Bank's International Development Association—totaled nearly $4.7 billion, accounting for over a third of our projects. About 10 percent of our projects, totaling more than $600 million, were in fragile and conflict-affected areas of the world.

In doing so, we helped our clients improve lives and drive sustainable growth. Our clients provided 2.5 million jobs, helped educate 3.5 million students, and treated more than 17 million patients. They generated power for nearly 56 million customers, distributed water to more than 23 million, and provided gas to 35 million.

We did all of this despite turbulent market conditions, declining commodity prices, and political instability in several regions. During the year, IFC unveiled several projects with substantial development potential. We helped Colombia on an ambitious $24 billion road-modernization project. We played a catalytic role in deepening India's capital markets, introducing an offshore rupee-denominated bond program whose success prompted the Indian central bank to consider permitting local companies to issue similar bonds in offshore markets. We agreed to provide a $300 million financing package to help set up the largest wind farm in Central America.

IFC continued to deliver strong results for our clients through our advisory work. More than 90 percent of our advisory clients expressed satisfaction with our work. Nearly two-thirds of our advisory work was in the poorest countries—including 20 percent in fragile and conflict-affected areas.

IFC Asset Management Company maintained its growth trajectory, increasing its assets under management to $8.5 billion across nine investment funds, and mobilizing $761 million for IFC projects.

I am proud of IFC staff's efforts in improving the lives of millions of people in developing countries. Much more can be done to tackle the challenges of development—especially in mobilizing the financing that will be needed to achieve the Sustainable Development Goals. I am confident IFC's performance has positioned us well to take on those challenges in the coming years.

JIN-YONG CAI

IFC Executive Vice President
and Chief Executive Officer

ESSENTIAL: WHY THE PRIVATE SECTOR MATTERS FOR DEVELOPMENT

Over the past two decades, the world has made extraordinary progress in economic development, lifting more than 700 million people out of extreme poverty while creating millions of jobs. The 2008 global financial crisis, however, slowed that progress—and the world economy is still struggling to regain momentum.

More than a billion people still scrape by on less than $1.25 a day. If the world is to end extreme poverty by 2030 and create the conditions necessary for sustained prosperity, economic growth must accelerate. Growth must be resilient in the face of a growing array of challenges—such as climate change, conflict and instability, and fast-moving epidemics.

These challenges can't be tackled without a robust and engaged private sector. Developing countries need up to $2 trillion a year just for investments in the power, transportation, and health sectors.

As the largest global development institution focused on the private sector, we know how to mobilize significant private capital to create opportunity in the most challenging places. Over the past six decades, we have leveraged about $2.6 billion in capital from our member governments to deliver a significant amount of financing for private sector development—about $224 billion in all.

It takes a special kind of focus, however, to ensure that the benefits of private sector growth reach the people who need them most. IFC plays an important role here—by making investments that expand opportunities for the poor; by helping businesses improve environmental, social, and governance standards; and by helping establish investment-climate systems that promote prosperity for all.

This is challenging work, and it can involve difficult judgments and tradeoffs. But throughout our history, IFC has made a practice of taking on difficult tasks—knowing that the lessons we learn from our experience will help us steer the private sector to make an even greater contribution to growth and poverty reduction.

> It takes a special kind of focus to ensure that the benefits of private sector growth reach the people who need them most.

Developing countries need up to $2 trillion a year just for investments in the power, transportation, and health sectors. A challenge of this magnitude requires the public and private sectors to work together.

10^{12}

Open here to see how far we have to go

Over the past six decades, we have leveraged about $2.6 billion in capital from our member governments to deliver a significant amount of financing for private sector development—about $224 billion in all. But much more is needed.

$2T

$2.6B

IFC capital from shareholders since 1956

$224B*

Financing generated by IFC for private sector development since 1956

*Not adjusted for inflation.

$250

BILLION

Additional funding needed for education per year

op·por·tu·n

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ESSENTIAL: OPPORTUNITY

Our priority is to create opportunity where it's needed most — in the poorest and most fragile countries, and for the most vulnerable segments of the population.

Unsteady, low-wage jobs are the norm for 1.5 billion people in developing countries. It's imperative to accelerate job creation, expand opportunities for women, and modernize health and education services.

ity
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Noun: *opportunity*
A set of circumstances that makes it possible to do something. "We've identified a good business opportunity."

ESSENTIAL: CAPITAL

IFC helps unlock private capital for development in ways that promote prosperity for all. We do so by helping businesses mitigate risks and raise environmental, social, and governance standards.

Mobilizing private capital means creating the right mix of incentives—one that balances the private sector's need for returns with society's need for affordable services.

Noun: *capital*
Wealth in the form of money or other assets owned by a person or organization or available or contributed for a particular purpose such as starting a company or investing. "Rates of return on invested capital were high."

ca

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Up to

$690

BILLION

Additional funding needed for power per year

p·i·tal

apədl/

Up to

$470

BILLION

Additional funding needed for the transportation sector per year

growt

/grōT

ESSENTIAL: GROWTH

IFC helps companies overcome obstacles to sustainable growth. We focus on strengthening infrastructure, boosting small and medium enterprises, and making it easier for people to get the financing they need to succeed.

Nearly a billion people struggle on less than $1.25 a day. If the world is to end extreme poverty by 2030 and boost shared prosperity, economic growth and job creation must accelerate.

Noun: ***growth***
Increase in economic value or activity.
"The government aims to revive economic growth."

ESSENTIAL: IMPACT

IFC looks for creative ways to maximize the private sector's capacity to create opportunity and promote inclusive growth, driving impact.

The private sector sparks the innovation necessary for economies to thrive, delivering 90 percent of the jobs and most of the goods and services that people need to improve their lives.

im·

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Noun: *impact*
The effect or influence of one person, thing, or action, on another. "Our regional initiatives have had a significant impact on employment."

pact

/pakt/

Up to

$240

BILLION

Additional funding needed for telecom per year

OUR 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 poor people in the developing world.

James Scriven, Vice President, Corporate Risk and Sustainability

Jean Philippe Prosper, Vice President, Global Client Services


Gavin Wilson, CEO, IFC Asset Management Company


Ethiopis Tafara, General Counsel and Vice President, Corporate Risk and Sustainability


Nena Stoiljkovic, Vice President, Global Partnerships, and World Bank Group Vice President–Global Practices


Anshul Krishan, Chief of Staff


Dimitris Tsitsiragos, Vice President, Global Client Services


Jingdong Hua, Vice President and Treasurer


Karin Finkelston, Vice President, Global Partnerships


Jin-Yong Cai, IFC Executive Vice President and CEO

IFC YEAR IN REVIEW

In FY15, IFC invested nearly $18 billion, including more than $7 billion mobilized from other investors. Our comprehensive approach helped businesses innovate, build internationally competitive industrial sectors, and create good jobs.

IFC FINANCIAL HIGHLIGHTS

Dollars in millions, for the year ended June 30*

	2015	2014	2013	2012	2011
Net income (loss) attributable to IFC	$ 445	$ 1,483	$ 1,018	$ 1,328	$ 1,579
Grants to IDA	$ 340	$ 251	$ 340	$ 330	$ 600
Income before grants to IDA	$ 749	$ 1,739	$ 1,350	$ 1,658	$ 2,179
Total assets	$87,548	$84,130	$77,525	$75,761	$68,490
Loans, equity investments, and debt securities, net	$37,578	$38,176	$34,677	$31,438	$29,934
Estimated fair value of equity investments	$14,834	$14,890	$13,309	$11,977	$13,126
KEY RATIOS					
Return on average assets (GAAP basis)	0.5%	1.8%	1.3%	1.8%	2.4%
Return on average capital (GAAP basis)	1.8%	6.4%	4.8%	6.5%	8.2%
Cash and liquid investments as a percentage of next three years' estimated net cash requirements	81%	78%	77%	77%	83%
Debt-to-equity ratio	2.6:1	2.7:1	2.6:1	2.7:1	2.6:1
Total resources required ($ billions)	$ 19.2	$ 18.0	$ 16.8	$ 15.5	$ 14.4
Total resources available ($ billions)	$ 22.6	$ 21.6	$ 20.5	$ 19.2	$ 17.9
Total reserve against losses on loans to total disbursed loan portfolio	7.5%	6.9%	7.2%	6.6%	6.6%

* See page 4 of Management's Discussion and Analysis and Consolidated Financial Statements for details on the calculation of these numbers: http://www.ifc.org/FinancialReporting

IFC OPERATIONAL HIGHLIGHTS

Dollars in millions, for the year ended June 30

	2015	2014	2013	2012	2011
LONG-TERM INVESTMENT COMMITMENTS					
Number of projects	406	364	388	365	324
Number of countries	83	73	77	78	82
For IFC's account	$10,539	$ 9,967	$11,008	$ 9,241	$ 7,491
CORE MOBILIZATION*					
Syndicated loans[1]	$ 4,194	$ 3,093	$ 3,098	$ 2,691	$ 4,680
Structured finance	–	–	–	–	–
IFC initiatives & other	$ 1,631	$ 1,106	$ 1,696	$ 1,727	$ 1,340
Asset Management Company (AMC) funds	$ 761	$ 831	$ 768	$ 437	$ 454
Public-Private Partnership (PPP)[2]	$ 548	$ 113	$ 942	$ 41	–
Total core mobilization	$ 7,133	$ 5,142	$ 6,504	$ 4,896	$ 6,474
INVESTMENT DISBURSEMENTS					
For IFC's account	$ 9,264	$ 8,904	$ 9,971	$ 7,981	$ 6,715
Syndicated loans[3]	$ 2,811	$ 2,190	$ 2,142	$ 2,587	$ 2,029
COMMITTED PORTFOLIO					
Number of firms	2,033	2,011	1,948	1,825	1,737
For IFC's account	$50,402	$51,735	$49,617	$45,279	$42,828
Syndicated loans[4]	$15,330	$15,258	$13,633	$11,166	$12,387
SHORT-TERM FINANCE					
Average Outstanding Balance	$ 2,837	$ 3,019	$ 2,739	$ 2,529	$ 1,881
ADVISORY SERVICES					
Advisory Services program expenditures	$ 202.1	$ 234.0	$ 231.9	$ 197.0	$ 181.7
Share of program in IDA countries[5]	65%	66%	65%	65%	64%

Note: IFC changed its reporting practice regarding investment amounts, beginning in the current fiscal year. To align our approach with that of commercial banks, we now report short-term finance investments separately from long-term investments. Short-term investments are reported as the average outstanding balance for the year. This chart reflects five years' worth of data, calculated under the new reporting policy.

* 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, MCPP 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, Agented Parallel Loans & MCPP Loans.
4. Includes B-Loans, A-Loan Participation Sales (ALPS), Agented Parallel Loans, Unfunded Risk Participations (URPs) & MCPP Loans.
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'S GLOBAL IMPACT

Our work helped spark opportunity in 100 developing countries, particularly in the most challenging markets.

More than a third of our long-term investments—$4.7 billion in all—went to the world's poorest countries. About 10 percent of our projects, totaling more than $600 million, were in fragile and conflict-affected areas of the world.

$17.7* BILLION

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in long-term investment commitments, including more than $7 billion in funds mobilized from other investors

*Including global projects

IFC'S GLOBAL IMPACT

FY15 LONG-TERM COMMITMENTS BY ENVIRONMENTAL AND SOCIAL CATEGORY

Category	Commitments ($ millions)	Number of projects
A	$ 1,508	25
B	$ 3,244	157
C	$ 215	57
FI*	$ 256	15
FI-1	$ 1,311	17
FI-2	$ 2,937	100
FI-3	$ 1,067	35
TOTAL	**$10,539**	**406**

*FI category applies to new commitments on previously existing projects. Visit www.ifc.org/escategories for information on category definitions.

IFC'S LARGEST COUNTRY EXPOSURES[1]

June 30, 2015 (Based on IFC's Account)

Country (Global Rank)	Committed Portfolio ($ millions)	% of Global Portfolio
India (1)	$ 4,809	9.54%
China (2)	$ 3,608	7.16%
Turkey (3)	$ 3,174	6.30%
Brazil (4)	$ 2,519	5.00%
Nigeria (5)	$ 1,621	3.22%
Indonesia (6)	$ 1,437	2.85%
Mexico (7)	$ 1,383	2.74%
Russian Federation (8)	$ 1,188	2.36%
Pakistan (9)	$ 1,176	2.33%
Colombia (10)	$ 1,026	2.03%

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

FY15 LONG-TERM COMMITMENTS

Dollar amounts in millions, for IFC's own account as of June 30, 2015

Total	$10,539 (100.0%)
BY INDUSTRY	
Financial Markets	$4,697 (44.6%)
Infrastructure	$2,056 (19.5%)
Agribusiness & Forestry	$1,375 (13.1%)
Consumer & Social Services	$748 (7.1%)
Oil, Gas & Mining	$515 (4.9%)
Funds	$507 (4.8%)
Manufacturing	$365 (3.5%)
Telecommunications & Information Technology	$275 (2.6%)
BY REGION	
Latin America and the Caribbean	$2,379 (22.57%)
East Asia and the Pacific	$2,288 (21.71%)
Sub-Saharan Africa	$1,831 (17.38%)
Europe and Central Asia	$1,534 (14.55%)
South Asia	$1,402 (13.30%)
Middle East and North Africa	$893 (8.47%)
Global	$212 (2.01%)

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

BY PRODUCT	
Loans[1]	$7,019 (66.60%)
Equity[2]	$3,187 (30.24%)
Guarantees	$273 (2.59%)
Risk-management products	$60 (0.57%)

1. Includes loan-type, quasi-loan products.
2. Includes equity-type, quasi-equity products.

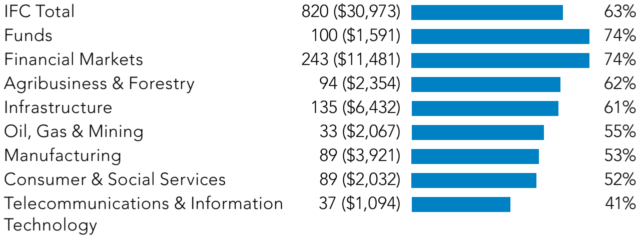
FY15 COMMITTED PORTFOLIO

Dollar amounts in millions, for IFC's own account as of June 30, 2015

Total	$50,402 (100%)
BY INDUSTRY	
Financial Markets	$16,046 (32%)
Infrastructure	$9,919 (20%)
Manufacturing	$5,429 (11%)
Consumer & Social Services	$4,289 (8%)
Funds	$4,163 (8%)
Agribusiness & Forestry	$3,401 (7%)
Oil, Gas & Mining	$2,640 (5%)
Trade Finance	$2,665 (5%)
Telecommunications & Information Technology	$1,849 (4%)
BY REGION	
Latin America and the Caribbean	$11,198 (22%)
Europe and Central Asia	$8,947 (18%)
Sub-Saharan Africa	$8,681 (17%)
East Asia and the Pacific	$8,398 (17%)
South Asia	$6,053 (12%)
Middle East and North Africa	$5,923 (12%)
Global	$1,203 (2%)

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

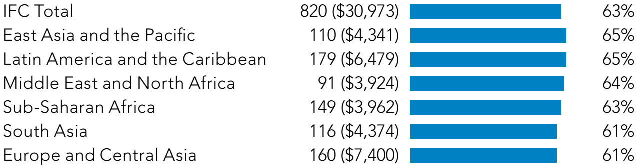
FY15 INVESTMENT SERVICES DOTS SCORE BY INDUSTRY



IFC Total	820 ($30,973)	63%
Funds	100 ($1,591)	74%
Financial Markets	243 ($11,481)	74%
Agribusiness & Forestry	94 ($2,354)	62%
Infrastructure	135 ($6,432)	61%
Oil, Gas & Mining	33 ($2,067)	55%
Manufacturing	89 ($3,921)	53%
Consumer & Social Services	89 ($2,032)	52%
Telecommunications & Information Technology	37 ($1,094)	41%

Numbers at the left end of each bar are the total number of companies rated and the total IFC investment (US$ millions) in those projects at the end of FY15.

FY15 INVESTMENT SERVICES DOTS SCORE BY REGION

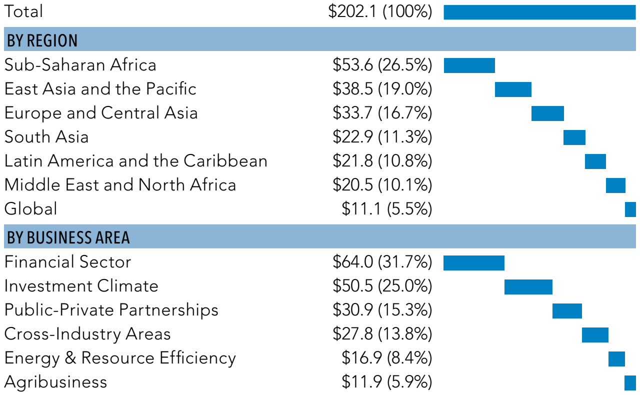


IFC Total	820 ($30,973)	63%
East Asia and the Pacific	110 ($4,341)	65%
Latin America and the Caribbean	179 ($6,479)	65%
Middle East and North Africa	91 ($3,924)	64%
Sub-Saharan Africa	149 ($3,962)	63%
South Asia	116 ($4,374)	61%
Europe and Central Asia	160 ($7,400)	61%

Numbers at the left end of each bar are the total number of companies rated and the total IFC investment (US$ millions) in those projects at the end of FY15.

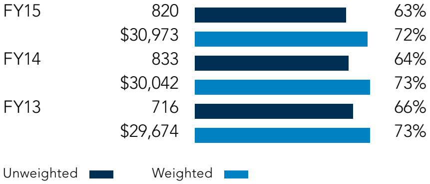
FY15 ADVISORY SERVICES PROGRAM EXPENDITURES

Dollar amounts in millions



Total	$202.1 (100%)
BY REGION	
Sub-Saharan Africa	$53.6 (26.5%)
East Asia and the Pacific	$38.5 (19.0%)
Europe and Central Asia	$33.7 (16.7%)
South Asia	$22.9 (11.3%)
Latin America and the Caribbean	$21.8 (10.8%)
Middle East and North Africa	$20.5 (10.1%)
Global	$11.1 (5.5%)
BY BUSINESS AREA	
Financial Sector	$64.0 (31.7%)
Investment Climate	$50.5 (25.0%)
Public-Private Partnerships	$30.9 (15.3%)
Cross-Industry Areas	$27.8 (13.8%)
Energy & Resource Efficiency	$16.9 (8.4%)
Agribusiness	$11.9 (5.9%)

WEIGHTED AND UNWEIGHTED INVESTMENT SERVICES DOTS SCORES

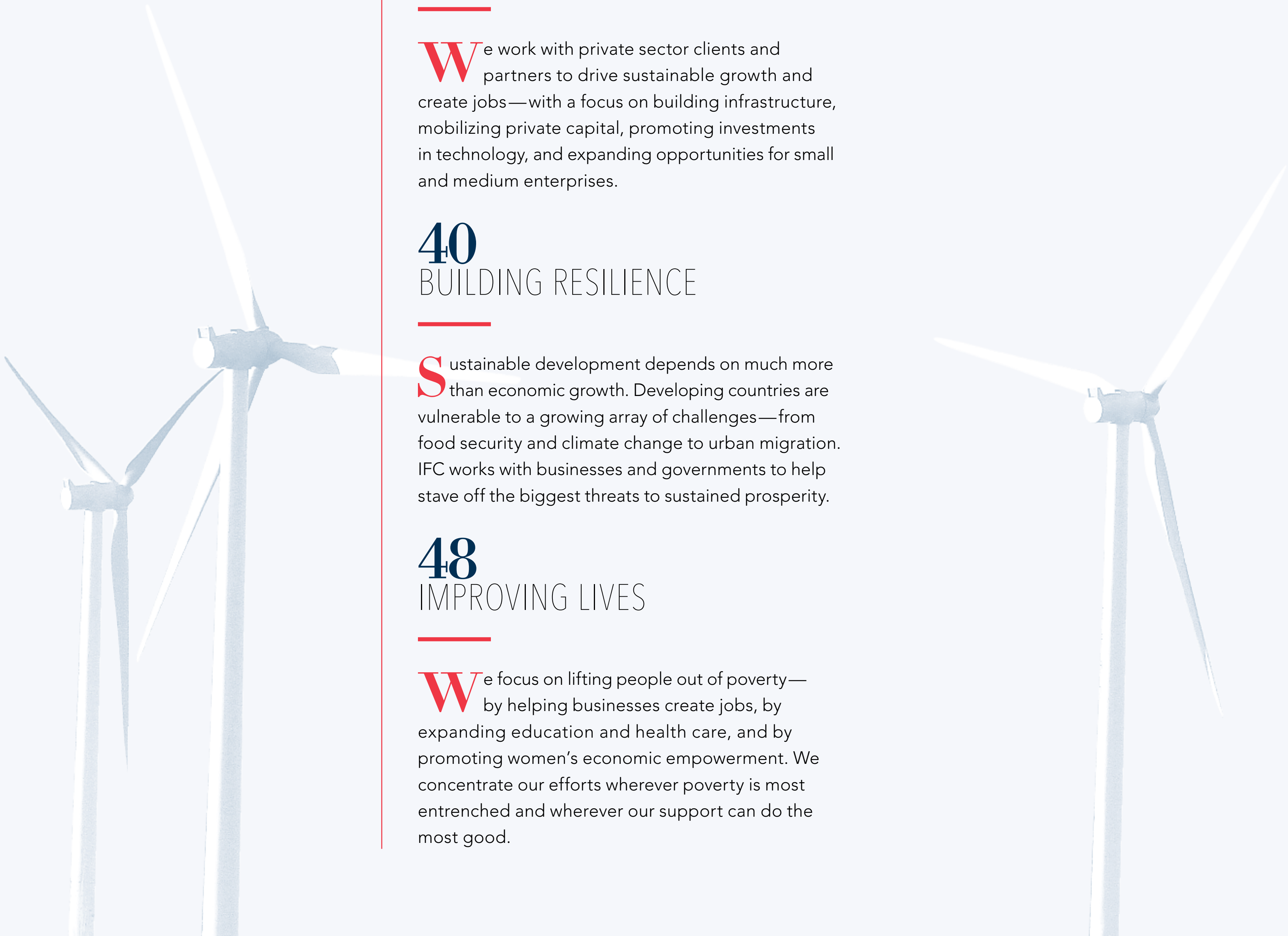


FY15	820	63%
	$30,973	72%
FY14	833	64%
	$30,042	73%
FY13	716	66%
	$29,674	73%

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 (US$ millions) in those projects.

LEVERAGING THE POWER OF THE PRIVATE SECTOR

The private sector is an indispensable force for sustainable development — it sparks the innovation, improves the productivity and economic efficiency, and creates the jobs and growth needed to end extreme poverty and boost shared prosperity. IFC is ideally positioned to tap the power of the private sector to address the most urgent challenges of our time.



30

SPURRING GROWTH

We work with private sector clients and partners to drive sustainable growth and create jobs—with a focus on building infrastructure, mobilizing private capital, promoting investments in technology, and expanding opportunities for small and medium enterprises.

40

BUILDING RESILIENCE

Sustainable development depends on much more than economic growth. Developing countries are vulnerable to a growing array of challenges—from food security and climate change to urban migration. IFC works with businesses and governments to help stave off the biggest threats to sustained prosperity.

48

IMPROVING LIVES

We focus on lifting people out of poverty—by helping businesses create jobs, by expanding education and health care, and by promoting women's economic empowerment. We concentrate our efforts wherever poverty is most entrenched and wherever our support can do the most good.

SPURRING GROWTH: INFRASTRUCTURE

Creating a Strong Foundation for Development

Developing countries spend about $1 trillion a year on infrastructure—but that's barely half of what's needed.

As a result, more than a billion people still lack access to electricity. More than 750 million are forced to endure the hazards of unclean water. More than a billion are deprived of the benefits of modern means of transportation. Such challenges diminish productivity, slow economic growth, and constrict crucial avenues out of poverty.

Governments alone cannot close the infrastructure funding gap. That's why IFC has taken a leading role in financing infrastructure projects and advising client governments on public-private partnerships, or PPPs. In FY15, we provided $3.9 billion in long-term financing for infrastructure projects, including funds mobilized from other investors. Our advice facilitated $5.7 billion in private investment in public infrastructure and is expected to help 16 million people gain access to basic services such as transportation, electricity, and water.

We take a comprehensive approach to infrastructure development. In Colombia, for example, our PPP team is advising the government on an ambitious $24 billion road-modernization project. In addition, we agreed to invest $70 million in Financiera de Desarrollo Nacional—Colombia's development agency—to help mobilize funding for the country's infrastructure projects.

In Pakistan, where millions remain cut off from the national grid, we invested $125 million in China Three Gorges South Asia to support a series of privately owned hydro, solar, and wind projects. Once operational, they are expected to provide electricity to more than 11 million people and boost the country's generation capacity by 15 percent.

In Myanmar—where only one-third of households enjoy access to electricity—IFC and the World Bank's International Development Association are jointly supporting private sector development of about 750 megawatts of new gas-fired power generation. We are also working with power utilities in Yangon and Mandalay to raise efficiency in power distribution.

We're also working to expand electricity in Nepal, which uses less than 1 percent of its 83,000 MW in hydropower potential. We partnered with India's GMR Group to develop the 900 MW Upper Karnali hydropower plant and two transmission line projects. Twelve percent of the power generated will be provided free of cost to Nepal.

In Kenya, just 25 percent of the people have access to power. To help expand the country's electricity grid, we invested $50 million in Kenya Power & Lighting Company, the national power distributor. We also advised the company on how to improve its operational efficiency.

Governments alone cannot close the infrastructure funding gap. That's why IFC has taken a leading role in financing infrastructure projects and advising client governments on public-private partnerships.

WHY MORE NEEDS TO BE DONE

1

BILLION

people still lack access to electricity

SPURRING GROWTH: ACCESS TO FINANCE

Opening Up New Pathways to Prosperity

Bishaka Bairagi dreamed of owning her own handmade sari business in Kolkata, India. But her earnings were less than $7 a month. And she was wary of money lenders. "They treat us very badly," she said.

An IFC client, Bandhan Financial Services, offered her a $66 loan to launch her business. Today she employs 25 people and earns $400 a month. With her new income, she is able to afford a comfortable house and university education for her son.

Across the world, 2.5 billion adults do not have access to basic financial services. Nearly 200 million micro, small, and medium enterprises, or MSMEs, in emerging countries have limited access to financial services and credit.

Basic financial services—debit cards, e-money accounts, and simple bank accounts—are standard tools for lifting people out of poverty and spurring economic growth. Such accounts can provide a quick entry point for people to banking services, helping them boost their earnings, plan for household expenses, save for the future, and better manage economic risks.

IFC is playing a vital role in achieving a key goal of the World Bank Group—universal access to finance for adults by 2020. Working

IFC's advisory work in Africa enabled Nimna Diayte to lease equipment for her small business in Senegal.

WHY MORE NEEDS TO BE DONE

2.5
BILLION

adults still lack basic financial services

Bishaka Bairagi launched her handmade sari business with a $66 loan from an IFC client.

> Basic financial services such as bank accounts are essential for lifting people out of poverty and spurring economic growth.

with a network of about 800 financial institutions in more than 100 developing countries, we and other Bank Group institutions intend to help establish 600 million bank accounts by 2020 for people who currently lack one.

Recently, we joined forces with the credit-card company MasterCard to set up a $250 million facility to boost access to electronic payments for millions of people in emerging markets. Our collaboration will allow banks in developing countries to increase their offerings of debit, credit, prepaid, and electronic cards—which are safer and more efficient than cash transactions—to more people and small businesses.

We're also working to remove obstacles to effective and sustainable credit flows—by improving access to credit information, promoting best practices in risk management, and helping financial institutions improve environmental and social standards.

In Latin America, we are helping modernize the region's collateral registry system to enable borrowers to pledge movable assets to guarantee loans—instead of using purely traditional collateral assets such as land. As a result, more businesses are able to get loans and expand. We are working to set up such systems in Belize, St. Lucia, the Dominican Republic, and Trinidad and Tobago.

SPURRING GROWTH: SMEs

Accelerating Local Entrepreneurship

When Sonia Arias launched her small textile business seven years ago in Medellin, Colombia, she had a loan and a high interest rate that left her short of cash to reinvest. Repaying the loan felt like "being hit with a stick," she remembers.

Now, a little-known financial tool is having a big impact on Arias and other small-business entrepreneurs who lack the right kind of collateral to secure traditional loans. Smaller businesses make up the majority of businesses in Latin America. A new collateral registry in Colombia allows them to leverage assets as small as a sewing machine to receive loans.

The results have been striking. Since the registry went live in 2014, thousands of business owners have registered more than a million items worth more than $93 billion. Some of the country's largest banks are among the lenders.

Local entrepreneurship drives emerging economies. Micro, small, and medium enterprises, or MSMEs, account for about 90 percent of businesses and more than 50 percent of employment worldwide. Yet access to capital—especially for women-owned enterprises—is often limited to loans with crippling interest rates.

A loan from an IFC client helped Sayeda Bayoumi expand her souvenir shop near the Egyptian Pyramids.

IFC believes strengthening such businesses is key to ending extreme poverty and boosting shared prosperity. We provide investment and advice to smaller enterprises in more than 80 countries, focused on every phase of business development—investment-climate reform, strengthening management skills, and access to finance and markets. We also play a key role in mobilizing SME finance globally, serving as the technical advisor in this area to the Group of 20 leading economies.

In 2014, we worked across the world with financial institutions that focus on lending to MSMEs. These institutions had an outstanding loan portfolio of nearly $270 billion in micro, small, and medium loans. Our Global SME Banking program advised clients on more than 70 projects in more than 40 countries. Nearly two-thirds of these projects were in the poorest countries, and 15 percent were in conflict-affected areas.

In Jordan, we helped Bank Al Etihad launch a new banking model that supports women, particularly those who own small businesses. The program is part of a larger initiative that has facilitated more than $1.7 billion in lending for such businesses, supporting nearly 120,000 jobs.

In Peru, small businesses face challenges in obtaining financing. To help address the problem, IFC agreed to invest $15 million in HMC Capital High Yield Peru Fund—the first fund in the country to invest solely in bonds issued by SMEs.

> IFC believes strengthening such businesses is key to ending extreme poverty and boosting shared prosperity.

WHY MORE NEEDS TO BE DONE

90%

of businesses worldwide are micro, small, or medium enterprises

SPURRING GROWTH: CROSS-BORDER INVESTMENT

Mobilizing Capital for Development

The needs of developing countries are vast. By 2030, they will need up to $950 billion a year in power-related investments, up to $770 billion a year in transportation-related investments, and about $210 billion a year to build or modernize health-related infrastructure such as hospitals.

In an era of scarce public resources, those sums far exceed the capacity of governments. It's imperative to create partnerships that bring together all of the potential resources available for development—particularly from the private sector. IFC plays a critical role in forging such partnerships.

Mobilizing capital from other investors—banks, international finance institutions, sovereign funds, pension funds, and other partners—is a key element of our strategy. It allows us to enlarge the pool of resources we bring to bear. For our co-investors, our involvement provides a more attractive balance of risk and return. For businesses in developing countries, it helps ensure a healthy transfer of knowledge.

In FY15, we mobilized a total of $7.1 billion for investment in developing countries—40 percent of our long-term investments in all. We did that through two significant channels that underscore our history of innovation in this area.

The first, IFC Asset Management Company, offers an innovative way to expand financing for development and help investors benefit from IFC's extensive investment experience in developing countries. Since it was established in 2009, AMC has set up nine investment funds, with assets totaling about $8.5 billion.

The second is our loan-syndications program, the oldest and largest of its kind among multilateral development banks. Under the program, more than 175 financial institutions co-invest with us in projects in developing countries. At the end of FY15, our syndications portfolio totaled more than $15.3 billion.

To broaden the base of co-investors, we developed a Master Cooperation Agreement in 2009 to set guidelines for development institutions that join us in our projects. By FY15, 28 institutions had signed up. These institutions have provided $3.4 billion to IFC clients since 2009.

Encouraging the flow of capital from one developing country to another—South-South investment—is an important part of our work. In FY15, we facilitated nearly $2 billion in such investments. For instance, we invested $5 million in Nafith International, a Jordanian logistics company that is helping streamline the movement of freight trucks in four Iraqi ports.

We continue to identify new projects under our Managed Co-Lending Portfolio Program, for which China has pledged $3 billion. Under the program, IFC retains the authority for loan origination, structuring, and portfolio management. By the end of FY15, nearly all of the MCPP funds had been allocated to development projects.

In FY15, we mobilized $7.1 billion in third-party investments in developing countries—40 percent of our long-term investments.

WHY MORE NEEDS TO BE DONE

$770 BILLION

per year needed for transportation-related investments

SPURRING GROWTH: TECHNOLOGY

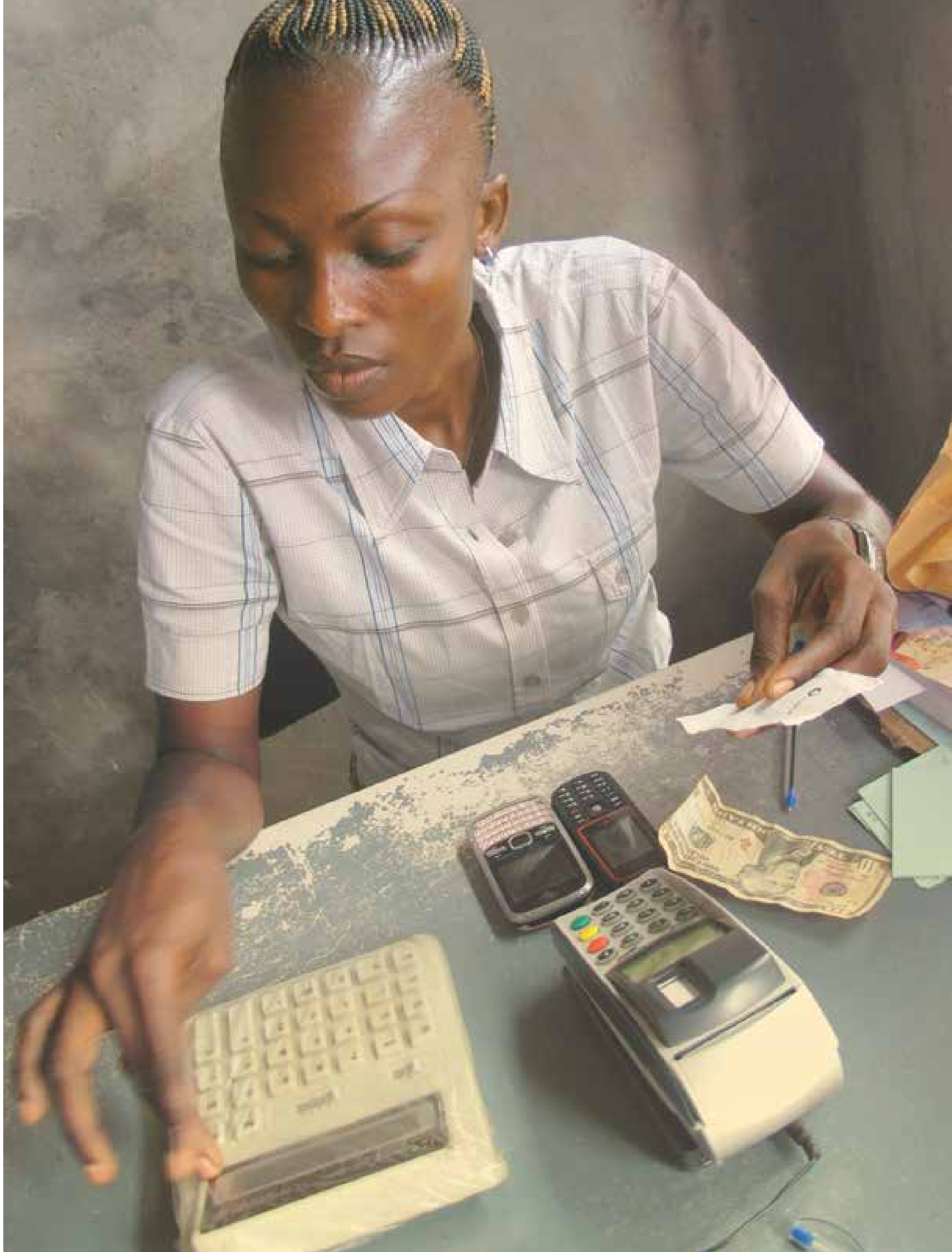
Using Digital Technology to Empower the Poor

Abraham Pierre lives in one of the biggest slums in the poorest country in the Western Hemisphere. In the Jalousie district of Port-au-Prince, Haiti, residents have neither running water nor reliable electricity. But, increasingly, they do have mobile phones. And those phones are indispensable.

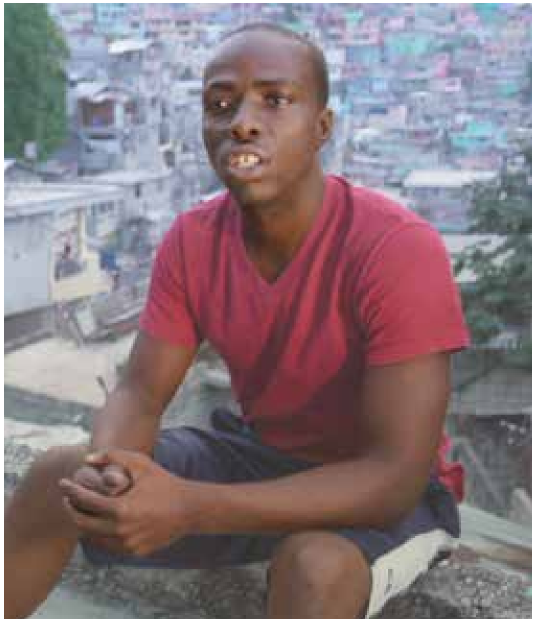
"The phone is money nowadays," says Pierre, an English teacher and tutor who books appointments and receives payments by phone.

That wasn't always possible. Before the 2010 earthquake, only one in three Haitians had a mobile phone. Fewer than one in 100 had Internet access. The country's government-owned phone company was losing nearly $1.5 million a month. When the government put together a plan to privatize Teleco and improve and expand service to Haitians, it looked to IFC to make that plan a reality.

IFC brought the Haitian government together with the Vietnamese company Viettel, which bought a controlling stake in Teleco and promised nearly $100 million to upgrade service. The newly formed Natcom Haiti grew to 1.8 million customers from 75,000 and is no longer in the red.



IFC helped our client FINCA expand mobile banking in the Democratic Republic of Congo.



Abraham Pierre, an English teacher in Haiti, gets paid via his mobile phone.

WHY MORE NEEDS TO BE DONE

1/100

Before 2010, fewer than one in 100 people in Haiti had Internet access

Now, the mobile phone is ubiquitous in Haiti, with many using it to access the Web and maintain connections with friends, family, and colleagues through social networking.

Putting digital technology in the hands of more of the world's least-advantaged people is an IFC goal. Increasing digital technology use could add more than $1 trillion to the world economy by 2020, with the biggest impact in emerging economies, according to a recent study. Countries such as China could see a GDP boost of up to $418 billion as technology helps upgrade and streamline business practices.

In 2014, IFC invested $5 million in China's largest online platform for the recycling and resale of used electronic devices such as smartphones and tablets. The investment will allow Aihuishou International to expand its business in ways that are good for the environment. Chinese citizens bought 300 million smartphones in 2013. Aihuishou provides a means of recycling some of the phones being replaced.

In Bihar—one of India's poorest states—IFC worked closely with the state government to develop a Web-based payments system that automates all health payments made by the government to health-care workers and their beneficiaries. The program, funded by the Bill & Melinda Gates Foundation, eliminates the need for paper billing. It also frees up to 33 percent of medical practitioners' time that can now be used to provide needed health services.

BUILDING RESILIENCE: URBANIZATION

Reinforcing Cities and Urban Centers

Cities have long been considered the future, and current projections show that to be truer than ever. In 2014, about half the world's population lived in urban areas. By 2050, that number is expected to jump to 66 percent. Urban populations in Asia and Africa alone will double between 2000 and 2030.

Cities of the future will soon account for 90 percent of the world's population growth, 80 percent of its carbon emissions, and 75 percent of its energy consumption. Yet people increasingly want to live in urban areas. Cities mean businesses, jobs, communities, and opportunities—especially for women in the developing world.

But explosive growth comes at a price. To accommodate the 300 million people expected to move to its cities in the next two decades, China will need to build what amounts to all of the infrastructure currently in place in the United States. India and Africa face similar burdens, as 250 million and 380 million people, respectively, move to urban centers.

IFC is playing an important role in helping countries and businesses face the challenge. We are engaging partners to address a long list of needs that includes roads, bridges, power, sanitation, and access to clean water. We're committed to boosting investments in smaller enterprises, building medical centers, and creating education opportunities.

In China, we are helping expand the distribution of natural gas—a cheaper and cleaner energy source—to millions of people in fast-growing cities throughout the country. A $300 million financing package for China Gas Holdings and a $150 million equity investment in China Tian Lun Gas Holdings by IFC and the IFC Infrastructure Fund will help replace coal and other fuels for household, industrial, and transportation needs.

In Latin America, where 80 percent of the population lives in urban areas, our newly launched *Cities Initiative* harnesses all the resources at IFC's disposal to foster sustainable urban growth. Some of the first actions under this initiative are taking place in Colombia, where we are working in Cali and Medellín to improve the operations of municipal utility firms so they can provide services for a larger part of the population.

Projects in the works include $176 million in financing for Intelligent Mass Transit, which will expand and improve Bogota's bus system and benefit 6 million passengers daily.

In Bhutan, where one in every seven citizens lives in the capital city of Thimphu, IFC mobilized $8 million in private sector funds and created a public-private partnership to address traffic congestion. Among the planned projects is the city's first multilevel, off-street parking garage, which will open up vital road space while also generating hundreds of thousands of dollars in revenue for the city.

IFC helped create a public-private partnership to ease traffic congestion in Thimphu, Bhutan.

Cities mean businesses, jobs, communities, and opportunities — especially for women in the developing world.

WHY MORE NEEDS TO BE DONE

2/3

of the global population will live in cities by 2050

BUILDING RESILIENCE: LOCAL CAPITAL MARKETS

Building Efficient Capital Markets

Lasting prosperity depends on efficient capital markets. Such markets propel growth, helping companies to expand and create more jobs. They help people buy homes and invest in their future. They help governments raise money to build hospitals and power stations. They insulate local economies against financial hazards that can emerge from abroad.

In developing countries, many firms face hurdles in raising funds in local currency, forcing them to borrow in foreign currencies. That exposes them to greater risk—as many companies in emerging markets are finding with the rise of the U.S. dollar.

IFC plays a vital role in strengthening local capital markets. We do so by issuing local-currency bonds, thereby protecting companies from the vagaries of foreign-currency swings. We encourage a variety of global investors to participate in the bond offerings. We help developing countries draft policies and regulations for stronger capital markets.

Over the years, IFC has emerged as the first foreign issuer of local-currency bonds in many developing countries. In doing so, we have spurred many countries to take additional steps to deepen their capital markets.

Many firms face hurdles in raising local-currency funds, forcing them to borrow in foreign currencies.

In India, over the past two years, we have rolled out what has grown into a $5.5 billion rupee-denominated bond program that will boost funding for much-needed roads, power, and airports in that country. Under the program, we launched our maiden offshore bond offering—Masala Bonds—raising the equivalent of $1.6 billion from international investors for investment in India. Separately, we raised the equivalent of nearly $100 million through onshore Maharaja Bonds.

The success of our program highlighted IFC's catalytic role in capital-markets development: we issued bonds in a sufficient range of maturities to establish a sound benchmark for rupee bond prices. The resulting investor demand for rupee bonds prompted the Indian central bank to consider permitting local companies to issue rupee-denominated bonds in offshore markets.

We have also helped China expand its role in international foreign-exchange markets. In FY15, IFC issued over $400 million in renminbi-denominated bonds on the London Stock Exchange, making us one of the largest issuers of such bonds on that exchange. The proceeds will support private sector development in China.

In all, IFC has issued bonds in 17 emerging-market currencies. In addition, we have provided local-currency financing in more than 60 currencies—through loans, swaps, guarantees, risk-sharing facilities, and other structured and securitized products.

WHY MORE NEEDS TO BE DONE

$3.1 TRILLION

Dollar-denominated debt owed by emerging economies totals $3.1 trillion

BUILDING RESILIENCE: CLIMATE CHANGE

Helping Contain a Global Threat

Climate change will hit developing countries hardest—posing significant threats to their efforts to tackle water, energy, and food-supply needs.

Developing countries will need large sums of money to cope with climate change: up to $1 trillion a year. The private sector has an indispensable role to play, and IFC is at the forefront in mobilizing private capital to address climate change.

We provide finance and advice for energy-efficient and renewable-energy solutions—such as green buildings and solar power. Since 2005, we have made long-term investments totaling more than $13 billion in climate-related projects. This includes $2.3 billion in 103 projects in 31 countries in FY15. We also mobilized $2.2 billion from other investors.

We are working with governments, companies, and investors to prepare for likely changes in the way the world manages carbon emissions. This year, 190 governments will come together to try to reach a global agreement to cut greenhouse emissions. We're advising our clients on how to navigate carbon pricing and carbon trading and leverage carbon funds.

In Panama, we agreed to provide a $300 million financing package to help set up the largest wind farm in Central America—the Penonomé Wind Project. The planned 337.5-megawatt power plant will cut energy prices and reduce Panama's dependence on fossil fuels. The project will make an important contribution to reducing carbon emissions.

In Jordan, we arranged $207.5 million for a solar-power project—the largest private sector–led solar initiative in the Middle East and North Africa. Of that amount, $116 million was mobilized from other lenders. Under the project, seven solar photovoltaic plants will be built, cutting carbon emissions and providing 102 megawatts of power.

We are one of the largest issuers of green bonds—those that support climate-smart investments, including renewable energy and energy-efficiency projects. In September 2014, we launched a program that for the first time allowed U.S. individual investors to buy triple-A-rated IFC bonds that support such projects in developing countries. In all, we have issued a total of $3.75 billion in green bonds.

We also raised $418 million for the IFC Catalyst Fund—managed by IFC Asset Management Company—which invests in funds that support companies developing innovative ways to address climate change. In FY15, the fund invested $25 million in a private equity fund that aims to raise $125 million for clean-energy projects in Chile, Colombia, and Peru.

We partnered with the Shell Foundation to invest in a fund—with initial capital of $30 million—to finance companies offering off-grid solar-power systems, mainly in Asia and Africa. The fund aims to improve the livelihoods of nearly 20 million people over the next three years. This complements the joint IFC and World Bank efforts to build a new market for off-grid solar lighting and services through our *Lighting Global* program.

In Panama, we agreed to provide a $300 million financing package to help set up the largest wind farm in Central America — the Penonomé Wind Project.

WHY MORE NEEDS TO BE DONE

$1 TRILLION

a year needed to cope with climate change in developing countries

BUILDING RESILIENCE: AGRIBUSINESS

Feeding the World Sustainably

By 2050, the worldwide demand for food and crops will double. That poses a formidable challenge for the global community: how to feed the world's expanding population without depleting its already scarce resources.

IFC is partnering with the private sector to address the challenge. Through our agribusiness investments, we aim to increase the supply of affordable and nutritious food, and ensure it is available to those who need it most.

In FY15, our agribusiness-related investments across the food supply chain totaled $3.2 billion, including funds mobilized from other investors. These investments in production, food processing, logistics, and distribution helped benefit 3.4 million farmers worldwide.

Our work gives farmers better access to finance and opens up new markets for them. It takes us from Nepal to Nicaragua, where our clients train farmers to raise productivity, reduce waste, and adopt environmentally sustainable practices.

We promote inclusive development by focusing on opportunities for women and small farmers—and helping them manage risks. In Nepal, we and our partners invested nearly $4 million in

Our work gives farmers better access to finance and opens up new markets for them.

animal-feed maker Probiotech Industries to enhance productivity in poultry farms and boost incomes among smallholder farmers.

Probiotech makes almost all of its purchases from small and medium enterprises, which, in turn, obtain their supplies from small farmers. IFC's investment is an example of how we create opportunities for farmers and others—throughout the supply chain—to raise their income.

In developing countries, demand for meats like poultry and pork is rising swiftly as the middle class expands. This year, we invested $60 million in Romania's largest pork producer—Smithfield Romania—to help expand production, create jobs, and promote best practices in food safety, animal husbandry, and environmental management.

In Iraq, we invested $18 million in the Saudi company Al Safi Danone's Iraq unit to help build a dairy plant in the city of Erbil to meet the rising demand for dairy products. The plant is expected to produce about 59,000 tons of dairy products every year.

When the Ebola epidemic buffeted the Liberian economy, we and our partners helped provide $5 million in financing to Wienco Liberia, which supplies fertilizers to cocoa farmers. By 2019, the funding is expected to make it easier for up to 7,500 farmers to buy fertilizer and use it effectively—potentially doubling cocoa yields.

WHY MORE NEEDS TO BE DONE

805

MILLION

people remain chronically undernourished

In Bangladesh's garment industry, IFC is helping improve construction, fire safety, labor, and environmental standards.

IMPROVING LIVES: EMPLOYMENT

Taking a Comprehensive Approach to Job Creation

Kelbesa Debelo didn't want to spend the rest of his life picking flowers in his village in Ziway, Ethiopia. He wanted to learn English, acquire new skills, and build a career.

That was six years ago. Today, Debelo is an English-speaking manager at Afriflora—Ethiopia's largest rose exporter—where he once worked as a flower picker. "When my children grow up, maybe they can also make their living here," he says.

Jobs are indispensable for development: they lift people out of poverty and help create the conditions for sustained prosperity. Yet 1.5 billion people in developing countries—half the working population—struggle with unsteady, low-wage jobs. These countries will need to generate 200 million jobs by 2019 just to keep up with population growth.

Job creation is a priority for IFC—an objective that shapes every aspect of our activities. We work with businesses to help them grow and create better-quality jobs. We do so by expanding access to finance, supporting investments in infrastructure, improving the investment climate, and boosting education and training in developing countries.

In 2014, our investment clients supported 2.5 million jobs. In Africa, we recognized that financing individual developers was less effective than working with a single partner capable of carrying out large-scale regional projects. So we set up an innovative partnership with China's CITIC Construction Company. Together, we aim to establish up to 30 housing development projects across Africa, generating an estimated 150,000 direct and indirect jobs over five years.

In Kenya, we arranged $70 million in financing for National Cement Company to expand its operations in Nairobi—and create 6,000 jobs. We provided $55 million in loans for the project. In addition, IFC and IFC Asset Management Company invested $15 million to take a stake in the company. Small businesses that transport the company's raw materials and provide general services will also benefit economically.

Creating safe and productive workplaces is central to our work. In Bangladesh, where the garment industry provides jobs for 4 million people, we take a comprehensive approach to helping the sector grow—by facilitating investments, and by improving construction, fire safety, and labor and environmental standards.

IFC is also a leading investor in inclusive businesses—those that offer goods, services, and job opportunities to low-income communities. Since 2005, IFC has invested over $12.5 billion and worked with over 450 inclusive businesses in 90 countries to integrate more than 200 million people, including farmers, students, patients, utility customers, and micro borrowers in core business operations.

Job creation is a priority for IFC — an objective that shapes every aspect of our activities.

WHY MORE NEEDS TO BE DONE

1.5

BILLION

people in developing countries lack steady jobs

IMPROVING LIVES: GENDER

Expanding Economic Opportunities for Women

Chen Yuanyuan struggled to find ways to finance her textile business, which takes orders on Alibaba.com. Banks rejected her loan applications, saying she had no collateral to offer.

Her fortunes changed after she came to know of Ant Credit, an IFC client. After an interview over the Internet, Ant approved a $67,000 loan. The business has since taken off, generating more than $8 million a year in revenue. "It was so easy to borrow online," she recalled.

IFC has long recognized the importance of greater participation of women in economic activities. Their role as leaders, employees, consumers, and entrepreneurs is crucial in spurring growth and building prosperity. Research shows women reinvest up to 90 percent of their wages in their households.

Through our partnership with Ant Credit, a unit of China's Ant Financial, we launched a program to provide about $80 million in loans for women entrepreneurs. The program, a joint effort of IFC and Goldman Sachs' *10,000 Women* initiative, marks the first time Internet-based gender finance has been provided in China.

In another first, we partnered with Banque Franco-Lao in the Lao People's Democratic Republic to unveil a financing facility for

Backed by an IFC client, Jacqueline Mavinga opened a clothing shop in Kinshasa, Democratic Republic of Congo.

women-owned small and medium enterprises. With IFC's support, the bank aims to nearly triple its loan portfolio for such businesses by 2017.

Under our *Banking on Women* program, we provide investment and advice to help advance business opportunities for women. In all, IFC has initiated 29 investment projects in about 20 countries, pledging over $800 million in investments in financial institutions, supported by 19 advisory services projects in 17 countries.

In September 2014, we launched the *SheWorks* partnership to boost job opportunities for more than 300,000 women worldwide by 2016. Under the initiative, 12 companies such as Coca-Cola and Intel, as well as many IFC clients, agreed to boost women's employment opportunities—through leadership training and flexible working arrangements.

In Nigeria, we provided a naira-denominated loan of $4.1 million to Grooming People for Better Livelihood Centre, which provides micro loans to low-income women in rural areas. The organization, which also helps deliver health and education services, expects to reach nearly 780,000 women by the end of 2018, up from about 277,500 at December 2012. Our loan is expected to benefit 2 million people.

In Turkey, we partnered with Boyner Group, a retail conglomerate, to help train Boyner's women-owned suppliers—strengthening their ability to obtain financing and improve business performance.

WHY MORE NEEDS TO BE DONE

2x

Men are twice as likely to have jobs as women

> Research shows women reinvest most of their wages in their households.

IMPROVING LIVES: IDA & CONFLICT-AFFECTED AREAS

Creating Opportunity in Strife-Torn Environments

More than 2.5 billion people live in the poorest countries of the world. Nearly a quarter of the people on the planet live in areas torn by conflict and violence. Nowhere is poverty more entrenched than in these parts of the world.

IFC is ramping up our activities in these areas. Our aim is to improve the lives of the poor wherever they are located—and wherever the incidence of poverty is greatest.

In FY15, we invested nearly $4.7 billion in the 78 poorest countries—those eligible to borrow from the World Bank's International Development Association, or IDA. Our long-term investments in those countries have more than tripled over the past decade. Nearly two-thirds of our advisory program was in these countries. We have also made direct contributions of $3.2 billion since 2007 to support the work of IDA.

In fragile and conflict-affected regions, our FY15 investments totaled more than $600 million, including funds we mobilized from other investors. Twenty percent of our advisory program was in these areas.

Poverty and strife make many countries acutely vulnerable to disasters. The Ebola outbreak in West Africa in 2014 caused severe

economic damage in the region. The cost—in lost economic growth—for Guinea, Liberia, and Sierra Leone is expected to total $1.6 billion in 2015 alone.

IFC responded swiftly. Over the next three years, we intend to provide $450 million in financing to help Ebola-affected countries revive their economies. This includes the $75 million Ebola Emergency Liquidity Facility that we unveiled in 2014 to fund critical imports for Ebola-affected countries. We also provided training to hundreds of businesses to impart skills to maintain continuity during the crisis. Governments across the world have said our efforts, along with those of IDA, were critical in containing and mitigating the Ebola outbreak.

In Liberia, we invested about 5.3 million British pounds in Aureus Mining to help the company offset Ebola-related costs. Our assistance enabled Aureus to continue with its New Liberty project—Liberia's first commercial gold mine—which is expected to create 300 jobs.

In the Democratic Republic of Congo, which is recovering from years of conflict, we provided an $18 million loan to two related companies, Terra and African Milling Company Congo, to help them expand their maize farm and mill in Katanga. The initiative is expected to create 300 jobs.

We also worked with Lafarge and Proparco, the French development agency, to invest €6 million to convert household waste to fuel for Lafarge's cement plant in northern Iraq. The project will help Lafarge cut fossil-fuel use and benefit local communities by reducing air and water pollution.

In Sri Lanka, IFC client NDB Capital Holdings launched a $50 million private equity fund, Emerald Sri Lanka Fund, to provide financing to fast-growing small and medium enterprises.

> Our aim is to improve the lives of the poor wherever they are located — and wherever the incidence of poverty is greatest.

WHY MORE NEEDS TO BE DONE

1.2
BILLION

people still live in violence- and conflict-prone areas

Children at an evening reading session in an Indian village. IFC's *Lighting Asia* program brought solar lamps to the village.

IMPROVING LIVES: HEALTH & EDUCATION

Strengthening Human Capital

Across the world, more than a billion people lack access to quality health services. Nearly three-fourths of the 38 million worldwide deaths from chronic illnesses—such as cancer—occur in developing countries. Globally, more than 57 million children do not attend school, with 30 million of them in Africa alone.

These statistics highlight a major obstacle to ending extreme poverty and boosting shared prosperity: high-quality education and health-care services still aren't as widely available and affordable as they need to be. This is a challenge that's best addressed when the public and private sectors act in concert to advance the interests of society.

Governments play a critical role in ensuring the quality and affordability of health and education. But the private sector can make a significant contribution—by finding innovative ways to deliver high-quality services in places where they are most needed.

Expanding access to health care and education is a central element of our strategy. As the largest multilateral investor in private health care and education, we have invested more than $4 billion in health and education companies in emerging markets. In FY15, we invested nearly $1 billion in the health and education sectors, including funds mobilized from other investors. Our clients helped educate 3.5 million students and treated more than 17 million patients.

In Peru, we invested $25 million in a start-up private education company, Proyectos Educativos Integrales del Peru, to help set up a university and a network of institutes for technical and vocational training. The initiative will target low-income students—improving their employment opportunities while addressing a rising demand for such jobs.

In Kenya, IFC is bringing world-class standards through our work with our client AAR Healthcare. AAR runs 28 clinics in Kenya, Uganda, and Tanzania, offering a range of medical services, from gynecology to pharmacy, under one roof.

In Brazil, the private sector provides health care for one in four Brazilians. IFC's $255 million investment in Rede D'Or, Brazil's largest network of private hospitals, will help the group expand to serve 525,000 more patients a year, easing pressure on the public hospital system.

In Turkey, we arranged €433 million in loans—including €35 million from our own account—to develop a 1,550-bed health campus in Adana. The project is part of a public-private partnership program launched by the Turkish government.

Our investments in specialty hospitals support innovations that bring down the cost of procedures like heart and eye surgery. IFC's $5.5 million equity investment in Eye-Q Vision, for example, will help the chain expand access to high-quality and affordable eye-care services to several Indian cities.

WHY MORE NEEDS TO BE DONE

57
MILLION

children do not attend schools

Expanding access to health care and education is a central element of our strategy.

57

MEASURING UP

62

OUR EXPERTISE

71

OUR PEOPLE & PRACTICES

MEASURING UP

IFC strives to deliver what cannot be obtained elsewhere. We offer clients a unique combination of investment and advice designed to promote sustainable private sector development in emerging markets. We call that special edge our "additionality." Using it to maximize our development impact is a cornerstone of our strategy.

HOW WE HELP END POVERTY AND BOOST SHARED PROSPERITY

Our activities are guided by our determination to assist wherever we are needed most—and wherever our assistance can do the most good.

STRENGTHEN FRONTIER MARKETS

Promote development in IDA countries, fragile and conflict situations, and frontier regions of other developing countries

ADDRESS CONSTRAINTS TO PRIVATE SECTOR GROWTH IN INFRASTRUCTURE, HEALTH, EDUCATION, AND THE FOOD-SUPPLY CHAIN

Increase access to basic services and strengthen the agribusiness value chain

DEVELOP LOCAL FINANCIAL MARKETS

Build institutions, mobilize resources, and introduce innovative financial products

ADDRESS CLIMATE CHANGE AND ENSURE ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

Develop new business models and financing instruments, setting and raising standards

BUILD LONG-TERM CLIENT RELATIONSHIPS IN EMERGING MARKETS

Use the full range of our products and services to guide clients' development and assist cross-border growth

IFC'S PERFORMANCE IN KEY AREAS

	PERFORMANCE	
DEVELOPMENT RESULTS	**FY15**	**FY14**
Investment Companies Rated High (DOTS Score)[1]	63%	64%
Advisory Projects Rated High[2]	73%	76%
KEY AREAS		
FRONTIER MARKETS		
IDA: Number of Investment Projects	145	153
IDA: Long-Term Investment Total Commitments (millions)	$4,666	$4,852
IDA: Share of Advisory Services Program in IDA Countries, %[3]	65%	66%
Fragile and Conflict Situations: Number of Investment Projects[4]	43	19
Fragile and Conflict Situations: Long-Term Investment Total Commitments (millions)[4]	614	638
Fragile and Conflict Situations: Share of Advisory Services Program, %	20%	20%
Frontier Regions: Number of Investment Projects	26	40
INFRASTRUCTURE, HEALTH, EDUCATION, FOOD-SUPPLY CHAIN		
Long-Term Investment Total Commitments (millions)[5]	$9,623	$9,142
LOCAL FINANCIAL MARKETS		
Long-Term Investment Total Commitments in Financial Markets (millions)[6]	$6,392	$5,981
Long-Term Investment Total Commitments focused on Micro, Small, and Medium Enterprises (millions)[7]	$3,592	$3,536
CLIMATE CHANGE, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY		
Climate-Related Investment Commitments (millions)[8]	$2,349	$2,479
LONG-TERM CLIENT RELATIONSHIPS		
Number of South-South Investment Projects	39	38
Long-Term Investment Total Commitments in South-South Projects (millions)	$1,964	$2,565

Notes:

1. DOTS scores: percentage of client companies with high development outcome ratings as of June 30 of the respective year, based on projects approved over a rolling six-year period (FY15 ratings are based on approvals from 2006–2011).
2. For Advisory Services, development effectiveness ratings are for calendar years 2014 and 2013.
3. FY14 and FY15 figures reflect improved methodology for measuring Advisory Services expenditures in IDA countries, incorporating regional projects.
4. Starting with FY15, IFC's data on FCS investments include projects in countries that have been on the World Bank's Harmonized list of FCS at any time during the previous three fiscal years. This is designed to reflect the long gestation period for investment projects as well as to encourage a longer-term organizational focus on these countries.
5. Commitments in Infrastructure (excluding Oil, Gas, and Mining), Communications & Information Technologies, Subnational Finance, Health & Education, and Agribusiness & Food Supply Chain.
6. Commitments of IFC's Financial Markets excluding Investment Funds and Private Equity.
7. Includes direct MSME borrowers, financial institutions with more than 50% of their business clients being MSMEs, and any other investments that specifically target MSMEs as primary beneficiaries.
8. Climate-related is an attribute of a project involving Climate Mitigation, Climate Adaptation and/or Special Climate activities. For more details on these terms and activities, please visit http://www.ifc.org/climatemetrics. Includes IFC's own account LTF commitments.

CREATING OPPORTUNITY WHERE IT'S NEEDED MOST

IFC and our clients make a wide range of contributions in developing countries. Our clients' success can have ripple effects across an economy, giving many people—including the poor—a chance to better their lives.

EAST ASIA & THE PACIFIC

59
MILLION

non-cash retail transactions facilitated, totaling $160 billion

$12.9
BILLION

in goods and services purchased from domestic suppliers

31.8
MILLION

customers supplied with gas

MIDDLE EAST & NORTH AFRICA

$36
MILLION

in new financing for firms with improved corporate governance practices

4.7
MILLION

patients cared for

3.7
MILLION

micro, small, and medium loans made to enterprises

EUROPE & CENTRAL ASIA

9.2

MILLION

customers supplied with power (generation + distribution)

$81

BILLION

in micro, small, and medium loans made to enterprises

$232

MILLION

in new financing for firms to invest in clean energy and resource-efficient technologies

LATIN AMERICA & THE CARIBBEAN

1.6

MILLION

students educated

7

MILLION

people expected to receive improved access to infrastructure services through public-private partnerships

$743

MILLION

in new investments attributable to industry reform and investment promotion work with governments

SOUTH ASIA

8.8

MILLION

people received access to improved services from off-grid lighting appliances

196.8

MILLION

phone connections provided

$35

BILLION

in micro, small, and medium loans made to enterprises

SUB-SAHARAN AFRICA

1.2

MILLION

farmers reached

6.1

MILLION

customers supplied with water

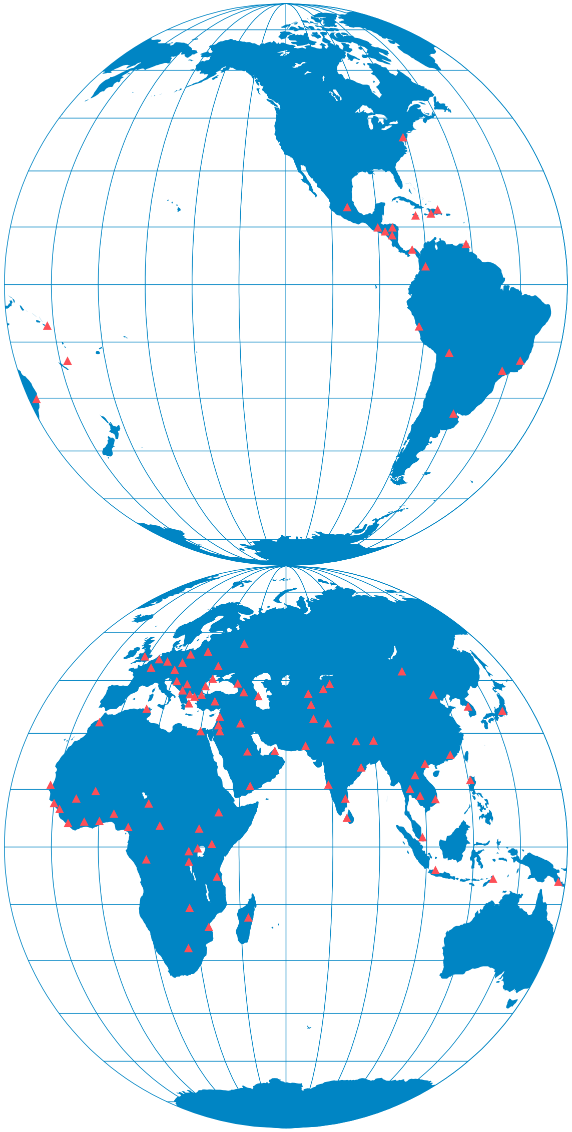
72

POLICY REFORMS

in 29 countries to support growth and promote investment

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 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.

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 FY15,
WE MADE NEARLY

$18

BILLION

in long-term investments, including funds mobilized from other investors

IFC MADE
COMMITMENTS FOR

$7

BILLION

in new loans in FY15

INVESTMENT

Our financial products enable companies to manage risk and broaden their access to foreign and domestic capital markets. IFC operates on a commercial basis. We invest exclusively in for-profit projects in developing countries, and we charge market rates for our products and services.

Our offerings are designed to meet the specific needs of IFC clients in different industries—with a special focus on infrastructure, manufacturing, agribusiness, services, and financial markets.

In FY15, we made $10.5 billion in long-term investments in 406 projects. In addition, we mobilized more than $7 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 loan financing in more than 60 local currencies.

In FY15, we made commitments for $7 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 FY15, equity investments accounted for about $3.2 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 250 banks across more than 80 countries.

In FY15, IFC had an average outstanding balance of $2.8 billion in trade finance.

SYNDICATIONS

IFC's Syndicated Loan Program is the oldest and largest among multilateral development banks. In FY15, it accounted for 59 percent of the funds mobilized by IFC.

In FY15, IFC syndicated about $4.6 billion in B-loans, parallel loans, and MCPP loans, structured A-loan participations, and unfunded risk participations provided by 84 financial institutions. These included commercial banks, institutional investors, development finance institutions, and an emerging-markets central bank. A record $2.1 billion was provided by cofinanciers in emerging markets. The syndicated loan portfolio stood at $15.3 billion.

Borrowers in the infrastructure sector received 49 percent of the total volume. More than a quarter of the financing we provided through syndications—$1.3 billion in all—went to borrowers in IDA countries.

DERIVATIVES AND STRUCTURED FINANCE

IFC makes derivatives products available to our clients, solely for hedging purposes. By allowing these companies to access international derivatives markets in order to hedge currency, interest-rate or commodity-price risks, we enable them to enhance their creditworthiness and improve their profitability. In offering risk-management products, IFC acts generally as an intermediary between the market and private companies in emerging markets. IFC also provides credit guarantees and structuring advice for clients.

BLENDED FINANCE

In addition to financing on commercial terms, IFC uses a number of complementary tools to bring about development impact that otherwise would be unattainable. One such approach is to blend concessional funds—typically from donor partners—alongside IFC's own resources. Blended finance can also help mitigate early-entrant costs or project risks. IFC applies this approach in three areas: climate change, agribusiness and food security, and finance for small and medium enterprises. Other areas of strategic priority could benefit from this tool in the future. In FY15, we committed more than $148 million of donor funds, catalyzing more than $1.25 billion of IFC and private sector financing.

ADVICE

It takes more than finance to achieve sustainable private sector development. IFC's experience shows the powerful role advice can play in unlocking investment by the private sector and helping businesses expand and create jobs—thereby strengthening the World Bank Group's efforts to end poverty and boost shared prosperity.

That is why we continue to strengthen our advisory work. This year, we took steps to more closely align our advisory services with other areas of IFC and the World Bank, so that our clients

IFC'S SYNDICATED-LOAN PORTFOLIO STOOD AT

$15.3

BILLION

at the end of FY15

IN FY15, IFC HAD AN AVERAGE OUTSTANDING BALANCE OF

$2.8

BILLION

in trade finance

AT THE END OF FY15, IFC HAD 600 ADVISORY PROJECTS VALUED AT

$1.2

BILLION

IFC ASSET MANAGEMENT COMPANY HAD ABOUT

$8.5

BILLION

in assets under management in FY15

can benefit from the full range of capabilities available across the Bank Group. Advice is increasingly integrated into the wide suite of solutions IFC provides to our clients.

At the end of FY15, IFC had an active portfolio of more than 600 advisory projects in 101 countries, valued at $1.2 billion. Most of the program was in IDA countries and around 20 percent was in fragile and conflict-affected areas. During FY15, IFC provided advice in a number of areas critical to development:

Financial Sector We help increase the availability and affordability of financial services for individuals and for micro, small, and medium enterprises. We work with financial institutions to strengthen their risk management and diversify their product offering in areas such as small and medium enterprises, housing finance, and sustainable energy. As part of an integrated World Bank Group team in the Finance & Markets Global Practice, we also support the development of financial markets—by promoting universal access to finance, strengthening capital markets, and establishing credit bureaus and collateral registries that open up new avenues for companies to create jobs and grow sustainably. In FY15, we had 425 active client engagements in 96 countries.

Investment Climate As part of an integrated World Bank Group team in the Trade & Competitiveness Global Practice, we help national and local governments implement reforms that improve the business environment and encourage and retain investment, thereby fostering competitive markets, growth, and job creation. In FY15, we had 151 active client engagements in 61 countries.

Public-Private Partnerships We help governments in designing and implementing public-private partnerships in infrastructure and basic public services. Our advice helps the private sector increase public access to electricity, water, health, and education. It also helps strengthen the quality and efficiency of these services. In FY15, we had 102 active client engagements in 53 countries.

Agribusiness We help clients improve productivity and standards—among other things, by focusing on efficient food value chains and food security, with strong economic, social and environmental benefits, for smaller farming enterprises, communities, and IFC clients. In FY15, we had 111 active client engagements in 34 countries.

Energy & Resource Efficiency We help clients develop competitive, clean, high-quality and affordable energy solutions across the value chain. We accelerate the development of commercial markets to increase the production of renewable energy and improve people's access to modern energy services. In FY15, we had 177 active client engagements in 51 countries.

We also provide advisory solutions that can be deployed across several industries. This includes helping businesses improve corporate governance and building the capacity of smaller businesses operating within the supply chains of larger companies, thereby increasing local opportunities while helping our clients make better use of local suppliers and resources. Central to IFC's advisory work is helping clients build robust and inclusive business performance by making them aware of—and invest in—the value that women can bring either as consumers, as employees, as business leaders, or as entrepreneurs and suppliers. In FY15, in these cross-industry areas, we had 301 active client engagements in 85 countries.

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, 2015, AMC had approximately $8.5 billion in total assets under management. It manages nine 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, 2015, the fund was fully invested with 41 investment commitments totaling $2.8 billion.

IFC AFRICAN, LATIN AMERICAN, AND CARIBBEAN FUND

The $1 billion IFC African, Latin American, and Caribbean Fund was launched in 2010. The fund invests 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, 2015, the fund had made 29 investment commitments totaling $790 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, 2015, 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, 2015, the fund had made three investment commitments totaling $82 million.

IFC CATALYST FUND

The $418 million IFC Catalyst Fund was launched in 2012 and 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, 2015, the fund had made seven fund commitments totaling $175 million.

IFC GLOBAL INFRASTRUCTURE FUND

The $1.2 billion IFC Global Infrastructure Fund was launched in 2013 and co-invests with IFC in equity and equity-related investments in the infrastructure sector in emerging markets. As of June 30, 2015, the fund had made 10 investment commitments totaling $443 million.

CHINA-MEXICO FUND

The China-Mexico Fund is a country-specific fund that reached a close of $1.2 billion in December 2014. The fund will make equity, equity-like and mezzanine investments along with IFC in Mexico. It will focus mainly on infrastructure, oil & gas, and other sectors, including manufacturing, agribusiness, services, and banking.

IFC FINANCIAL INSTITUTIONS GROWTH FUND

The IFC Financial Institutions Growth Fund is a follow-on fund to the IFC Capitalization Fund and will make equity and equity-related investments in financial institutions in emerging markets. In March 2015, the fund reached a close of approximately $350 million.

IFC GLOBAL EMERGING MARKETS FUND OF FUNDS

In June 2015, the IFC Global Emerging Markets Fund of Funds reached a close of approximately $400 million. The fund will invest mainly in private equity funds that are focused on growth companies in various sectors across emerging and frontier markets. The fund will also invest directly in such companies, as well as secondary interests in emerging-market private equity funds.

THE IFC CAPITALIZATION FUND WAS FULLY INVESTED IN FY15, WITH INVESTMENTS TOTALING

$2.8

BILLION

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 nearly 60 years of helping emerging-market firms succeed and grow.

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

IFC'S LONG-TERM COMMITMENTS IN AGRIBUSINESS AND FORESTRY TOTALED

$1.4

BILLION

for our own account in FY15

OUR LONG-TERM COMMITMENTS IN FINANCIAL MARKETS TOTALED ABOUT

$4.7

BILLION

for our own account in FY15

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, making 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 FY15, our new long-term commitments in agribusiness and forestry totaled about $1.4 billion, accounting for about 13 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 has helped strengthen financial institutions and overall financial systems. It has also allowed 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 FY15, our new long-term commitments in financial markets totaled about $4.7 billion, or about 45 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 FY15, our new long-term commitments in consumer and social services totaled $748 million, or about 7 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 FY15, our new long-term commitments in this sector totaled about $2 billion, or about 20 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 chemicals, construction materials, energy-efficient machinery, and equipment for solar and wind power. We invest in companies that are developing new products and markets, and restructuring and modernizing to become internationally competitive.

As these industries represent some of the most carbon-intensive sectors, we are helping clients develop and undertake investments that help reduce carbon emissions and energy consumption.

In FY15, our new long-term commitments in the manufacturing sector totaled $365 million 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, while helping promote sustainable-energy sources. 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.

IN FY15, IFC'S LONG-TERM COMMITMENTS IN INFRASTRUCTURE TOTALED ABOUT

$2

BILLION

for our own account

We support private investment in these industries, and we work to ensure that local communities enjoy tangible benefits. In FY15, our new long-term commitments for our own account in the sector totaled $515 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 FY15, our new commitments for our own account in this sector totaled $275 million.

OUR LONG-TERM COMMITMENTS IN TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY TOTALED

$275

MILLION

for our own account in FY15

OUR PEOPLE & PRACTICES

IFC's commitment to alleviating poverty and creating opportunity for the developing world's most vulnerable people is reflected in our corporate culture.

A REFOCUSED IFC

To meet the growing challenges of development, IFC adopted in 2014 a nimbler and more focused organizational structure. Our initiative, *A Refocused IFC*, was aimed at strengthening collaboration with other members of the World Bank Group, sharpening our focus on clients, offering comprehensive solutions, and boosting the efficiency of our services.

We believe boosting our partnership with other members of the World Bank Group will allow us to streamline processes, share best practices more effectively, and identify new areas for collaboration—generating benefits for our clients, partners, and staff. We believe these changes will position us better as we prepare to execute the Bank Group's strategy to end extreme poverty and boost shared prosperity by 2030.

Under the revamped IFC leadership structure, we set up a new Global Client Services Vice Presidency, leveraging managers with broad experience across the World Bank Group. The new unit will provide a single platform for investment, advice, and client relationships, with the aim of strengthening our client engagement while expanding our client base.

We also established a Corporate Risk & Sustainability Vice Presidency to unify IFC's transaction-enabling services. This group will help strengthen IFC's risk judgments and simplify the approval process for transactions; boost our approach to risk management; and address compliance, legal practices, and potential conflict-of-interest matters.

These improvements position IFC to maximize our development impact and financial sustainability. They also position IFC to work on the most pressing challenges of development while leveraging the power of the private sector in Bank Group solutions. We expect these changes to help reduce administrative burdens on our staff and provide greater scope for professional advancement.

IFC continues to develop new metrics for monitoring and measuring success that reflect client focus and financial sustainability, as well as an improved framework to understand our development impact. The final metrics are expected to comprehensively cover IFC's results and performance—including growth, development outcomes, client feedback, and financial sustainability.

> These improvements position IFC to maximize our development impact and financial sustainability.

UNDERSTANDING OUR DEVELOPMENT IMPACT

The private sector plays an indispensable role in spurring growth and creating opportunities for people to improve their lives. But it's imperative to know precisely what types of private sector activity will have the greatest impact on development.

At IFC, we measure our results and those of our clients to assess whether we are contributing effectively to the World Bank Group's twin goals of ending extreme poverty and boosting shared prosperity—and whether our work is making a difference to the people and markets that most need our help.

IFC's results-measurement and evidence systems continue to evolve to better reflect our business needs as we unify our organizational structure and shift operational focus to achieve our goals. We are also seeking to better understand the breadth of our contributions to sustainable private sector development—going beyond the impact of just individual transactions.

The improvements we are making to results measurement will help highlight our efforts in creating jobs and fueling economic growth through our investment and advisory work. We will also be better positioned to assess the results at the country, sector, and program levels and make it easier for clients and operational teams to monitor the results of individual transactions.

These changes build on the existing IFC results-measurement system—retaining what has worked well in the past, leveraging partnerships, and maintaining IFC's leadership among development finance institutions.

IFC'S RESULTS-MEASUREMENT SYSTEM

Our results-measurement system features three mutually reinforcing components: the IFC Development Goals, a monitoring system to measure development results at the transaction level that could then be aggregated at portfolio levels, and systematic evaluations of the impact of our work.

> Our results-measurement system is evolving to better reflect our business needs.

THE MONITORING AND TRACKING SYSTEM

IFC uses the Development Outcome Tracking System, or DOTS, to monitor the development results of our investment and advisory services.

For our investment work, DOTS covers—after certain exclusions—1,900 companies under supervision. Reach indicators measure the number of people reached by IFC's clients or the dollar benefit to particular stakeholders, regardless of IFC's investment size. Overall development outcome scores are assessed for 820 out of 918 investments approved between 2006 and 2011, which are mature enough to be rated and recent enough to be relevant. The overall DOTS score is a synthesis of four performance areas (financial; economic; environmental and social; and broader private sector development impacts).

We streamlined the set of DOTS indicators for investment operations and simplified the related monitoring process to achieve two goals: (i) enhance relevance of the indicators to operations and clients; and (ii) improve effectiveness and efficiency.

For environmental and social performance, for example, we introduced a set of core indicators based on detailed client assessments conducted by environment and social performance specialists. These indicators measure the progress of our clients in implementing the IFC Performance Standards. In addition to process improvements, we continue to leverage technology solutions to enhance the ease, efficiency, and quality of data collection and reporting on results.

For our advisory work, FY15 DOTS scores are based on a review of 106 completion reports filed in 2014, of which 100 could be assessed for development effectiveness. Projects that could not be assessed were those that met certain exclusion criteria—such as those involving sector or market studies, knowledge-sharing conferences, or efforts to create internal knowledge tools for IFC.

IFC DEVELOPMENT GOALS

IFC Development Goals are targets for reach, access, or other tangible development outcomes that projects signed or committed by IFC are expected to deliver during their lifetime.

The five goals—strengthening infrastructure, improving livelihood of farmers, expanding access to financial services, boosting health and education, and reducing greenhouse emissions—are aligned with the Bank Group Scorecard and are also fully integrated into IFC's corporate scorecard. We are currently in the second year of monitoring the progress of our commitments to these goals toward their three-year targets. More detail is provided in the table on page 77.

IFC'S EVALUATIONS

We conduct self-evaluations to assess the achievements of our projects and identify lessons that can be used to improve our operations. Working with the Independent Evaluation Group, we improved how operational teams evaluate their own projects once they are completed or have reached operational maturity. In addition, IFC also conducts in-depth evaluations to generate greater evidence of development impact of key projects and programs. Under that framework, we completed 35 evaluations in FY15. We also adopted disclosure policies that enable us to disseminate these evaluation findings beyond the Bank Group and have published the evaluation summaries on the IFC external website.

ENHANCEMENTS TO THE RESULTS-MEASUREMENT SYSTEM

IFC's improved results-measurement system provides a better picture of the impact of IFC's interventions at the country, sector, and program levels through evaluation and collaboration with the Bank Group on joint frameworks.

STRENGTHENING LINKS TO IMPACT

Evaluations are integral to IFC's results-measurement framework: they help us to learn from our experience, inform strategy, and help us assess and report on development impact more comprehensively. This year we moved to a systematic evaluation strategy that increasingly examines IFC's contribution to growth, jobs, and access in key sectors such as finance, tourism, poultry, power, and small and medium enterprises, or SMEs.

For example, in the power sector, we ramped up the use of evaluation and research as a source of insight for IFC's operational teams. As part of this, we developed an Excel-based, user-friendly tool that uses econometric input-output methodology at the country level to estimate Gross Domestic Product and employment impact from construction, operation and maintenance activities, and increased power supply. The tool covers 20 developing countries and estimates of different types of effects—direct, indirect, induced, and second-order growth effects—for jobs and GDP. Similarly, we developed a methodology to profile SME beneficiaries of our financial-intermediary clients.

In the coming year, we are taking a systems approach to deepen our understanding of the links between our investment activities and the World Bank Group's twin goals of ending extreme poverty and boosting shared prosperity.

FOCUS ON COUNTRY- AND PROGRAM-LEVEL RESULTS

We worked more closely with the World Bank and MIGA to design results frameworks to monitor IFC's contributions to country-level development objectives under the World Bank Group's Country Partnership Frameworks. This year we helped design two such frameworks—for Panama and Myanmar—which were then discussed by the Board of Directors. We will design such joint frameworks for 15 more countries next year. Our work to improve the results frameworks will help us to better articulate IFC's development outcomes in the context of the broader World Bank Group support to the country.

We are also designing results frameworks for our strategic engagements that involve a common objective but multiple investment and advisory activities. These frameworks are built at the program level by identifying a few indicators that are then monitored at the project level. We also design and execute evaluations at the program level. In FY15, we developed frameworks for our work in the power and agriculture sectors.

LEVERAGING PARTNERSHIPS

IFC plays a key role in harmonizing indicators to monitor private sector operations across institutions. In 2013, IFC worked with 25 other development financial institutions, or DFIs, to harmonize 27 quantitative indicators across sectors. This year, IFC has begun implementing these indicators and the DFI group established a more formal governance mechanism, including a six-member steering committee to manage implementation of the harmonized indicators. The committee will also explore opportunities for joint work in areas outside these indicators. The initiative is now branded as the Harmonized Indicators for Private Sector Operations with its own website, hipso.net. Building on this experience, IFC partnered with the Donor Committee for Economic Development, a forum of 22 donors involved in private sector development, to harmonize indicators to monitor and report on advisory achievements.

DEVELOPMENT OUTCOMES

Macroeconomic and financial-markets conditions have deteriorated considerably in recent years. Despite that, IFC's overall development outcome score for our investment operations remained essentially stable, with 63 percent of our clients rated high (slightly below our target of 65 percent). In general, larger projects are less risky than smaller projects. When weighted for investment volume, 72 percent of our clients were rated high.

At the industry level, our financial sector investment clients performed the best, with 74 percent rated high. This was an increase of six percentage points and reflected improved performance by new and existing clients in all regions, especially in East Asia and the Pacific and in the Middle East and North Africa. Microfinance and SME finance projects, which account for 60 percent of the sector-rated portfolio, registered the strongest scores, particularly in private sector development and financial performance.

Amid a slowdown in emerging-market growth and a decrease in commodity prices, our projects in the real sector—particularly in infrastructure and oil, gas, and mining—registered lower outcome scores. In infrastructure, ratings of IFC clients declined as weaker financial and economic conditions hampered implementation in some cases. In oil, gas, and mining, the outcome score declined—largely because of new projects in the portfolio, primarily smaller early-stage investments. When the scores are weighted for project size, 82 percent of the clients were rated high.

The regional performance of our investment operations remained broadly stable, with the exception of the South Asia and the East Asia and the Pacific regions, which saw downward and upward swings of nearly five percentage points, respectively. In East Asia, the improved rating of 65 percent came from stronger performance in most sectors, including financial markets; agribusiness and forestry; consumer and social services; and telecom, media, and technology. In South Asia, 61 percent of clients were rated high on development outcomes—reflecting weaker performance of new projects, particularly in the Indian infrastructure sector.

For our advisory work, 73 percent of IFC projects that closed during the year and could be assessed for development effectiveness were rated high. Advisory development outcome scores have been above our target of 65 percent for the past five years. In addition, 91 percent of clients said they were satisfied with IFC's advisory work.

The Middle East and North Africa region was the strongest performer, with 90 percent of projects that closed during the year rated high on development effectiveness. The region also registered the largest improvement over the three-year average—a gain of 14 points in its performance score. These projects focused mainly on the financial sector or on developing public-private partnerships. Europe and Central Asia recorded a decline in advisory projects rated high. The drop reflected a relatively small pool of rated projects in the region—several of which were affected by changes in government priorities during the implementation of public-private partnerships.

Development outcomes for our advisory work by business area is provided in the table on page 79. Because of IFC's organizational changes (see page 72), previous-year comparison is available only at the aggregate and regional levels.

DEVELOPMENT REACH AND RESULTS

Across the globe, IFC investment and advisory services clients were able to reach many people and record some remarkable achievements (see page 78). Here are a few highlights:

EXPANDING FINANCE

› We worked with 331 financial intermediaries focused on lending to micro, small, and medium enterprises. These institutions provided 44 million micro and 4 million small and medium loans totaling $270 billion. Our clients also provided over 965,000 housing finance loans, totaling $22 billion.

- We also helped our partners in digital financial services to facilitate 70 million noncash retail transactions, totaling over $160 billion.
- We helped strengthen financial markets by working with collateral registries and credit bureaus that facilitated a total of $1.2 billion in financing. About 294,000 SMEs and microenterprises were also able to receive loans secured with movable property. In addition, we helped create or improve credit bureaus in Jamaica, Samoa, Uzbekistan, and Tajikistan.

PROVIDING SOLUTIONS AND SERVICES

- Our clients generated and distributed power to 99 million customers—a 30 percent increase over the previous year. More than a third of these customers were in Sub-Saharan Africa.
- Our clients also provided phone connections to 237 million customers—a 31 percent increase over the previous year, with most in South Asia.
- We helped businesses reach 26.4 million people with affordable off-grid lighting solutions.
- We helped governments sign 18 public-private-partnership contracts that are expected to improve access to infrastructure and health services for almost 16 million people and mobilize over $5.8 billion in private investment.
- We helped firms adopt new practices and technologies that attracted additional financing of $929 million—nearly all of which came from sources other than IFC. Corporate governance reforms helped attract $535 million in financing for our clients, and clean energy and resource-efficient technologies led to investments of $384 million.

IMPROVING THE BUSINESS ENVIRONMENT

- We helped governments in 47 countries adopt 94 investment-climate reforms to foster growth and business creation. Seventy-eight of these reforms were in IDA countries, including 25 in fragile and conflict-affected situations.
- We helped national and local governments with reform and investment-promotion support that contributed to an estimated $743 million in new investments.

THE IFC DEVELOPMENT GOALS

GOAL	FY15 IDG TARGET	FY14–16 TARGETS*	FY15 IDG COMMITMENTS	PERCENT OF FY15 TARGET ACHIEVED	PERCENT OF FY14–FY16 TARGET ACHIEVED
Increase or improve sustainable farming opportunities	Benefit 1.48 million people	Benefit 4.64 million people	1.29 million people	87%	54%
Improve health and education services	Benefit 5.74 million people	Benefit 14.80 million people	12.92 million people	225%	143%
Increase access to financial services for microfinance clients	Benefit 27.75 million people	Benefit 83.59 million people	52.25 million people	188%	106%
Increase access to financial services for SME clients	Benefit 1.52 million people	Benefit 4.61 million people	1.46 million people	96%	55%
Increase or improve infrastructure services	Benefit 25.76 million people	Benefit 75.36 million people	93.54 million people	363%	154%
Reduce greenhouse-gas emissions	Reduce by 6.08 million metric tons of CO_2 equivalent per year	Reduce by 18.42 million metric tons of CO_2 equivalent per year	9.69 million metric tons	159%	83%

*Cumulative total over three years (FY14–FY16).

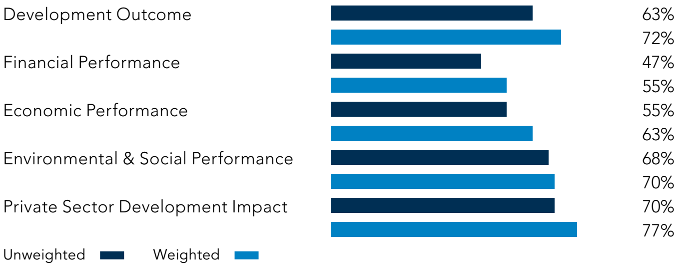
DEVELOPMENT REACH BY IFC'S INVESTMENT CLIENTS	PORTFOLIO CY13	PORTFOLIO CY14
INVESTMENTS		
Employment (millions of jobs)[1]	2.6	2.5
MICROFINANCE LOANS		
Number (millions)[2]	29.0	43.6
Amount ($ billions)[2]	27.9	35.3
SME LOANS		
Number (millions)[2]	5.3	4.3
Amount ($ billions)[2]	275.7	234.4
TRADE FINANCE		
Number (millions)[3]	2.0	1.8
Amount ($ billions)[3]	310.0	266.0
CUSTOMERS REACHED WITH SERVICES		
Power generation (millions of customers)	51.3	55.8
Power distribution (millions of customers)[4]	25.2	43.6
Water distribution (millions of customers)[5]	28.4	23.4
Gas distribution (millions of customers)[6]	39.8	35.0
Phone connections (millions of customers)[7]	180.9	237.2
Patients served (millions)	27.1	17.3
Students reached (millions)	2.5	3.5
Farmers reached (millions)	2.9	3.4
PAYMENTS TO SUPPLIERS AND GOVERNMENTS		
Domestic purchases of goods and services ($ billions)	34.3	51.9
Contribution to government revenues or savings ($ billions)[8]	19.1	19.5

These figures represent the total reach of IFC clients as of end of CY13 and CY14. CY13 and CY14 portfolio data are not strictly comparable, because they are based on a changed portfolio of IFC clients. For microfinance and SME loans, results also reflect contributions from Advisory Services. While numerous controls are performed on the data provided by clients, they are sometimes based on estimates and the understanding of the indicator definitions may vary slightly between clients.

1. Portfolio figures for employment include jobs provided by Funds.
2. Portfolio reach figures represent the micro, small, and medium outstanding loan portfolio of IFC clients as of end CY13 and CY14, for MSME-oriented financial institutions/projects. 93% of the 331 clients required to report in CY14 did so. The missing data were extrapolated. Data for the number and amount of loans for CY13 revised due to restated values from several clients.
3. Estimate of the number and dollar volume of trade transactions financed by the Global Trade Finance Program's network of emerging-market banks, based on actual data from over 90% of the network's active banks and extrapolation for the rest. CY13 and CY14 figures are not strictly comparable due to changes in methodology applied for CY14. Numbers reflect transactions directly guaranteed by IFC as well as those executed by network banks that have been supported by the program.
4. CY13 total power distribution revised due to the restatement of one client value in Latin America and the Caribbean.
5. CY13 water distribution revised due to the restatement of two client values in Latin America and the Caribbean.
6. One client in East Asia and the Pacific contributed 31.8 million of gas distribution customers in CY14.
7. One client in South Asia contributed 135.8 million of phone connection customers in CY14.
8. CY13 total payments to governments revised due to the restatement of two client values in Latin America and the Caribbean.

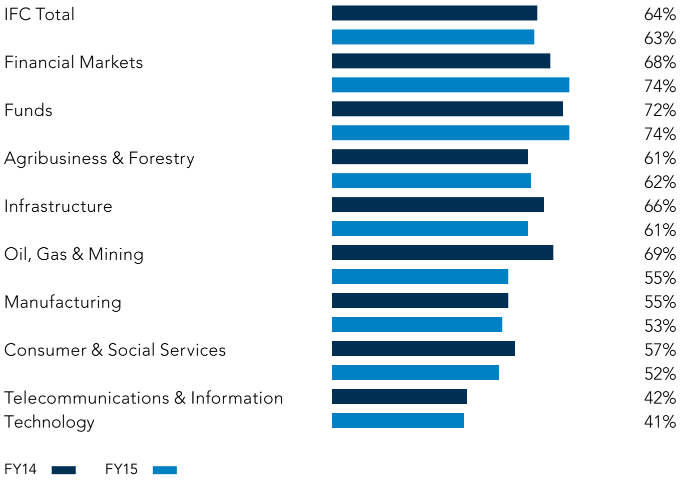
INVESTMENT SERVICES DOTS SCORE BY PERFORMANCE AREA, FY15

% Rated High



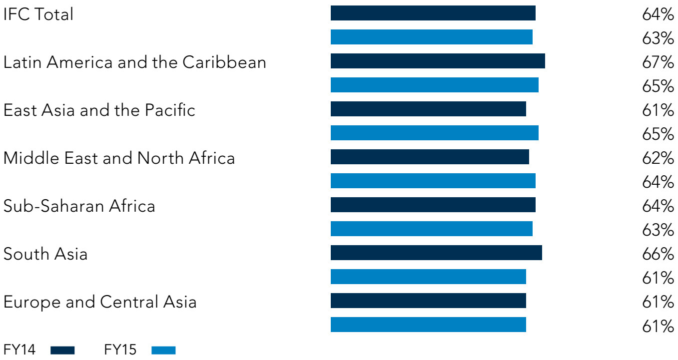
INVESTMENT SERVICES DOTS SCORE BY INDUSTRY, FY14 VS. FY15

% Rated High



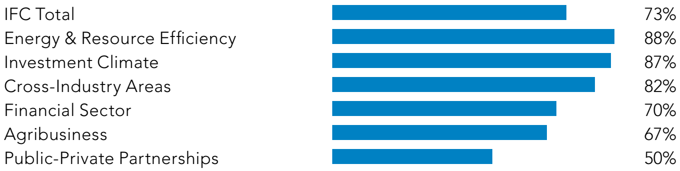
INVESTMENT SERVICES DOTS SCORE BY REGION, FY14 VS. FY15

% Rated High



ADVISORY SERVICES DOTS SCORE BY BUSINESS AREA, FY15

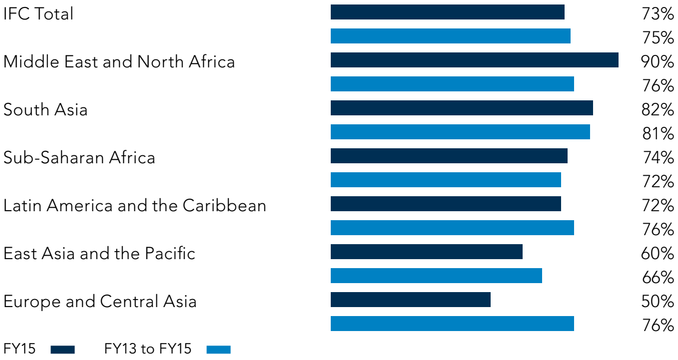
% Rated High



"Financial Sector" also includes projects undertaken by the integrated World Bank Group team in the Finance & Markets Global Practice.

ADVISORY SERVICES DOTS SCORE BY REGION

% Rated High



OUR STAFF

IFC's employees are diverse. They are our most important asset. Representing more than 140 countries, our staff brings innovative solutions and global best practices to local clients.

Our staff members work in 100 countries. More than half of us—59 percent—are based in offices outside the United States, an increasing percentage that reflects our commitment to decentralization. Most IFC employees, 62 percent in all, hail from countries that are not IDA donors—a diversity that enriches our perspective and underscores our focus on areas where private sector development can have the biggest impact.

OUR STAFF MEMBERS WORK IN

100

COUNTRIES

IFC'S EMPLOYEES REPRESENT MORE THAN

140

COUNTRIES

NEARLY

60%

of IFC staff members are based in offices outside the United States

WHERE WE WORK	FY10	FY15
LOCATION		
United States	1,542 (46%)	1,525 (41%)
Other Countries	1,816 (54%)	2,162 (59%)
Total IFC Staff	3,358	3,687

NATIONAL ORIGIN – ALL FULL-TIME STAFF	FY10	FY15
NATIONAL ORIGIN		
IDA Donor Countries[1]	1,270 (38%)	1,393 (38%)
Other Countries	2,088 (62%)	2,294 (62%)
Total	3,358	3,687

NATIONAL ORIGIN – STAFF GRADED AT OFFICER LEVEL AND HIGHER	FY10	FY15
NATIONAL ORIGIN		
IDA Donor Countries[1]	947 (46%)	1,100 (44%)
Other Countries	1,110 (54%)	1,392 (56%)
Total	2,057	2,492

1. Based on self-declaration of countries at the time of their IDA membership.

GENDER – ALL FULL-TIME STAFF	FY10	FY15
GENDER		
Female Staff	1,785 (53%)	1,977 (54%)
Male Staff	1,573 (47%)	1,710 (46%)
Total	3,358	3,687

GENDER – STAFF AT OFFICER LEVEL AND HIGHER	FY10	FY15
GENDER		
Female Staff	825 (40%)	1,085 (44%)
Male Staff	1,232 (60%)	1,407 (56%)
Total	2,057	2,492

COMPENSATION

IFC's compensation guidelines are part of the World Bank Group's framework. The international competitiveness of compensation is essential to our capacity to attract and retain highly qualified, diverse staff. The salary structure for staff recruited in Washington, D.C., is based on the U.S. market, which historically has been globally competitive. Salaries for staff hired outside the United States are based on local competitiveness, determined by independent local market surveys. Based on the World Bank Group's status as a multilateral organization, staff salaries are determined on a net-of-tax basis.

VARIABLE PAY PROGRAMS

IFC's variable pay programs consist of several components, including recognition programs and performance awards (which include annual and long-term components) that support IFC's high-performance culture. These awards are designed to encourage teamwork, reward top performance, and support IFC's strategic priorities such as projects in fragile and conflict-affected states.

BENEFITS PROGRAMS

IFC provides a competitive package of benefits, including medical, life, disability insurance and a retirement plan. Medical insurance costs are shared—75 percent is paid by IFC and 25 percent by the insured.

IFC's pension is part of the World Bank Group plan, based on two benefit components: first, a defined-benefit component fully funded by IFC based on years of service, salary, and retirement age; second, a cash-balance component—a mandatory contribution of 5 percent of salary plus an optional staff contribution of 6 percent of salary, to which IFC adds 10 percent annually. The Bank Group also sponsors an optional U.S.-style 401(k) plan for Washington-based staff and an optional savings plan for country-office staff.

STAFF SALARY STRUCTURE (WASHINGTON, D.C.)

As of June 30, 2015, the salary structure (net of tax) and annual average net salaries/benefits for World Bank Group staff were as follows:

GRADES	REPRESENTATIVE JOB TITLES	MINIMUM ($)	MARKET REFERENCE ($)	MAXIMUM ($)	STAFF AT GRADE LEVEL (%)	AVERAGE SALARY/GRADE ($)	AVERAGE BENEFITS[a] ($)
GA	Office Assistant	23,900	34,100	44,300	0.02%	42,233	24,702
GB	Team Assistant, Information Technician	30,100	43,000	55,900	0.5%	44,269	25,893
GC	Program Assistant, Information Assistant	37,200	53,100	69,000	9.5%	55,934	32,716
GD	Senior Program Assistant, Information Specialist, Budget Assistant	43,900	62,700	81,500	7.6%	69,346	40,560
GE	Analyst	58,900	84,200	109,500	10.0%	79,845	46,701
GF	Professional	78,300	111,900	145,500	22.4%	103,520	60,549
GG	Senior Professional	105,700	151,000	196,300	31.0%	142,515	83,357
GH	Manager, Lead Professional	144,000	205,700	267,400	16.1%	200,468	117,254
GI	Director, Senior Advisor	220,800	276,000	331,200	2.4%	264,534	154,726
GJ	Vice President	272,500	320,600	368,700	0.4%	327,814	191,738
GK	Managing Director, Executive Vice President	303,000	356,500	410,000	0.1%	382,207	220,614

Note: Because World Bank Group (WBG) staff, other than U.S. citizens, usually are not required to pay income taxes on their WBG compensation, the salaries are set on a net-of-tax basis, which is generally equivalent to the after-tax take-home pay of the employees of the comparator organizations and firms from which WBG salaries are derived. Only a relatively small minority of staff will reach the upper third of the salary range.

a. Includes medical, life and disability insurance; accrued termination benefits; and other nonsalary benefits. Excludes tax allowances.

OUR GOVERNANCE

OUR PLACE IN THE WORLD BANK GROUP

The World Bank Group is a vital source of financial and technical assistance to developing countries. Its mission is to fight poverty with passion and professionalism, for lasting results.

IFC is one of five members of the Bank Group, though it is a separate legal entity with separate Articles of Agreement, share capital, financial structure, management, and staff. Membership in IFC is open only to member countries of the World Bank. As of June 30, 2015, IFC's paid-in capital of about $2.56 billion was held by 184 member countries. These countries guide IFC's programs and activities.

IFC works with the private sector to create opportunity where it's needed most. Since our founding in 1956, we have committed nearly $180 billion of our own funds for private sector investments in developing countries, and we have mobilized more than $40 billion more from others.

In working to end extreme poverty and boost shared prosperity, we collaborate closely with other members of the Bank Group.

OUR BOARD

Each of our member countries appoints one governor and one alternate. Corporate powers are vested in the Board of Governors, which delegates most powers to a board of 25 directors. Voting power on issues brought before them is weighted according to the share capital each director represents.

The directors meet regularly at World Bank Group headquarters in Washington, D.C., where they review and decide on investments and provide overall strategic guidance to IFC management. The President of the World Bank Group is also President of IFC.

EXECUTIVE COMPENSATION

The salary of the President of the World Bank Group is determined by the Board of Directors. The salary structure for IFC's Executive Vice President and CEO is determined by positioning a midpoint between the salary structure of staff at the highest level, as determined annually by independent U.S. compensation market surveys, and the salary of the World Bank Group President. The compensation of our executive leadership is transparent. IFC's Executive Vice President and CEO, Jin-Yong Cai, received a salary of $399,400, net of taxes. There are no executive incentive compensation packages.

Seated (left to right): **Hervé de Villeroché**, France ▪ **Patrizio Pagano**, Italy ▪ **Subhash Chandra Garg**, India ▪ **Merza Hasan (Dean)**, Kuwait ▪ **Rionald Silaban**, Indonesia ▪ **Masahiro Kan**, Japan ▪ **Gwen Hines**, United Kingdom ▪ **Nasir Mahmood Khosa**, Pakistan

Standing (left to right): **Jose A. Rojas R.**, Venezuela, RB ▪ **Frank Heemskerk**, Netherlands ▪ **Ursula Müller**, Germany ▪ **Jörg Frieden**, Switzerland ▪ **Louis Rene Peter Larose**, Seychelles ▪ **Franciscus Godts**, Belgium ▪ **Shixin Chen**, China ▪ **Alister Smith**, Canada ▪ **Satu Santala**, Finland ▪ **Ana Dias Lourenco**, Angola ▪ **Khalid Alkhudairy**, Saudi Arabia ▪ **Sung-Soo Eun**, Korea, Rep. ▪ **Alex Foxley**, Chile ▪ **Antonio Silveira**, Brazil ▪ **Mohamed Sikieh Kayad**, Djibouti ▪ **Andrei Lushin**, Russian Federation

Not pictured: **Matthew McGuire**, United States

OUR MEMBER COUNTRIES – STRONG SHAREHOLDER SUPPORT

GRAND TOTAL	100%
UNITED STATES	20.99%
JAPAN	6.01%
GERMANY	4.77%
FRANCE	4.48%
UNITED KINGDOM	4.48%
INDIA	3.82%
RUSSIAN FEDERATION	3.82%
CANADA	3.02%
ITALY	3.02%
CHINA	2.30%
174 OTHER COUNTRIES	43.29%

ACCOUNTABILITY

INDEPENDENT EVALUATION GROUP

The Independent Evaluation Group contributes lessons from its evaluations to IFC's learning agenda. IEG is independent of IFC management and reports directly to the World Bank Group's Board of Directors. Its mission is to strengthen the development effectiveness of Bank Group institutions through excellence in evaluations that inform strategies and future work.

IEG evaluates IFC's eligible investment and advisory projects. Evaluation ratings are reported in IEG's annual evaluation of Bank Group results and performance. The most recent report for 2014 showed a decline in overall development effectiveness of investment projects compared with the previous period. The decline was driven largely by the effects of the global financial crisis and project-specific factors. IFC's advisory services showed a significant improvement in their development effectiveness, particularly in Latin America and the Caribbean and in East Asia and the Pacific, and in the Public-Private Partnerships business line.

IEG's recent evaluation of IFC's business model for delivering advisory services on investment-climate reform found a number of strengths to the standardized, focused, short-term delivery model. IEG recommended that, as services are folded into a new global practice, the Bank Group could take advantage of the respective strengths of both World Bank and IFC models.

In the infrastructure sector, IEG evaluations demonstrated that IFC can contribute to successful development outcomes in tough regulatory environments and frontier regions. In the manufacturing sector, successful projects benefited from innovation and cost efficiencies, thus contributing to private sector development results. IEG's major reports are disclosed on its website: http://ieg.worldbankgroup.org.

OFFICE OF THE COMPLIANCE ADVISOR OMBUDSMAN

The Office of the Compliance Advisor Ombudsman, or CAO, is the independent accountability mechanism for IFC and MIGA. CAO addresses complaints from people affected by IFC and MIGA projects with the goal of enhancing environmental and social outcomes. CAO is led by Osvaldo Gratacós, who was appointed in July 2014 after an independent selection process. He reports to the World Bank Group President.

CAO facilitates dispute resolution between communities and IFC clients, conducts compliance investigations of IFC's environmental and social performance, and provides independent advice to the President and management.

In FY15, CAO managed 63 cases in 25 countries related to IFC agribusiness, education, extractives, manufacturing, infrastructure, financial intermediary, and advisory services projects. Of these, 16 were new complaints regarding IFC projects. At fiscal year end, CAO had closed 20 cases, with nine in assessment, 14 in dispute resolution, and 20 in ongoing compliance review.

Through dispute resolution, CAO worked with communities and companies to address concerns regarding significant IFC projects, including the Chad-Cameroon Oil Pipeline, the Oyu Tolgoi mine in Mongolia, and the Bujagali hydropower project in Uganda. CAO concluded long-term mediations after monitoring settlements between local stakeholders related to resettlement around the Sihanoukville airport expansion in Cambodia, and a chronic health issue affecting sugar workers in Nicaragua. In Uganda, CAO is monitoring settlements between two communities and a client of the IFC-supported Agri-Vie Fund regarding impacts of commercial forestry plantations and land displacement.

In its compliance function, CAO closed eight appraisals of IFC's performance related to 16 complaints with no further action, and three appraisals are in process. CAO is conducting seven investigations of IFC's performance related to projects in the advisory services, agribusiness, financial-intermediary, hydropower, mining, and infrastructure sectors. CAO is monitoring IFC actions in response to six compliance investigations regarding the Tata Ultra Mega power project in India; Dinant and Ficohsa cases related to agribusiness and financial-intermediary investments in Honduras, respectively; Quellaveco, a mining investment in Peru; Avianca, an investment in a Colombian airline; and IFC's global financial-intermediary portfolio. After monitoring IFC, CAO closed one investigation related to advisory services for the power sector in Kosovo.

IFC engaged with CAO's advisory function for a workshop on lessons learned from financial-intermediary investments in May 2015, and on guidance being developed by CAO for IFC and its clients on project-level grievance mechanisms. For more information, visit www.cao-ombudsman.org.

PARTNERSHIPS

IFC works with governments, corporations, foundations, and other multilateral organizations and development institutions to foster innovative partnerships that create prosperity and eradicate poverty. Our collaborative approach emphasizes the power of sustained partnerships, focuses on results measurement and efficiency, and leverages the contributions of our development partners to maximize impact on the lives of the poor.

WORKING WITH DEVELOPMENT PARTNERS

IFC collaborates and builds long-term relationships with development partners across the globe while pursuing our shared goals of ending poverty and increasing shared prosperity. Our development partners strongly support the work of IFC, to which they committed nearly $263 million in FY15.

IFC builds on partnerships and improves collaboration by deepening our dialogue with partners and seeking new avenues to improve efficiencies and create impact. We and the World Bank hold joint consultations with a variety of partners to deepen our engagement—including the Netherlands, Norway, Switzerland, and the U.K. in FY15. IFC has also played a key role in shaping the narrative for the future financing framework for sustainable development by showcasing the importance of private sector involvement in development. In May, the Bank Group organized the Development Finance Forum in Rotterdam. The forum provided an ideal platform for strategists, policymakers, and advisors in the public and private sector to meet and reflect on critical initiatives that can contribute to sustainable development.

Through development-partner trust funds, IFC continues to provide financing and knowledge on private sector development. The following initiatives highlight the concerted effort we have made to collaborate in innovative ways with our partners:

THE ROCKEFELLER FOUNDATION

The Rockefeller Foundation partnered with IFC in FY15 to unlock private sector investment for infrastructure projects across emerging markets. The foundation committed $10 million to launch a project-development facility, which will provide grants to support legal, technical, and financial advice to governments working with IFC. These projects will help cities build resilience and support poor and vulnerable communities. The facility will also help accelerate the development of projects and increase the number of projects that obtain financing. The foundation and IFC aim to jointly raise an additional $40 million to $90 million from other partners, which could support the development of up to 80 medium-to-large-scale projects globally.

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

The United Kingdom's Department for International Development and the Bank Group formed a new partnership that will focus on the use of technological innovations to deliver financial services to some of the world's poorest and most excluded people, particularly women and people living in fragile and conflict-affected areas. The Harnessing Innovation for Financial Inclusion program is supported by a contribution of more than 16 million British pounds from the U.K. The program will also provide expertise to help developing countries implement a strategic framework to modernize government, retail, and remittance payment systems.

THE EUROPEAN UNION

The European Union pledged €9 million in December 2014 to promote sustainable urban development in five Indian cities. The Eco-Cities Program in India, which is designed to address the challenges of rapid urbanization in India, is aligned with the Indian government's *Smart Cities* agenda, which seeks to create 100 new cities with modern infrastructure.

FINANCIAL COMMITMENTS TO IFC ADVISORY SERVICES

(US$ Millions Equivalent) Unaudited figures

SUMMARY	FY14	FY15
Governments	272.51	199.85
Institutional/Multilateral Partners	46.66	24.69
Corporations, Foundations, and NGOs	19.38	38.01
Total	338.56	262.55

GOVERNMENTS	FY14	FY15
Australia	7.01	34.38
Austria	11.24	7.43
Canada	48.12	4.25
Denmark	4.47	9.22
France	0.00	2.49
Germany	0.99	0.00
Hungary	20.00	0.00
Ireland	2.65	0.00
Italy	4.72	0.00
Japan	36.71	5.96
Korea	3.00	0.13
Netherlands	55.00	0.63
New Zealand	0.00	1.41
Norway	3.27	18.13
Sweden	2.76	3.63
Switzerland	47.72	33.31
United Kingdom	16.60	56.13
United States	8.26	22.73
Total	272.51	199.85

INSTITUTIONAL/MULTILATERAL PARTNERS	FY14	FY15
Climate Investment Funds	16.62	8.36
European Commission	19.68	11.43
Financial Sector Deepening Trust	0.60	0.00
Global Green Growth Institute (3GI)*	0.60	0.00
Islamic Development Bank	0.31	0.00
Livelihoods and Food Security Trust Fund	3.62	0.00
MENA Transition Fund	5.24	3.65
Trade and Markets East Africa (TradeMark East Africa – TMEA)	0.00	1.25
Total	46.66	24.69

CORPORATIONS, FOUNDATIONS, AND NGOs	FY14	FY15
Bill & Melinda Gates Foundation	2.00	20.51
BP Exploration (Caspian Sea) Limited	0.40	0.00
Dingyi Venture Capital (HK) Limited	3.00	0.00
eBay Foundation Corporate Advised Fund of Silicon Valley Community Foundation (SVCF)	0.00	0.10
Ford Foundation	0.15	0.20
Goldman Sachs Foundation	11.33	0.00
Marie Stopes International	0.00	3.95
Nestlé SA*	0.00	1.50
PepsiCo Foundation*	0.00	1.50
Rockefeller Foundation	0.00	10.00
SABMiller PLC*	0.25	0.25
The Coca-Cola Company*	2.25	0.00
Total	19.38	38.01

*Contributor to the 2030 Water Resource Group

MANAGING RISKS

PORTFOLIO MANAGEMENT

Portfolio management is an intrinsic part of managing IFC's business to ensure strong financial and development results of our projects.

IFC's management reviews our entire portfolio globally on a quarterly basis and reports on the portfolio performance to the Board annually. Our portfolio teams, largely based in field offices, complement global reviews with asset-by-asset quarterly reviews.

On the corporate level, IFC combines the analysis of our $50.4 billion portfolio performance with projections of global macroeconomic and market trends to inform decisions about future investments. IFC also regularly tests the performance of the portfolio against possible macroeconomic developments to identify and proactively address risks.

On the project level, IFC actively monitors compliance with investment agreements, visits sites to evaluate project status, and helps identify solutions to address potential problems. We systematically track environmental and social performance, and measure financial and development results.

For projects in financial distress, our Special Operations Department determines the appropriate remedial actions. It seeks to negotiate agreements with creditors and shareholders to share the burden of restructuring so problems can be worked out while the project continues to operate.

Investors and other partners participating in IFC's operations are kept regularly informed on project developments. IFC consults or seeks their consent as appropriate.

TREASURY SERVICES

IFC raises funds in the international capital markets for private sector lending and to ensure sufficient liquidity to safeguard IFC's triple-A credit ratings.

Issuances include benchmark bonds in core currencies such as U.S. dollars, thematic issuances to support strategic priorities such as climate change, and issuances in emerging-market currencies to support capital-market development. Most of IFC's lending is denominated in U.S. dollars, but we borrow in many currencies to diversify access to funding, reduce borrowing costs, and support local capital markets.

Over the years, IFC's funding program has grown to keep pace with our lending—in FY15, new borrowings totaled the equivalent of $15.6 billion.

FY15 BORROWING IN INTERNATIONAL MARKETS

CURRENCY	AMOUNT ($ EQUIVALENT)	PERCENT
U.S. dollar	8,621,527,000.00	54.5%
Australian dollar	2,381,909,500.00	15.1%
Brazilian real	1,247,752,840.45	7.9%
Japanese yen	690,844,961.00	4.4%
Indian rupee	646,237,823.36	4.1%
Chinese renminbi	611,959,012.97	3.9%
Euro	340,150,000.00	2.2%
Other	1,278,496,063.62	8.1%
Total	15,818,877,201.40	100.0%

LIQUIDITY MANAGEMENT

Liquid assets on IFC's balance sheet totaled $39.5 billion as of June 30, 2015, compared with $33.7 billion a year earlier. Most liquid assets are held in U.S. dollars. The exposure arising from assets denominated in currencies other than U.S. dollars is hedged into U.S. dollars or matched by liabilities in the same currency to eliminate overall currency risk. The level of these assets is determined with a view to ensure sufficient resources to meet commitments even during times of market stress.

CAPITAL ADEQUACY AND FINANCIAL CAPACITY

Sound risk management plays a crucial role in ensuring IFC's ability to fulfill our development mandate. The very nature of IFC's business, as a long-term investor in dynamic yet volatile emerging markets, exposes us to financial and operational risks.

Prudent risk management and a solid capital position enable us to preserve our financial strength and play a countercyclical role during times of economic and financial turmoil. In addition, IFC's financial strength results in low borrowing costs, allowing us to provide affordable financing to our clients.

The soundness and quality of IFC's risk management and financial position can be seen in our triple-A credit rating, which has been maintained since coverage began in 1989.

We assess IFC's minimum capital requirement in accordance with our economic capital framework, which is aligned with the Basel framework and leading industry practice. Economic capital acts as a common currency of risk, allowing us to model and aggregate the risk of losses from a range of different investment products as well as other risks.

IFC's total resources available consist of paid-in capital, retained earnings net of designations and certain unrealized gains, and total loan-loss reserves. The excess available capital, beyond what is required to support existing business, allows for future growth of our portfolio while also providing a buffer against unexpected external shocks. As of June 30, 2015, total resources available reached $22.6 billion, while the minimum capital requirement totaled $19.2 billion.

PROMOTING SUSTAINABILITY

IFC'S SUSTAINABILITY FRAMEWORK

Sustainability is critical to companies' business success. It's critical, too, for their customers, surrounding communities, and broader stakeholder groups.

In a time of climate change, resource scarcities, and rising social pressures, businesses face a growing need for a stronger approach to environmental, social, and governance issues. It takes an integrated approach to address the challenges of sustainability—one that manages financial risks and nonfinancial risks in a unified way while embedding sustainability into the way companies do business.

IFC's Sustainability Framework reflects this approach. It is designed to help our clients improve their business performance, enhance transparency, engage with the people affected by the projects we finance, protect the environment, and achieve greater development impact. In doing so, it enables us to fulfill our strategic commitment to environmental social sustainability and good corporate governance while contributing to private sector growth and job creation.

SUSTAINABILITY IN PRACTICE

IFC works to ensure sustainability in four key dimensions—financial, economic, environmental, and social. Being financially sustainable enables IFC and our clients to make a long-term contribution to development. Making our projects economically sustainable ensures that they contribute to the host economies.

In all of our investment decisions, IFC gives the same weight and attention to environmental, social, and governance risks as we do to credit and financial risks. In more challenging markets, we work with clients whose potential high-reward business investments and sustainable inclusive growth face a growing array of complex environmental, social, and governance risks.

These challenges require best-in-class environmental, social, and governance risk-management and flexible solutions. Our work includes helping clients address risks that are beyond their ability or responsibility to solve alone, to leverage the capabilities of the World Bank Group to find durable solutions, and to work with other stakeholders to help unlock investment when it is constrained by significant sustainability risks.

IFC clients continue to indicate that our expertise is an important factor in their decision to work with us. Nearly 90 percent of the clients that received support from us on environmental and social matters found our assistance to be helpful in improving relationships with stakeholders, strengthening brand value and recognition, and establishing sound risk-management practices.

IFC PERFORMANCE STANDARDS

At the core of our Sustainability Framework are the IFC Performance Standards that help our clients avoid, mitigate, and manage risk as a way of doing business sustainably. They help clients devise solutions that are good for business, good for investors, and good for the environment and communities.

Our Performance Standards have become a global benchmark of sustainability practices. The Equator Principles, which reflect these standards, have been adopted by more than 80 financial institutions worldwide, including 25 from emerging markets. In addition, other financial institutions also reference IFC's Performance Standards in their policies—including 15 European development finance institutions and 34 export credit agencies.

Managing environmental, social, and governance risks in our portfolio and promoting sustainable practices are an integral part of IFC's business and risk-management approach. When a project is proposed for financing, IFC conducts a social and environmental review as part of our due diligence. This review takes into account the client's assessment of the project's impact and the client's commitment and capacity to manage it. It also assesses whether the project adheres to the IFC Performance Standards and Corporate Governance Methodology. Where there are gaps, we and the client agree on a plan to ensure that the standards are met over time. We supervise our projects throughout the life of our investment.

CORPORATE GOVERNANCE

Improving corporate governance is a priority for IFC. We provide investment support and advice on good practices for improving board effectiveness; strengthening shareholder rights; and enhancing risk-management governance, internal controls, and corporate disclosure.

We work in close collaboration with the World Bank to ensure that regulation in emerging markets is developed using IFC's frontline experience as an investor. We also advise regulators, stock-market administrators, and others with an interest in implementing good corporate governance practices.

Our experience allows IFC to apply global principles to the realities of the private sector in developing countries. As a result, development banks and other investors working in emerging markets now look to IFC for leadership on corporate governance.

We do this in a variety of ways—including through the IFC Corporate Governance Methodology, a system for evaluating corporate governance risks and opportunities that is recognized as the most advanced of its kind among development finance institutions. This methodology is the basis for a coordinated approach to corporate governance now implemented by more than 30 development finance institutions.

IFC also helps strengthen local partners that provide corporate-governance services over the long term. This includes training materials and institution-building tools in the areas of corporate-governance associations, codes and scorecards, board leadership training, dispute resolution, the training of business reporters, and implementation of good governance practices in firms.

Strong corporate governance depends on diversity in board leadership. We strive to increase the number of women who serve as nominee directors on the boards of our clients. Twenty-eight percent of IFC nominee directors are women.

OUR FOOTPRINT COMMITMENT

IFC's Footprint Commitment is to make sustainability an integral part of our internal business operations—holding ourselves accountable to the same environmental and social standards we ask of our clients.

Using natural resources efficiently is an important part of that commitment. Electricity use accounts for about 25 percent of carbon emissions generated by IFC's internal operations worldwide. Between 2007 and 2015, we sought to reduce electricity consumption by 15 percent per workstation in our headquarters offices. We achieved a 25 percent reduction during that time.

In 2016, we will set a more ambitious target—one that includes some of our country offices. Reducing paper waste is a priority. A new centrally managed World Bank Group print system is being rolled out to modernize our print technology, while eliminating waste and reducing costs by an estimated $2 million within a year for Washington offices of the Bank Group. At IFC headquarters, the new system reduced the printer-to-staff ratio to 1:12 from 1:2. Today, less than 0.5 percent of headquarters staff have a personal printer. The system avoids abandoned print jobs and reduces toner waste.

IFC continues to be carbon-neutral for global business operations. In FY15, carbon emissions from our global business operations totaled about 47,400 metric tons of carbon dioxide equivalent. We purchased carbon credits from a portfolio of five projects—including energy-efficiency, cook stove, and renewable-energy projects in India and Uganda. IFC chose projects that bring tangible development benefits to the communities in which they take place.

FY14 CARBON EMISSIONS INVENTORY FOR IFC'S GLOBAL OPERATIONS

Metric tons of carbon dioxide equivalent

Business Travel	32,609.00	69%
HQ Office Electricity	7,244.37	15%
Country Office Electricity	4,391.77	9%
Other	3,173.77	7%
Total Emissions	47,418.92	100%

INDEPENDENT ASSURANCE REPORT ON A SELECTION OF SUSTAINABLE DEVELOPMENT INFORMATION

In response to a request made by IFC, we performed a review on a selection of sustainable development information in the Annual Report for the financial year ending June 30, 2015, including quantitative indicators (“the Indicators”) and qualitative statements (“the Statements”). We selected statements that were deemed to be of particular stakeholder interest, and involved a potential reputation risk for IFC, together with statements on corporate responsibility management and performance. The Indicators and the Statements are related to the following material areas:

MATERIAL AREAS	STATEMENTS	INDICATORS
IFC policy	“Our Staff” (p. 80) “Managing Risks” (p. 88)	
Development effectiveness of investments and advisory services	“Enhancements to the Results-Measurement System” (p. 75) “IFC’s Results-Measurement System” (pp. 73–74) “Development Reach and Results” (pp. 76–77)	Investment projects Rated High: 63% (p. 79); overall investment DOTS scores detailed by industry (p. 79), by region (p. 79), and by performance area (p. 79); and weighted and unweighted DOTS scores (p. 27) Advisory Projects Rated High: 73% (p. 79); and detailed values by business area (p. 79) and by region (p. 79)
Reach of IFC’s clients	“Local Capital Markets—Building Efficient Capital Markets” (pp. 42–43) “Health and Education—Strengthening Human Capital” (pp. 54–55) “Employment—Taking a Comprehensive Approach to Job Creation” (pp. 48–49) “Technology—Using Digital Technology to Empower the Poor” (pp. 38–39)	Employment (millions): 2.5 (p. 78) Patients served (millions): 17.3 (p. 78) Students reached (millions): 3.5 (p. 78) Farmers reached (millions): 3.4 (p. 78) Gas distribution (millions of persons reached): 35.0 (p. 78) Power distribution (millions of persons reached): 43.6 (p. 78) Water distribution (millions of persons reached): 23.4 (p. 78) Trade Finance—Number of transactions (millions): 1.8 (p. 78) Trade Finance—Amount ($ billions): 266 (p. 78)

NUMBER AND AMOUNTS OF MICROFINANCE LOANS AND SME LOANS FOR CY14 (p. 78)

Type of loans	Number of loans (millions)	Amount ($ billions)
Microloans	43.6	35.3
Small and medium loans	4.3	234.4

<table>
<tr><th>MATERIAL AREAS</th><th>STATEMENTS</th><th>INDICATORS</th></tr>
<tr><td>Environmental and social ratings</td><td>“IFC Performance Standards” (p. 90)</td><td>IFC COMMITMENTS BY ENVIRONMENTAL AND SOCIAL CATEGORY (p. 26)
<table>
<tr><th>Category</th><th>Commitments ($ millions)</th><th>Number of projects</th></tr>
<tr><td>A</td><td>1,508</td><td>25</td></tr>
<tr><td>B</td><td>3,244</td><td>157</td></tr>
<tr><td>C</td><td>215</td><td>57</td></tr>
<tr><td>FI</td><td>256</td><td>15</td></tr>
<tr><td>FI-1</td><td>1,311</td><td>17</td></tr>
<tr><td>FI-2</td><td>2,937</td><td>100</td></tr>
<tr><td>FI-3</td><td>1,067</td><td>35</td></tr>
<tr><td>Total</td><td>10,539</td><td>406</td></tr>
</table></td></tr>
<tr><td>Sustainable business</td><td>“Climate Change—Helping Contain a Global Threat” (pp. 44–45)
“Gender—Expanding Economic Opportunities for Women” (pp. 50–51)
“Advice” (pp. 65–66)
“Our Footprint Commitment” (p. 91)</td><td>Commitments in Climate-related investments for FY15 (p. 59): $2,349 million
Carbon Emissions (p. 91): 47,419 tCO$_2$ equivalent in FY14</td></tr>
<tr><td>Influence on private sector development</td><td>“Agribusiness—Feeding the World Sustainably” (pp. 46–47)
“SMEs—Accelerating Local Entrepreneurship” (pp. 34–35)
“Infrastructure—Creating a Strong Foundation for Development” (pp. 30–31)
“Urbanization—Reinforcing Cities and Urban Centers” (pp. 40–41)
“Access to Finance—Opening Up New Pathways to Prosperity” (pp. 32–33)</td><td></td></tr>
<tr><td>Engagement in the poorest and fragile countries</td><td>“IDA and Conflict-Affected Areas—Creating Opportunity in Strife-Torn Environments” (pp. 52–53)</td><td></td></tr>
<tr><td>Working with others</td><td>“Cross-Border Investment—Mobilizing Capital for Development” (pp. 36–37)</td><td></td></tr>
<tr><td>IFC accountability</td><td>“Office of the Compliance Advisor Ombudsman” (pp. 84–85)</td><td></td></tr>
</table>

Our review aimed to provide limited assurance[1] that:

1. the Indicators were prepared in accordance with the reporting criteria applicable during fiscal year 2015 (the "Reporting Criteria"), consisting in IFC instructions, procedures and guidelines specific to each indicator, a summary of which is provided in the Annual Report, for the indicators related to Commitments by Environmental and Social Category (p. 26) and Development effectiveness of investments and advisory services (Monitoring and tracking results, p. 74) and on IFC's website for the others;
2. the Statements have been presented in accordance with "IFC's Access to Information Policy," which is available on IFC's website[2] and the principles of relevance, completeness, neutrality, clarity and reliability as defined by international standards[3].

It is the responsibility of IFC to prepare the Indicators and Statements, to provide information on the Reporting Criteria and to compile the Annual Report.

It is our responsibility to express a conclusion on the Indicators and the Statements based on our review. Our review was conducted in accordance with ISAE 3000, International Standard on Assurance Engagements from IFAC[4]. Our independence is defined by IFAC professional code of ethics.

NATURE AND SCOPE OF OUR REVIEW

We performed the following review to be able to express a conclusion:

- We assessed the Reporting Criteria, policies and principles, with respect to their relevance, their completeness, their neutrality and their reliability.
- We reviewed the content of the Annual Report to identify key statements regarding the sustainability and development areas listed above.
- At the corporate level, we conducted interviews with more than 25 persons responsible for reporting to assess the application of the Reporting Criteria or to substantiate the Statements.
- At the corporate level, we implemented analytical procedures and verified, on a test basis, the calculations and the consolidation of the Indicators.
- We collected supporting documents for the Indicators or Statements, such as reports to the board of directors or other meetings, loan agreement, internal and external presentations and reports, or survey results.
- We reviewed the presentation of the Statements and the Indicators in the Annual Report and the associated notes on methodology.

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[1] A higher level of assurance would have required more extensive work.

[2] http://www.ifc.org/ifcext/disclosure.nsf/content/disclosure_policy

[3] ISAE 3000 from IFAC, Global Reporting Initiative (GRI), or AA1000 Accountability Standard.

[4] ISAE 3000: "Assurance Engagement other than reviews of historical data," International Federation of Accountants, International Audit and Assurance Board, December 2003.

LIMITATIONS OF OUR REVIEW

Our review was limited to the Statements and Indicators identified in the table above and did not cover other disclosures in the Annual Report.

Our tests were limited to document reviews and interviews at IFC's headquarters in Washington, D.C. Within the scope of work covered by this statement, we did not participate in any activities with external stakeholders or clients and only conducted limited testing aimed at verifying the validity of information on a sample of individual projects.

INFORMATION ABOUT THE REPORTING CRITERIA AND THE STATEMENT PREPARATION PROCESS

With regards to the Reporting Criteria and the Statement preparation policies and principles, we wish to make the following comments:

RELEVANCE

IFC presents sustainability information on its own impact and on environmental and social risks, impacts and outcomes of projects it financed directly or through financial intermediaries. The development results of IFC Investment and Advisory Services are assessed through its Development Outcome Tracking System (DOTS) and the implementation of its evaluation strategy.

In the Environmental and Social (E&S) DOTS performance area, IFC has implemented for its direct investments a new set of core indicators that assess the progress of IFC's clients in implementing the Performance Standards. These indicators introduce a new assessment approach from a results-oriented rating to a performance approach, which measures how clients are improving their own E&S performance.

Also, the scope of indicators to assess the Private Sector Development (PSD) performance area of DOTS should be broadened to better reflect the impact on final beneficiaries over the life cycle of the projects, and rationales to support the DOTS PSD rating should be strengthened. IFC is committed to enhancing the relevance of its development results and Reach-related procedures on a continuous basis. There is indeed work in progress on the harmonization of the PSD indicators among IFIs.

Finally, while the Reach indicators capture the contribution of IFC Clients overall, IFC's reporting regarding its contribution and development results could be enhanced by disclosing incremental data—i.e., additional beneficiaries after IFC's investment—and by applying a contribution factor—such as the share of IFC's investment in overall investment.

COMPLETENESS

The Indicators' reporting perimeter covers the most relevant IFC activities. The scope covered by each indicator has been indicated in the comments next to the data in the Annual Report. In particular, in line with IFC's new practice of reporting short-term finance (STF) business separately from long-term finance (LTF) business, a specific set of Reach indicators has been implemented since last year to reflect the impact of the Global Trade Finance Program. The related figures have been reviewed and are presented in the Reach data table (p. 78).

It also appears that, FY15 being the first year that DOTS E&S performance is rated under a new set of E&S indicators, completion rate on the indicators for this performance area is lower compared to FY14.

NEUTRALITY AND CLARITY

IFC provides information on the methodologies used to establish the Indicators in the comments next to the published data or in the related sections. Further information is available on the IFC website.

RELIABILITY

IFC has strengthened internal controls on major contributors of the Reach indicators at project level, in addition to the controls performed at the corporate level. As these indicators are directly collected from clients that can sometimes be based on estimates rather than their audited financial statements, the internal controls in place are essential to ensure that data reported are consistent with IFC's own definitions and calculation methodologies.

However, these controls should be further enhanced: at project level, by ensuring that the controls are consistently applied across industries and regions; at corporate level, by reviewing the quality of the checks performed and the traceability of the data source used.

In addition, IFC should consider limiting the use of extrapolation for Reach indicators where data from clients is not available.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that:

- the Indicators were not established, in all material aspects, in accordance with the Reporting Criteria;
- the Statements were not presented, in all material aspects, in accordance with "IFC's Policy on Disclosure of Information" and the principles of relevance, completeness, neutrality, clarity and reliability as defined by international standards.

Paris-La Défense, August 7, 2015

The independent auditors
ERNST & YOUNG et Associés

EY
**Building a better
working world**

Eric Duvaud
Partner, Cleantech and Sustainability

FINANCIAL PERFORMANCE SUMMARY

The overall market environment has a significant influence on IFC's financial performance. The main elements of IFC's net income and comprehensive income and influences on the level and variability of net income and comprehensive income from year to year are:

ELEMENTS	SIGNIFICANT INFLUENCES
NET INCOME	
Yield on interest earning assets	Market conditions including spread levels and degree of competition. Nonaccruals and recoveries of interest on loans formerly in nonaccrual status and income from participation notes on individual loans are also included in income from loans.
Liquid asset income	Realized and unrealized gains and losses on the liquid asset portfolios, which are driven by external factors such as: the interest rate environment; and liquidity of certain asset classes within the liquid asset portfolio.
Income from the equity investment portfolio	Global climate for emerging markets equities, fluctuations in currency and commodity markets and company-specific performance for equity investments. Performance of the equity portfolio (principally realized capital gains, dividends, equity impairments, gains on non-monetary exchanges and unrealized gains and losses on equity investments).
Provisions for losses on loans and guarantees	Risk assessment of borrowers and probability of default and loss given default.
Other income and expenses	Level of advisory services provided by IFC to its clients, the level of expense from the staff retirement and other benefits plans, and the approved administrative and other budgets.
Gains and losses on other non-trading financial instruments accounted for at fair value	Principally, differences between changes in fair values of borrowings, including IFC's credit spread, and associated derivative instruments and unrealized gains associated with the investment portfolio including puts, warrants and stock options which in part are dependent on the global climate for emerging markets. These securities are valued using internally developed models or methodologies utilizing inputs that may be observable or non-observable.
Grants to IDA	Level of the Board of Governors–approved grants to IDA.
OTHER COMPREHENSIVE INCOME	
Unrealized gains and losses on listed equity investments and debt securities accounted for as available-for-sale	Global climate for emerging markets equities, fluctuations in currency and commodity markets and company-specific performance. Such equity investments are valued using unadjusted quoted market prices, and debt securities are valued using internally developed models or methodologies utilizing inputs that may be observable or non-observable.
Unrecognized net actuarial gains and losses and unrecognized prior service costs on benefit plans	Returns on pension plan assets and the key assumptions that underlay projected benefit obligations, including financial market interest rates, staff expenses, past experience, and management's best estimate of future benefit cost changes and economic conditions.

Global equity markets in emerging economies have been volatile in the year ended June 30, 2015 (FY15) but have generally declined over FY15. Economic downturns in certain countries in Europe and Central Asia, Latin America and the Caribbean, the depreciation of most of IFC's investment currencies against the US Dollar, IFC's functional currency, and the downward trend in oil prices have also negatively impacted financial results for FY15 and for IFC's equity investment portfolio in particular.

As a result of the combination of the macro environment for emerging markets and investment-specific developments, IFC has recorded higher other-than-temporary impairments on equity investments and debt securities, higher unrealized losses on equity investments and higher provisions for losses on loans which, together with lower income from liquid assets, have been the main drivers of IFC's financial results in FY15 when compared to FY14. IFC was however able to generate higher realized gains on a small number of equity divestments which were concentrated in two divestments that occurred in the first three months of FY15.

IFC has reported income before net unrealized gains and losses on non-trading financial instruments accounted for at fair value and grants to IDA of $855 million in FY15, as compared to $1,782 million in FY14.

Allocable Income was $1,327 million, 18 percent lower than in FY14 ($1,614 million).

Change in Income before Net Unrealized Gains and Losses on non-trading financial instruments accounted for at fair value and grants to IDA FY15 vs FY14 (US$ millions):

	INCREASE (DECREASE) FY15 VS FY14
Higher other-than-temporary impairments on equity investments and debt securities	$ (484)
Lower gains on equity investments and associated derivatives, net	(383)
Lower income from liquid asset trading activities	(132)
Higher provisions for losses on loans, guarantees and other receivables	(83)
Higher income from loans and guarantees, realized gains and losses on loans and associated derivatives	58
Higher foreign currency transaction gains on non-trading activities	72
Other, net	25
Overall change in income before net unrealized gains and losses on non-trading financial instruments accounted for at fair value and grants to IDA	**$ (927)**

Net unrealized losses on non-trading financial instruments accounted for at fair value totaled $106 million in FY15 (net unrealized losses of $43 million in FY14) resulting in income before grants to IDA of $749 million in FY15, as compared to $1,739 million in FY14. Grants to IDA totaled $340 million in FY15, as compared to $251 million in FY14. Net losses attributable to non-controlling interests totaled $36 million in FY15 ($5 million gains in FY14).

Accordingly, net income attributable to IFC totaled $445 million in FY15, as compared with $1,483 million in FY14.

IFC's net income for each of the past five fiscal years ended June 30, 2015 is presented below (US$ millions):

NET INCOME (LOSS)

For the years ended June 30 (US$ millions)

SELECTED FINANCIAL DATA AS OF AND FOR THE LAST FIVE FISCAL YEARS (US$ MILLIONS):

AS OF AND FOR THE YEARS ENDED JUNE 30	2015	2014	2013	2012	2011
CONSOLIDATED INCOME HIGHLIGHTS					
Income from loans and guarantees, realized gains and losses on loans and associated derivatives	$ 1,123	$ 1,065	$ 996	$ 993	$ 802
(Provision)/release of provision for losses on loans & guarantees	(171)	(88)	(243)	(117)	40
Income from equity investments and associated derivatives	427	1,289	732	1,548	1,601
Income from debt securities and realized gains and losses on debt securities and associated derivatives	132	89	69	71	67
Income from liquid asset trading activities	467	599	500	313	529
Charges on borrowings	(258)	(196)	(220)	(181)	(140)
Other income	505	461	441	448	222
Other expenses	(1,423)	(1,418)	(1,401)	(1,207)	(981)
Foreign currency transaction gains and losses on non-trading activities	53	(19)	35	145	(33)
Income before net unrealized gains and losses on non-trading financial instruments accounted for at fair value and grants to IDA	855	1,782	909	2,013	2,107
Net unrealized gains and losses on non-trading financial instruments accounted for at fair value	(106)	(43)	441	(355)	72
Income before grants to IDA	749	1,739	1,350	1,658	2,179
Grants to IDA	(340)	(251)	(340)	(330)	(600)
Net income	409	1,488	1,010	1,328	1,579
Less: Net losses (gains) attributable to non-controlling interests	36	(5)	8	–	–
Net income attributable to IFC	$ 445	$ 1,483	$ 1,018	$ 1,328	$ 1,579
CONSOLIDATED BALANCE SHEET HIGHLIGHTS					
Total assets	$87,548	$84,130	$77,525	$75,761	$68,490
Liquid assets, net of associated derivatives	39,475	33,738	31,237	29,721	24,517
Investments	37,578	38,176	34,677	31,438	29,934
Borrowings outstanding, including fair value adjustments	51,265	49,481	44,869	44,665	38,211
Total capital	$24,426	$23,990	$22,275	$20,580	$20,279
Of which					
Undesignated retained earnings	$20,457	$20,002	$18,435	$17,373	$16,032
Designated retained earnings	184	194	278	322	335
Capital stock	2,566	2,502	2,403	2,372	2,369
Accumulated other comprehensive income (AOCI)	1,197	1,239	1,121	513	1,543
Non-controlling interests	22	53	38	–	–

KEY FINANCIAL RATIOS	2015	2014	2013	2012	2011
FINANCIAL RATIOS[a]					
Return on average assets (GAAP basis)[b]	**0.5%**	1.8%	1.3%	1.8%	2.4%
Return on average assets (non-GAAP basis)[c]	**1.3%**	1.8%	0.9%	2.8%	1.8%
Return on average capital (GAAP basis)[d]	**1.8%**	6.4%	4.8%	6.5%	8.2%
Return on average capital (non-GAAP basis)[e]	**4.6%**	6.5%	3.1%	9.9%	6.0%
Overall liquidity ratio[f]	**81%**	78%	77%	77%	83%
External funding liquidity level	**494%**	359%	309%	327%	266%
Debt to equity ratio[g]	**2.6:1**	2.7:1	2.6:1	2.7:1	2.6:1
Total reserves against losses on loans to total disbursed portfolio[h]	**7.5%**	6.9%	7.2%	6.6%	6.6%
Capital measures:					
Total Resources Required ($ billions)[i]	**19.2**	18.0	16.8	15.5	14.4
Total Resources Available ($ billions)[j]	**22.6**	21.6	20.5	19.2	17.9
Strategic Capital[k]	**3.4**	3.6	3.8	3.7	3.6
Deployable Strategic Capital[l]	**1.1**	1.4	1.7	1.8	1.8
Deployable Strategic Capital as a percentage of Total Resources Available	**5%**	7%	8%	9%	10%

a. Certain financial ratios, as described below, are calculated excluding the effects of unrealized gains and losses on investments, other non-trading financial instruments, AOCI, and impacts from consolidated Variable Interest Entities (VIEs).

b. Net income for the fiscal year as a percentage of the average of total assets at the end of such fiscal year and the previous fiscal year.

c. Return on average assets is defined as annualized Net income, excluding unrealized gains/losses on investments accounted for at fair value, income from consolidated VIEs and net gains/losses on non-trading financial investments, as a percentage of total disbursed loan and equity investments (net of reserves), liquid assets net of repos, and other assets averaged for the current period and previous fiscal year.

d. Net income for the fiscal year as a percentage of the average of total capital (excluding payments on account of pending subscriptions) at the end of such fiscal year and the previous fiscal year.

e. Return on average capital is defined as annualized Net income, excluding unrealized gains/losses on investments accounted for at fair value, income from consolidated VIEs and net gains/losses on non-trading financial investments, as percentage of the paid-in share capital and accumulated earnings (before certain unrealized gains/losses and excluding cumulative designations not yet expensed) averaged for the current period and previous fiscal year.

f. Overall Liquidity Policy states that IFC would at all times maintain a minimum level of liquidity, plus undrawn borrowing commitments from the IBRD, that would cover at least 45% of the next three years' estimated net cash requirements (target range of 65-95%).

g. Leverage (Debt/equity) ratio is defined as the number of times outstanding borrowings plus outstanding guarantees cover paid-in capital and accumulated earnings (net of retained earnings designations and certain unrealized gains/losses).

h. Total reserves against losses on loans to total disbursed loan portfolio is defined as reserve against losses on loans as a percentage of the total disbursed.

i. The minimum capital required consistent with the maintenance of IFC's AAA rating. It is computed as the aggregation of risk-based economic capital requirements for each asset class across the Corporation.

j. Paid in capital plus retained earnings net of designated retained earnings plus general and specific reserves against losses on loans. This is the level of available resources under IFC's risk-based economic capital adequacy framework.

k. Total resources available less total resources required.

l. 90% of total resources available less total resources required.

COMMITMENTS

In FY15, Long-Term Finance was $10,539 million, as compared to $9,967 million in FY14 and Core Mobilization was $7,133 million, as compared to $5,143 million for FY14, a total increase of 17 percent. In addition, the average outstanding balance for Short-Term Finance was $2,837 million at June 30, 2015, as compared to $3,006 million at June 30, 2014.

Core Mobilization is financing from entities other than IFC that becomes available to clients due to IFC's direct involvement in raising resources. IFC finances only a portion, usually not more than 25 percent, of the cost of any project. All IFC-financed projects, therefore, require other financial partners. IFC mobilizes such private sector finance from other entities through a number of means, as outlined in the table at right.

FY15 AND FY14 LONG-TERM FINANCE AND CORE MOBILIZATION (US$ MILLIONS)	FY15	FY14
Total Long-Term Finance and Core Mobilization[1]	**$17,672**	$15,110
LONG-TERM FINANCE		
Loans	**$ 7,019**	$ 7,327
Equity investments	**3,187**	2,324
Guarantees	**273**	286
Client risk management	**60**	30
Total Long-Term Finance	**$10,539**	$ 9,967
CORE MOBILIZATION		
Loan participations, parallel loans, and other mobilization		
Loan participations	**$ 1,853**	$ 2,043
Parallel loans	**1,522**	730
Managed Co-lending Portfolio Program	**818**	320
Other Mobilization	**881**	606
Total loan participations, parallel loans and other mobilization	**$ 5,074**	$ 3,699
AMC		
Sub-debt Capitalization Fund	**$ 150**	$ 516
ALAC Fund	**86**	84
Catalyst Funds	**66**	75
Equity Capitalization Fund	**3**	7
Russian Bank Cap Fund	**–**	2
Global Infrastructure Fund	**226**	146
GIF Co-Investments	**230**	–
Total AMC	**$ 761**	$ 830
OTHER INITIATIVES		
Global Trade Liquidity Program and Critical Commodities Finance Program	**$ 750**	$ 500
Public Private Partnership	**548**	114
Total other initiatives	**$ 1,298**	$ 614
Total Core Mobilization	**$ 7,133**	$ 5,143

[1] Debt security commitments are included in loans and equity investments based on their predominant characteristics.

ACTIVITIES OF THE FUNDS MANAGED BY AMC FY15 VS FY14:

	AS OF JUNE 30, 2015			FOR THE YEAR ENDED JUNE 30, 2015			
	TOTAL ASSETS UNDER MANAGEMENT			DISBURSEMENTS FROM INVESTORS TO FUND			
	TOTAL	FROM IFC	FROM OTHER INVESTORS	FROM IFC	FROM OTHER INVESTORS	DISBURSEMENTS MADE BY FUND	DISBURSEMENTS MADE BY FUND (NUMBER)*
Equity Capitalization Fund	$ 1,275	$ 775	$ 500	$ 6	$ 4	$ 8	1
Sub-Debt Capitalization Fund	1,725	225	1,500	29	196	254	4
ALAC Fund	1,000	200	800	29	112	94	7
Africa Capitalization Fund	182	–	182	–	3	–	–
Russian Bank Cap Fund	550	250	300	5	5	–	–
Catalyst Funds	418	75	343	9	41	36	46
Global Infrastructure Fund**	1,430	200	1,230	27	298	293	7
China-Mexico Funds	1,200	–	1,200	–	6	–	–
FIG Fund	344	150	194	–	–	–	–
GEM FOF	406	81	325	–	–	–	–
Total	$8,530	$1,956	$6,574	$105	$665	$685	65

*Number of disbursements may include multiple disbursements to a single investee company or fund.

**Includes co-investment fund managed by AMC on behalf of Fund LPs.

	AS OF JUNE 30, 2014			FOR THE YEAR ENDED JUNE 30, 2014			
	TOTAL ASSETS UNDER MANAGEMENT			DISBURSEMENTS FROM INVESTORS TO FUND			
	TOTAL	FROM IFC	FROM OTHER INVESTORS	FROM IFC	FROM OTHER INVESTORS	DISBURSEMENTS MADE BY FUND	DISBURSEMENTS MADE BY FUND (NUMBER)*
Equity Capitalization Fund	$ 1,275	$ 775	$ 500	$ 8	$ 5	$ 21	3
Sub-Debt Capitalization Fund	1,725	225	1,500	77	514	544	8
ALAC Fund	1,000	200	800	21	83	89	9
Africa Capitalization Fund	182	–	182	–	3	–	–
Russian Bank Cap Fund	550	250	300	9	10	4	2
Catalyst Funds	418	75	343	3	15	12	17
Global Infrastructure Fund	1,200	200	1,000	32	165	172	6
China-Mexico Funds	–	–	–	–	–	–	–
FIG Fund	–	–	–	–	–	–	–
GEM FOF	–	–	–	–	–	–	–
Total	$6,350	$1,725	$4,625	$150	$795	$842	45

*Number of disbursements may include multiple disbursements to a single investee company or fund.

LETTER TO THE BOARD OF GOVERNORS

The Board of Directors of IFC has had this annual report prepared in accordance with the Corporation's by-laws. Jim Yong Kim, President of IFC and Chairman of the Board of Directors, has submitted this report with the audited financial statements to the Board of Governors. The Directors are pleased to report that, for the fiscal year ended June 30, 2015, IFC expanded its sustainable development impact through private sector investments and advice.

STAY CONNECTED

WEB & SOCIAL MEDIA RESOURCES

IFC's website, www.ifc.org, provides comprehensive information on every aspect of our activities. It includes contact information for offices worldwide, news releases and feature stories, data on results measurement, disclosure documents for proposed investments, and key policies and guidelines.

The online version of IFC's Annual Report 2015 provides downloadable PDFs of all materials in this volume and translations as they become available. It is available at www.ifc.org/annualreport. The website also provides more information on sustainability, including a Global Reporting Initiative index.

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