

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.



— 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.

12

\$224B*

Financing generated
by IFC for private
sector development
since 1956

*Not adjusted for inflation.

\$2.6B

IFC capital from
shareholders
since 1956

\$250

BILLION

Additional funding
needed for education
per year

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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.

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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.”

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Up to
\$690
BILLION

Additional funding
needed for power
per year

capital needed/



Up to
\$470
BILLION

Additional funding needed
for the transportation
sector per year

growth
/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.

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



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Up to

\$**240**
BILLION

Additional funding
needed for telecom
per year

pact

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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 Stojkovic, 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	2015	2014	2013	2012	2011
Dollars in millions, for the year ended June 30*					
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	2015	2014	2013	2012	2011
Dollars in millions, for the year ended June 30					
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.

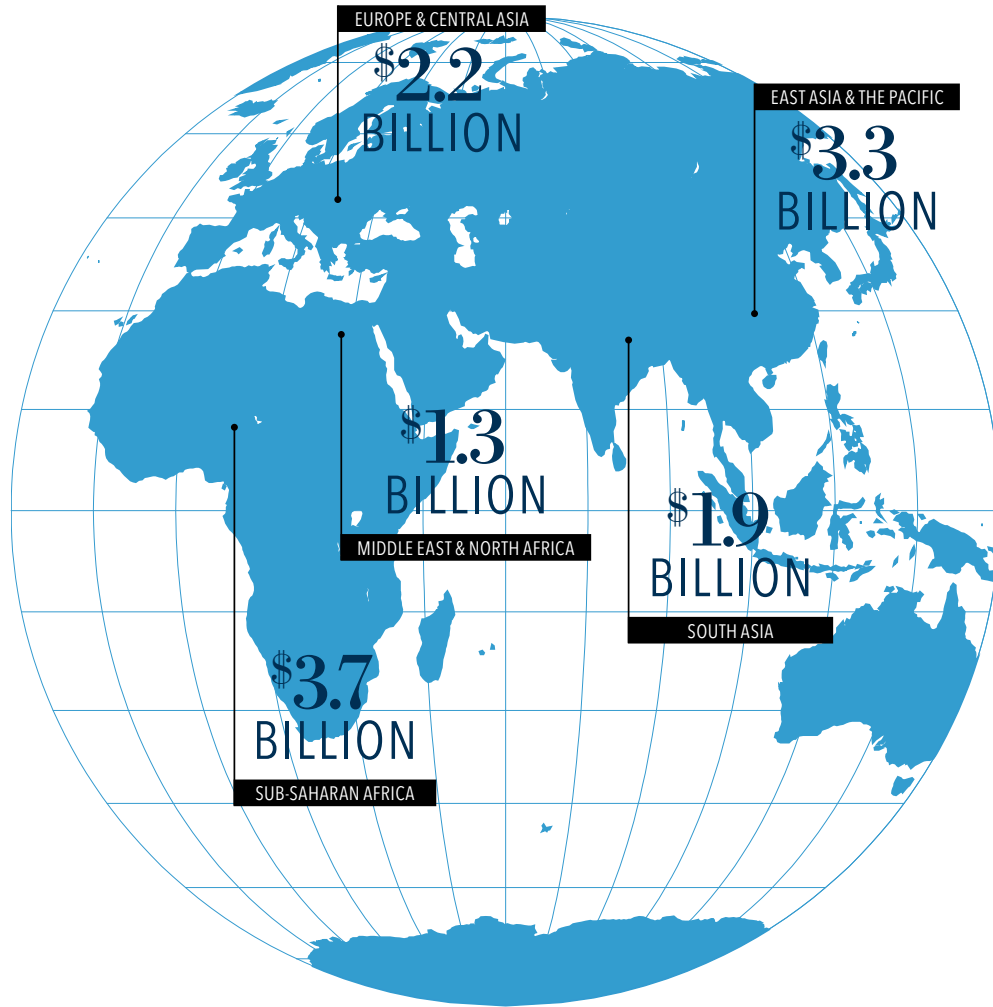
IFC'S GLOBAL IMPACT

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

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
EXPOSURES¹

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.

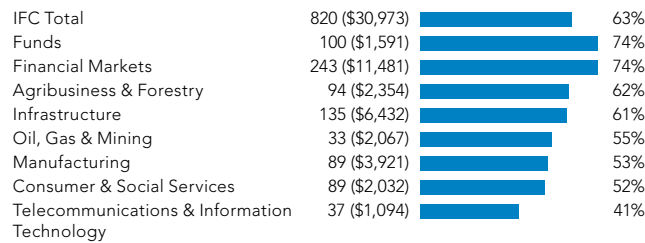
FY15 COMMITTED PORTFOLIO

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%)

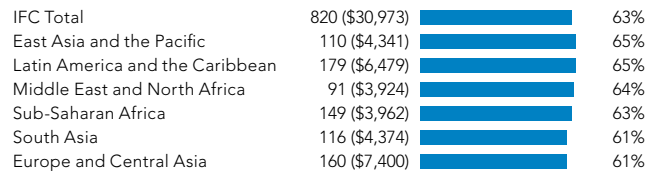
Amounts include regional shares of investments that are officially classified as global projects.

FY15 INVESTMENT SERVICES DOTS SCORE BY INDUSTRY



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.

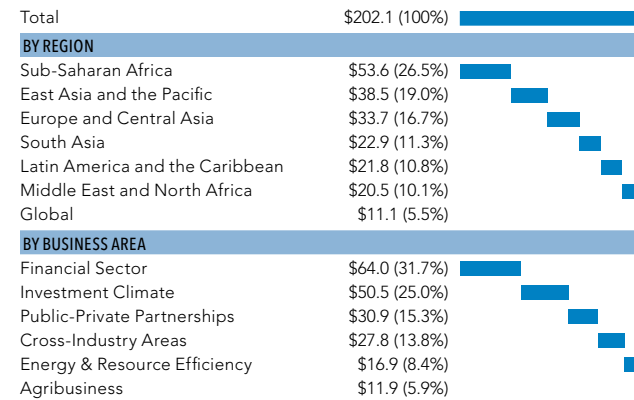
FY15 INVESTMENT SERVICES DOTS SCORE BY REGION



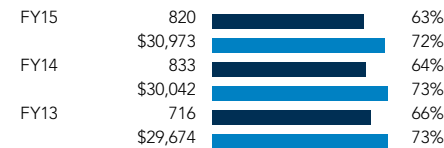
Numbers at the left end of each bar are the total number of companies rated and the total IFC investment (US\$ millions) in those projects at the end of FY15.

FY15 ADVISORY SERVICES PROGRAM EXPENDITURES

Dollar amounts in millions



WEIGHTED AND UNWEIGHTED INVESTMENT SERVICES DOTS SCORES



Unweighted ■ Weighted ■

Numbers at the left end of each bar for unweighted DOTS score are the total number of companies rated. Numbers at the left end of each bar for weighted DOTS score represent total IFC investment (US\$ millions) in those projects.