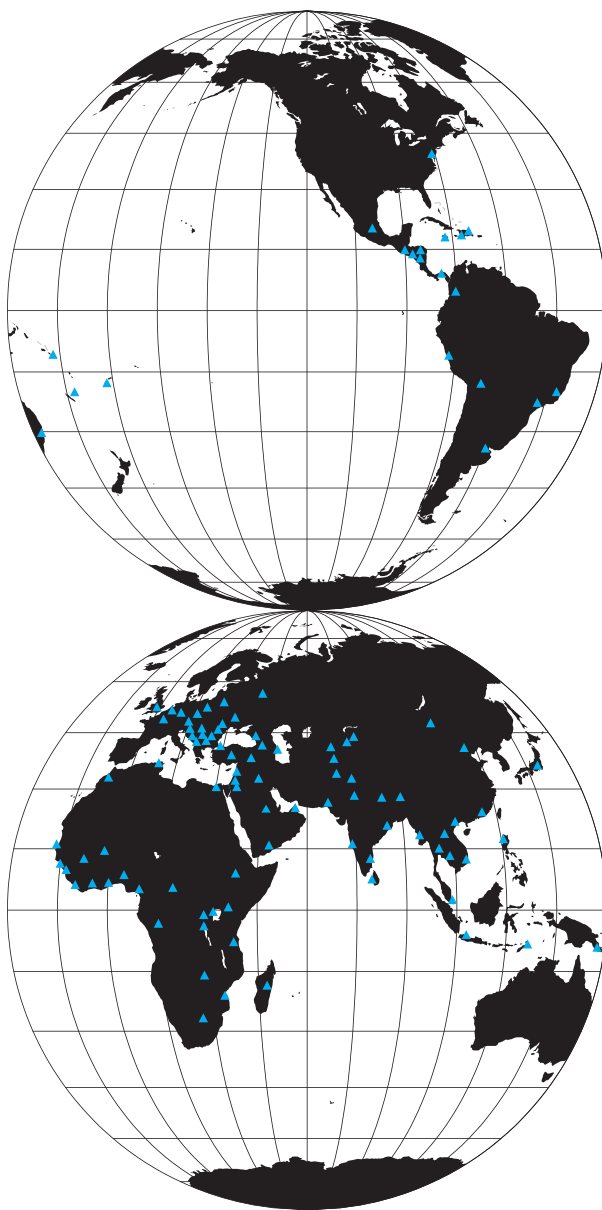


Our Expertise

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 nearly 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, 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.

INVESTMENT

Our financial products enable companies to manage risk and expand 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 FY17, we made nearly \$11.9 billion in long-term investments in 342 projects. In addition, we mobilized nearly \$7.5 billion to support the private sector in developing countries.

PRODUCT LINES

Loans

IFC finances projects and companies through loans from 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 financing in 73 local currencies.

In FY17, we made commitments for \$9.6 billion in new loans.

Equity

Equity investments provide developmental support and long-term growth capital that private enterprises need. We invest directly in companies' equity, and also through private-equity funds. In FY17, equity investments accounted for about \$1.6 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 Commodity 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 286 banks across 86 countries.

In FY17, IFC had an average outstanding balance of nearly \$3.2 billion in trade finance.

Syndications

IFC's Syndicated Loan Program is the oldest and largest among multilateral development banks. In FY17, it accounted for 47 percent of the funds mobilized by IFC.

In FY17, IFC syndicated \$3.5 billion in B-loans, parallel loans, MCPP loans, structured A-loan participations, and unfunded risk participations provided by 60 financial institutions. These included commercial banks, institutional investors, development finance institutions, and an emerging-markets central bank. Emerging-market financial institutions provided \$1.4 billion in new syndicated loans. The syndicated loan portfolio totaled \$16 billion at the end of FY17.

Borrowers in the infrastructure sector received 37 percent of the total volume. Nearly one-third of the financing we provided through syndications—\$1.1 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 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 structured-finance products for clients seeking to raise funds on global and local capital markets and manage financial risk. IFC has assisted first-time client issuers in accessing the markets through partial credit guarantees. We also assist clients in structuring and placing securitizations with capital-markets investors.

Blended Finance

IFC uses several tools to crowd in private financing that would otherwise not be available for high-impact development projects. We blend concessional funds—typically from development partners—with our own financing and that of our co-investors. Blended finance can help mitigate early-entrant costs or project risks, enabling pioneering investments and creating a track record that paves the way for commercial investments. IFC applies this approach in climate change, agribusiness and food security, and SME financing. Our approach to blended finance is principled and judicious—designed to address market failures, avoid market distortions, uphold transparency, and enhance development impact. In FY17, we committed more than \$188 million of concessional donor funds, catalyzing more than \$405 million in IFC financing and \$321 million from other private sector sources.

ADVICE

Providing advice is now more than ever a critical part of IFC's strategy to create markets and mobilize private investment. Through this work, we help establish the necessary conditions that will attract the most private capital, enabling the private sector to grow.

That's why we are shifting to a more strategic approach, systematically linking our advisory programs to the greatest needs identified in World Bank Group country and sector strategies. We will increasingly focus on developing high-impact projects that can help our clients attract the financing they need—particularly in the poorest and most conflict-affected areas of the world.

- We help companies attract private investors and partners, enter new markets, and increase their impact. We provide tailored market insights as well as advice on how to improve companies' operational performance and sustainability.
- We help industries adopt good practices and standards to increase competitiveness and productivity.
- We help governments structure public-private partnerships to improve people's access to high-quality infrastructure and basic services. We help governments implement reforms that encourage private investment.

IFC's advisory platform consists of seasoned experts, and 80 percent of our advisory staff are based in the field. In FY17, we increased our advisory portfolio by 10 percent to \$1.5 billion, encompassing more than 700 advisory projects in about 100 countries. More than 60 percent of IFC's advisory program was in IDA countries, and 20 percent was in fragile and conflict-affected areas. More than a quarter of our advisory program was climate-related.

HOW WE WORK WITH COMPANIES

Agribusiness: We help companies improve productivity and standards—among other things, by creating efficient value chains, ensuring food security, and providing strong economic, social, and environmental benefits for smaller farming enterprises and communities.

Infrastructure and Natural Resources: We help companies increase benefits to local communities and mitigate local risks in projects.

Corporate Finance Services: We help companies enter new markets, attract investors, and structure complex projects, offering advice on the design and execution of mergers, acquisitions, and partnerships.

Energy and Water Advisory: We help companies use energy and water more efficiently to enhance performance and environmental sustainability. We also accelerate the development of renewable-energy markets and improve people's access to modern energy services.

Green Buildings: We help companies construct buildings that use energy, water, and materials more efficiently by offering tools and training. We also help governments establish related policy frameworks and work with banks to launch green-finance products.

Small and Medium Enterprises and Value Chains: We help SMEs strengthen their skills and performance, improving their ability to participate in the supply and distribution networks of larger firms. We advise companies and governments on how to improve working conditions and boost the competitiveness of the textile sector's supply chain.

Gender Equality: We work with companies to enhance the recruitment, retention, and promotion of women. We also help them increase women's access to financial services, technology, information, and markets.

Strategic Business Solutions: We help companies resolve complex business challenges, structure innovative programs, and create new market opportunities.

Corporate Governance: We help companies improve access to capital, mitigate risk, and safeguard against mismanagement by improving their corporate governance.

Environmental and Social Risk Management: We help integrate environmental and social risk-management considerations into companies' operations to achieve long-term success.

HOW WE WORK WITH FINANCIAL INSTITUTIONS AND FUNDS

Financial Institutions: We help clients strengthen risk management and diversify product offerings in categories such as SME finance, gender, housing finance, and sustainable energy. We also promote universal access to finance, strengthen capital markets, and establish credit bureaus and collateral registries.

Fund Managers: We help develop the private equity industry in frontier markets and provide advice to fund managers and SMEs in which the funds invest.

HOW WE WORK WITH GOVERNMENTS

Public-Private Partnerships: We help governments design and implement PPPs that are tailored to local needs, help solve infrastructure bottlenecks, and achieve national development goals.

Financial Sector: We work with governments and the private sector to build resilient, transparent, and smooth-functioning financial systems and capital markets.

Investment Climate: We help improve the business environment through reforms that promote investment, spur growth, and create jobs.

2030 Water Resources Group: We bring together governments, civil society, and the private sector to identify investment needs and drive reform to address water scarcity.

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 our development impact and generating profits for investors by leveraging our global platform and investment standards and approaches.

As of June 30, 2017, AMC had raised approximately \$9.8 billion, including \$2.3 billion from IFC. It manages 13 investment funds covering equity, debt, and fund-of-fund products on behalf of a wide variety of institutional investors, including sovereign wealth funds, pension funds, and development-finance institutions.

AMC FUNDS

IFC Capitalization Funds

The \$3 billion IFC Capitalization Funds consist of an equity fund of \$1.3 billion and a subordinated debt fund of \$1.7 billion. Launched in 2009, the fund helped strengthen systemically important banks in emerging markets, bolstering their ability to cope with financial and economic downturns. As of June 30, 2017, 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, 2017, the fund had made 37 investment commitments totaling \$879 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, 2017, the fund had made eight investment commitments totaling \$130 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, 2017, 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, 2017, the fund had made 13 fund commitments totaling \$306 million.

IFC Global Infrastructure Fund

The \$1.2 billion IFC Global Infrastructure Fund was launched in 2013 and invests in equity and equity-related investments in the infrastructure sector in emerging markets. As of June 30, 2017, the fund had made 20 investment commitments totaling \$639 million.

China-Mexico Fund

The \$1.2 billion China-Mexico Fund is a country-specific fund that makes equity, equity-like, and mezzanine investments in Mexico. It focuses on infrastructure, oil and gas, and other sectors, including manufacturing, agribusiness, services, and banking. As of June 30, 2017, the fund had made two investment commitments totaling \$320 million.

IFC Financial Institutions Growth Fund

The \$505 million IFC Financial Institutions Growth Fund is a follow-on fund to the IFC Capitalization Fund and makes equity and equity-related investments in financial institutions in emerging markets. As of June 30, 2017, the fund had made four investment commitments totaling \$133 million.

IFC Global Emerging Markets Fund of Funds

The \$800 million IFC Global Emerging Markets Fund of Funds invests mainly in private equity funds that are focused on growth companies in various sectors across emerging and frontier markets. The fund also invests directly in such companies, as well as secondary interests in emerging-market private equity funds. As of June 30, 2017, the fund had made 11 investment commitments totaling \$207 million.

IFC Middle East and North Africa Fund

The \$162 million IFC Middle East and North Africa Fund makes equity and equity-related investments in the MENA region. As of June 30, 2017, the fund had made two investment commitments totaling \$27 million.

Women Entrepreneurs Debt Fund

The Women Entrepreneurs Debt Fund extends senior loans to commercial banks for on-lending to women-owned small and medium enterprises in emerging markets. This is a component of the \$600 million Women Entrepreneurs Opportunity Facility, a partnership established in March 2014 between IFC and Goldman Sachs' *10,000 Women* initiative. As of June 30, 2017, the fund had raised \$110 million and made investment commitments to six banks amounting to \$70 million.

IFC Emerging Asia Fund

The IFC Emerging Asia Fund makes equity and equity-like investments across all sectors in emerging markets in Asia. As of June 30, 2017, the fund had raised \$440 million and made two investment commitments of \$70 million.

Our Industry Expertise

IFC's leadership role in sustainable private sector development reflects a special advantage—the depth and breadth of expertise we have acquired over 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.

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 FY17, our new long-term commitments for our own account in agribusiness and forestry totaled about \$1.1 billion.

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 FY17, our new long-term commitments for our own account in financial markets totaled about \$5.9 billion.

HEALTH AND EDUCATION

Health and education are basic human needs—but they remain beyond the reach of many people in developing countries.

Expanding access to health and education is a central element for any strategy to end poverty and boost prosperity. IFC supports health care and life-sciences companies—by providing financing, sharing industry knowledge, raising management and clinical standards, helping shape government policy, and supporting public-private collaboration. In education, we help private enterprises complement the work of the public sector and create more opportunities for children, youth, and working adults.

IFC is the world's largest multilateral investor in private health care and education. In FY17, our new long-term commitments for our own account in health and education totaled \$692 million.

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, transport, 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 FY17, our new long-term commitments for our own account in this sector totaled about \$1.7 billion.

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 transportation machinery. We invest in and advise 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 FY17, our new long-term commitments for our own account in the manufacturing sector totaled \$989 million.

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.

We support private investment in these industries, and we work to ensure that local communities enjoy tangible benefits. In FY17, our new long-term commitments for our own account in the sector totaled \$435 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 FY17, our new commitments for our own account in this sector totaled \$232 million.

TOURISM, RETAIL, AND PROPERTY

The tourism, retail, and property sectors contribute significantly to job creation, tax revenues, and economic growth for developing countries.

IFC works to strengthen all three in developing countries. Our investments promote the development of critical infrastructure—in places where there is often a shortage of high-quality hotels for tourists and business visitors. We work with our retail clients to create jobs, contribute to the tax base, build local banking capacity, improve infrastructure, and raise labor standards. We also invest in property companies to expand affordable housing and commercial real estate.

In FY17, our new long-term commitments for our own account in tourism, retail, and property totaled \$429 million.