



CREATING OPPORTUNITY

Highlights from
IFC Annual Report 2008



IFC

**International
Finance Corporation**
World Bank Group

The world around us is changing, and so is IFC. In a time of uncertainty in world markets, we have stepped up investments and advisory services in the least developed economies and sectors. Our efforts to respond swiftly to clients' needs are making a difference: we are creating new opportunities for people to break free from poverty and improve their lives.

We are doing our part for an inclusive and sustainable world. We made investments to expand the supply of high-quality water, one of the keys to expanding agriculture and producing more food at a time of escalating prices. We addressed longer-term challenges to economic development, such as climate change, designing business models and financial instruments to deliver cleaner energy and protect the environment. We pledged \$1.75 billion to the three-year funding cycle of the International Development Association, the lead World Bank Group agency assisting the poorest countries.

We are achieving strong development outcomes. IFC clients generated power for nearly 147 million customers in developing countries and distributed water to 18 million consumers in the most recent year for which statistics are available. We strengthened the managerial capabilities of small and midsize firms in many countries, training more than 20,000 entrepreneurs—many of them women—through our Business Edge program. We helped increase the availability of credit, assisting in providing nearly 7 million microfinance loans and more than 500,000 housing finance loans.

In FY08, new investments totaled \$16.2 billion, rising 34 percent from the previous year. We committed \$11.4 billion for our own account and mobilized \$4.8 billion from other sources. Projects in the poorest countries accounted for 45 percent of FY08 investments and more than 55 percent of new advisory projects. In Sub-Saharan Africa, investments for IFC's account totaled \$1.38 billion; in the Middle East and North Africa, they climbed to \$1.44 billion.

Our success reflects our ability to adapt swiftly to clients' changing needs. Over the last few years, we have decentralized more of our operations, moving more key staff to field offices closer to clients. To provide the integrated solutions that clients need, we have significantly stepped up our advisory services business. To ensure the greatest overall impact, we have increased cooperation with colleagues across the World Bank Group and with many other partners.

IFC's Board of Directors reaffirmed our five strategic pillars this year:

- ▶ Assisting clients in underserved frontier regions, especially in the poorest countries.
- ▶ Building enduring partnerships with local companies
- ▶ Ensuring environmental and social sustainability
- ▶ Helping the private sector strengthen infrastructure, from ports and roads to schools and hospitals
- ▶ Strengthening local financial markets

We also stepped up our support of agribusiness, an industry that touches most of the world's poor people.

IFC's adaptability owes much to the way we measure our performance.

We strive to learn what works and where we need to improve. Our Development Outcome Tracking System allows us to make mid-course corrections. Our overall strategy, moreover, has taken on many recommendations from IFC's Independent Evaluation Group, which called on us to adopt tailored country-specific strategies and collaborate more intensively across the World Bank Group.

We are uniquely positioned to make a difference for people at the base of the economic pyramid. We are the largest multilateral financial institution investing in private enterprises in emerging market countries. We combine financing that helps our clients grow quickly and sustainably with advice that helps them innovate, raise standards, mitigate risk, and share knowledge across industries and regions. Our affiliation with the World Bank Group gives us additional leverage in terms of skills and experience. This unparalleled set of comparative advantages is the main reason our clients choose to work with us.

We are playing a central role in implementing World Bank Group strategy. In conflict-affected countries, we have helped create jobs by steering foreign investment to small local firms. We are developing ways to help sovereign wealth funds make equity investments in Sub-Saharan Africa and in other frontier markets. We are helping raise standards and reform regulations to ensure that development is both environmentally and socially sustainable.

Much more remains to be done—but we will do our part, and more. Strong and sustainable economic growth depends, ultimately, on the ability of governments and private enterprises to harness productive capacities throughout society. It involves creating jobs and entrepreneurship opportunities for women, for people in rural areas, and for groups on the economic and social margins. It means giving the billion people who still live in extreme poverty a chance at a better life.

Lars H. Thunell, Executive Vice President and CEO

IFC AT A GLANCE

This map was produced by the Map Design Unit of The World Bank. The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgement on the legal status of any territory, or any endorsement or acceptance of such boundaries.

● IDA ● Middle-income countries with frontier regions ● Other client countries

IFC fosters sustainable private sector growth in developing countries.

• IFC INVESTMENT OPERATIONS AND RESOURCES

(\$ millions) IFC's FY08 Financial Statements and Management's Discussion and Analysis are published online at www.ifc.org/annualreport

	FY04	FY05	FY06	FY07	FY08
Investment commitments					
Number of projects [†]	217	236	284	299	372
Number of countries	64	67	66	69	85
Total commitments signed	5,632	6,449	8,275	9,995	14,649
For IFC's own account	4,753	5,373	6,703	8,220	11,399
Syndication mobilization [‡]	879	1,076	1,572	1,775	3,250
Structured finance mobilization*	480	1,049	1,245	2,083	1,403
Investment disbursements					
Total financing disbursed	4,115	4,011	5,739	7,456	9,921
For IFC's own account	3,152	3,456	4,428	5,841	7,539
Syndication mobilization [‡]	964	555	1,311	1,615	2,382
Committed portfolio**					
Number of firms	1,333	1,313	1,368	1,410	1,490
Total committed portfolio	23,460	24,536	26,706	30,954	39,923
For IFC's own account	17,913	19,253	21,627	25,411	32,366
Syndication mobilization [‡]	5,546	5,283	5,079	5,543	7,525

[†]Includes first commitment to projects in the fiscal year. Projects involving financing to more than one company are counted as one commitment.

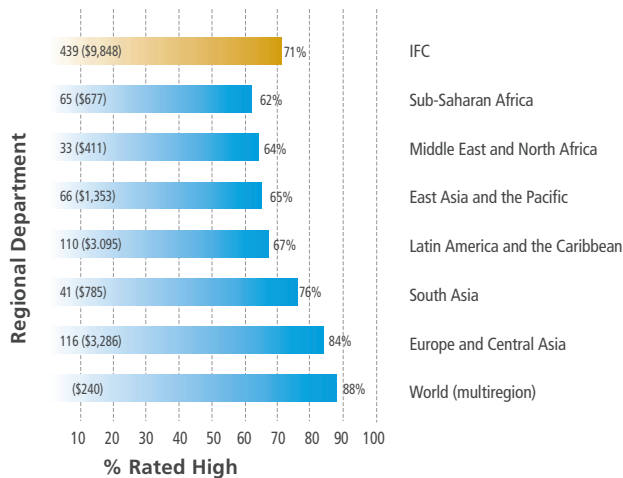
[‡]Includes syndicated loans and guarantees. For FY08 only, commitments and portfolio include participation sales for IFC's own account.

*This financing is not included on IFC's balance sheet.

**Total committed portfolio and syndication mobilization include securitized loans.

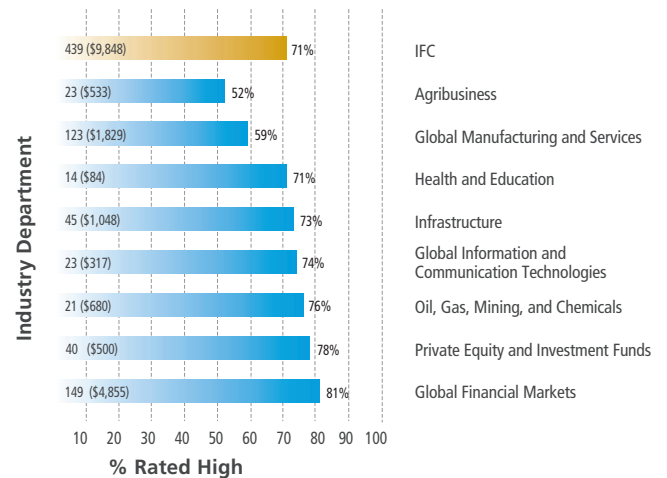
• OUR DEVELOPMENT RESULTS

DEVELOPMENT RESULTS BY REGION



DOTS data as of June 30, 2008, for projects approved in calendar 1999-2004.
Bars at top include the number of projects rated and total IFC investment in them (in \$ millions).

DEVELOPMENT RESULTS BY INDUSTRY



DOTS data as of June 30, 2008, for projects approved in calendar 1999-2004.
Bars at top include the number of projects rated and total IFC investment in them (in \$ millions).

DEVELOPMENT REACH BY IFC'S CLIENT COMPANIES

Investments	CY 2006 Portfolio	CY 2007 Portfolio
Employment provided*	694,380	1,918,040
Microfinance loans		
Number	4.3 million	7.0 million
Amount	\$5.0 billion	\$7.9 billion
SME loans		
Number	0.7 million	1.0 million
Amount	\$52 billion	\$86 billion
Customers reached with services:		
Water distribution	15.5 million	18.2 million
Power distribution	9.5 million	11.4 million
Gas distribution	10.6 million	8.2 million
Phone connections	121.4 million	138.0 million
Patients reached	5.7 million**	5.5 million**
Students reached	353,000	675,500
Local purchases of goods and services*	\$29.1 billion	\$54.3 billion
Contribution to government revenues or savings	\$14.4 billion	\$17.3 billion

* Selected departments only

**Includes just over one million patients in a hospital chain in India, in which IFC has a 1.3% equity stake. Some CY06 data have been revised.

Data for 2007 (but not 2006) includes employment by companies in health and education (47,315) and supported through funds (\$61,774), and contribution to government revenues or savings by companies supported through agribusiness (\$747 million) and information and communication technologies (\$ 955 million).

• SUSTAINABILITY

FY08 COMMITMENTS BY ENVIRONMENTAL AND SOCIAL CATEGORY

Category	Commitments (\$ millions)
A	\$814
B	\$4,904
C	\$1,841
FI	\$3,642
N*	\$197

*N refers to increased commitments on existing projects or swaps and rights issues

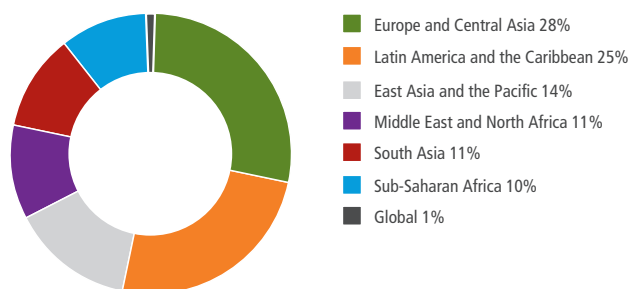
**FY08 Investments in
Energy Efficiency and
Renewable Energy:
\$1.4 billion**

IFC AT A GLANCE

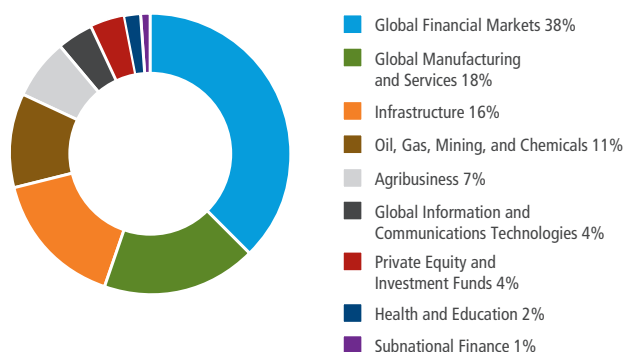
• INVESTMENT PORTFOLIO

For IFC's own account as of June 30, 2008: \$32.4 billion

COMMITTED PORTFOLIO BY REGION



COMMITTED PORTFOLIO BY INDUSTRY

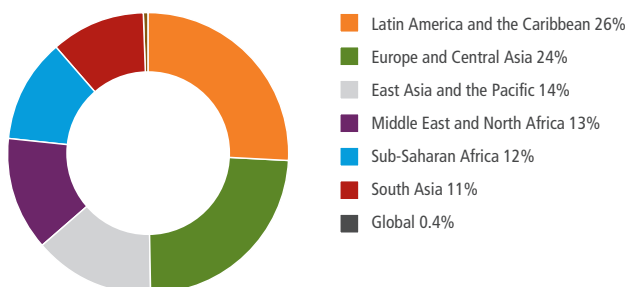


• FY08 INVESTMENTS

For IFC's own account as of June 30, 2008: \$11.4 billion

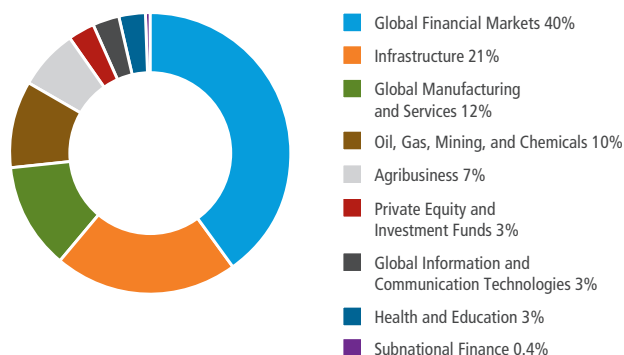
IFC also mobilized \$4.8 billion in FY08 through syndications and structured and securitized products

INVESTMENTS BY REGION



Some amounts include regional shares of investments that are officially classified as global projects. See regional sections for details.

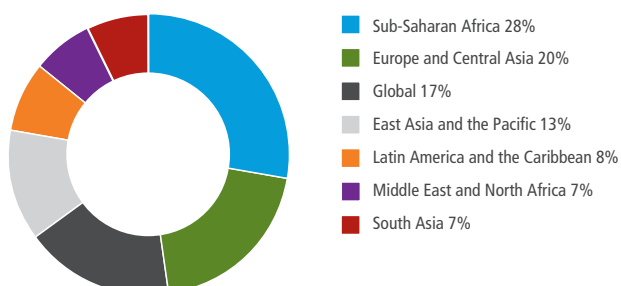
INVESTMENTS BY INDUSTRY



• FY08 ADVISORY SERVICES

Total expenditures: \$152 million in 97 countries

EXPENDITURES BY REGION



EXPENDITURES BY BUSINESS LINE

