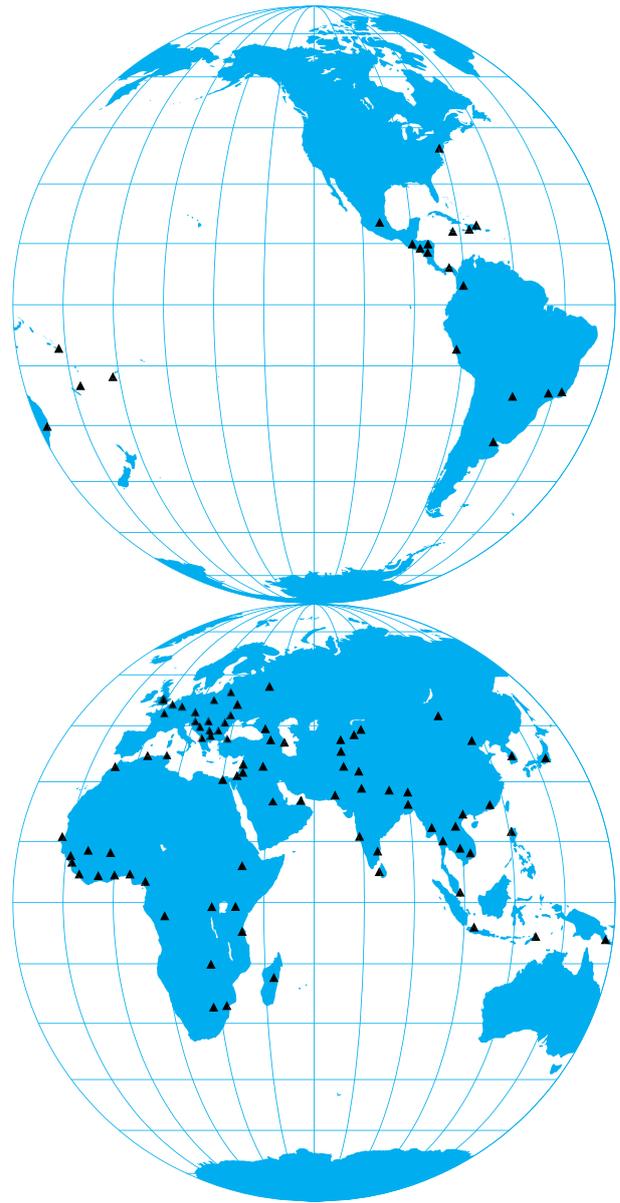


OUR EXPERTISE

IFC combines 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 has a staff presence in 93 countries. We apply lessons learned in one region to solve problems in another—just as we show companies how to match their expertise to opportunities in other developing countries.



What We Do

IFC provides investment, advice, and asset management to clients in developing countries. These offerings complement each other, giving us a unique advantage as we help the private sector create opportunities. Our products and services are tailored to a client's specific needs, adding value every step of the way. 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. Since IFC operates on a commercial basis, we invest exclusively in for-profit projects in developing countries and charge market rates for our products and services.

Our offerings are designed to meet the specific needs of member countries across different industry sectors—with a special focus on infrastructure, manufacturing, agribusiness, services, and financial markets. In FY19, we made \$19.1 billion in long-term investments in 269 projects to support the private sector in developing countries. This includes \$10.2 billion mobilized from other investors.

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 financing in 73 local currencies.

In FY19, we made commitments for \$7.1 billion in new loans for our own account.

Equity

Equity investments provide developmental support and long-term growth capital that private enterprises need. We invest directly in companies' and financial institutions' equity and also through private-equity funds. In FY19, equity investments accounted for about \$1.0 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 218 banks across 71 countries.

In FY19, IFC had a commitment of \$4.5 billion in trade finance, more than half of which was committed in International Development Association (IDA)* countries and fragile and conflict-affected situations (FCS).

Syndications

IFC's Syndications Program is the oldest and largest among multilateral development banks. It works to enable IFC's public and private partners—commercial banks, institutional investors, insurance companies, sovereign funds, and other development institutions—to participate alongside us as we provide loans to companies in emerging markets.

By mobilizing our partners' capital, we forge new connections that can help increase foreign investment in the world's poorest countries and provide a fund-raising path for other growing local enterprises to follow. In FY19, IFC syndicated a total of \$5.8 billion to 70 partners through B loans, parallel loans, credit mobilization, local currency syndications, and the award-winning Managed Co-Lending Portfolio Program, which creates bespoke portfolios of emerging-market loans for investors.

Syndications accounted for 57 percent of the total third-party funds mobilized by IFC for our clients in FY19, and 37 percent of these funds went to borrowers in IDA and FCS countries. At year-end, Syndications managed a total portfolio of \$15.8 billion on behalf of its investment partners.

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.

*This refers to IDA-17.

Blended Concessional Finance

IFC uses several tools to crowd in private financing that would otherwise not be available for high-impact development projects. One tool that is helping us move into more challenging environments is blended finance. This involves blending concessional funds—typically from development partners—with our own financing and that of our co-investors. Blended finance can help de-risk or improve the risk-reward profile of transactions that are on the threshold of commercial viability, making them more attractive to private sector investors.

IFC's blended concessional finance facilities cover a range of countries, sectors, and thematic areas that are essential to IFC's strategy. One of these facilities, the IDA Private Sector Window, for example, is playing a crucial role in mobilizing investment into some of the world's least developed countries.

In FY19, we committed more than \$236 million of concessional donor funds, catalyzing \$589 million in investments for IFC's own account. IFC also plays a leadership role in the implementation of Development Finance Institutions' Blended Finance Principles, which call for a disciplined approach to blended concessional finance to avoid market distortions and crowd in private sector investment.

ADVICE

Providing advice is a critical part of IFC's strategy to create markets—an effort coordinated with governments and the World Bank. Through our advisory programs, we work with clients—including companies, financial institutions, industries, and governments—to transform ideas into bankable projects. We help establish the necessary conditions that will attract capital, enabling the private sector to grow.

Our advisory work is informed by the IFC-World Bank Country Private Sector Diagnostics, the World Bank Group's multiyear Country Partnership Frameworks, and IFC's Sector Deep Dives.

- 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 also advise on improving the business environment through reforms that promote investment, spur growth, and create jobs—while providing support for the implementation of these reforms.

- We work in collaboration with the World Bank to provide upstream policy advice that helps create markets and support future transactions in multiple industries.

Particularly in the poorest and conflict-affected areas of the world, we work with clients to improve their environmental, governance, and social practices—including those related to gender. We also help potential investment clients improve their operational performance and management practices to attract the financing they need.

In FY19, our advisory portfolio grew to \$1.5 billion, encompassing 783 advisory projects in 116 countries. Fifty-nine percent of IFC's advisory program was in IDA countries, 21 percent was in FCS areas, and 24 percent of our advisory program was climate-related. Forty-two percent included efforts to improve gender-related issues. Our advisory staff members remain close to clients, with almost 80 percent based in the field.

HOW WE WORK WITH COMPANIES

Agribusiness: We help companies improve productivity and standards by creating efficient value chains, ensuring food security, enabling strong links with smaller farming enterprises and rural communities, and improving the focus on positive economic, social, and environmental outcomes across the food supply chain.

Infrastructure and Natural Resources: We help companies develop high-impact bankable projects by supporting them to provide increased benefits to local communities to mitigate local risks in projects. We also help companies use resources such as energy and water more efficiently, support the development of renewable-energy markets, and help expand people's access to modern energy services.

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.

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

Small and Medium Enterprises (SMEs): 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 companies increase women's access to financial services, technology, information, and markets.

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 (PPPs): 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.

Cities Initiative: We help local governments, municipalities, and provinces prioritize and develop sustainable, resilient infrastructure services for their citizens.

Joint World Bank Group Initiatives: Operating within World Bank Group joint global practices, we work upstream to create a business enabling environment where financial stability, access to finance, and risk management provide a foundation to crowd in private sector investment, create capital markets, and accelerate equitable growth. We complement these efforts by working through the Joint Capital Markets Program (J-CAP), a World Bank Group initiative to develop local capital markets.

IFC ASSET MANAGEMENT COMPANY

IFC Asset Management Company, LLC, a wholly owned subsidiary of IFC, mobilizes and manages capital for businesses in developing countries and frontier markets. Created in 2009, AMC provides investors with unique access to IFC's emerging-markets investment pipeline, while also expanding the supply of long-term capital to these markets. AMC enhances IFC's development impact and generates profits for investors by leveraging IFC's global platform and investment standards.

As of June 30, 2019, AMC had raised approximately \$10.1 billion, including about \$2.3 billion from IFC. It manages 12 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 Fund: The \$3 billion IFC Capitalization Fund consists of two subfunds—an equity fund of \$1.3 billion and a subordinated debt fund of \$1.7 billion. Launched in 2009, the fund helped systemically strengthen important banks in emerging markets, bolstering their ability to cope with financial and economic downturns. As of June 30, 2019, the fund had made 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, 2019, the fund had made 38 investment commitments totaling \$876 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, 2019, the fund had made eight investment commitments totaling \$130 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, 2019, the fund had made 22 commitments totaling \$365 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, 2019, the fund had made 22 investment commitments totaling \$702 million.

China-Mexico Fund: Launched in 2014, the \$1.2 billion China-Mexico Fund is a country-specific fund that makes equity, equity-like, and mezzanine investments along with IFC in Mexico. It focuses on infrastructure alongside other sectors, including manufacturing, agribusiness, services, and banking. As of June 30, 2019, the fund had made three 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, 2019, the fund had made five investment commitments totaling \$158 million.

IFC Global Emerging Markets Fund of Funds: Launched in 2015, 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 of June 30, 2019, the fund had made 28 investment commitments totaling \$740 million.

IFC Middle East and North Africa Fund: Launched in 2015, the \$162 million IFC Middle East and North Africa Fund makes equity and equity-related investments in the MENA region. As of June 30, 2019, the fund had made four investment commitments totaling \$66 million.

Women Entrepreneurs Debt Fund: The \$115 million Women Entrepreneurs Debt Fund, launched in 2016, 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 the Goldman Sachs 10,000 Women initiative. As of June 30, 2019, the fund had made investment commitments to 10 banks amounting to \$110 million.

IFC Emerging Asia Fund: The \$693 million IFC Emerging Asia Fund, launched in 2016, makes equity and equity-like investments across all sectors in emerging markets in Asia. As of June 30, 2019, the fund had made five investment commitments of \$145 million.

Our Industry Expertise

IFC's leadership role in sustainable private sector development reflects the depth and breadth of expertise we have acquired over 60 years of helping emerging-market firms succeed and grow. This is a unique advantage in the marketplace.

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

AGRIBUSINESS AND FORESTRY

Agribusiness plays an important role in poverty reduction. The agricultural sector accounts for at least half of GDP and employment in many developing countries—making it a priority for IFC.

We provide financing and advisory support for the private sector to address the demand for food in an environmentally sustainable and socially inclusive way.

IFC offers long-term financing and working-capital solutions to help clients finance inputs, including seeds, fertilizers, and crop-care chemicals for farmers.

We pursue investments in logistics and infrastructure such as warehouses and cold chains to improve the efficiency of supply chains and reduce food waste. To improve agricultural productivity, we work to expand the adoption of efficient operational techniques and technologies that allow the best use of inputs and resources and help mitigate climate-change impacts. IFC also provides advisory support to strengthen client operations, increase operational capacity of smallholder farmers, address climate-change impacts, improve food safety, and unlock new markets.

In FY19, our new long-term commitments for our own account in agribusiness and forestry totaled about \$501 million.

FINANCIAL INSTITUTIONS

Well-functioning, inclusive, and sustainable financial markets ensure efficient resource allocation and are essential for achieving the World Bank Group's twin goals to end extreme poverty and boost shared prosperity, as well as meeting the United Nations' Sustainable Development Goals.

IFC's work with financial intermediaries helps strengthen financial institutions and overall financial systems, expanding existing capital markets and creating new ones, which includes bolstering their environmental and social risk management practices. This allows IFC to support micro, small, and medium enterprises and enables the growth of digital financial services delivery channels to a far greater extent than we would be able to support on our own.

As IFC operates through financial intermediaries, we encourage them to become more involved in priority sectors—such as women-owned businesses and climate change—and in fragile and conflict-affected states, as well as in housing, insurance, infrastructure, and social services.

In FY19, our new long-term commitments for our own account in financial markets totaled about \$5 billion.

HEALTH AND EDUCATION

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

Expanding access to health care and education is a central element of any strategy to end poverty and boost prosperity. IFC supports health-care providers and life-sciences companies by providing financing and advisory support, sharing industry knowledge, raising management and clinical standards, improving adherence to global quality standards for medicines, helping shape government policy, and supporting public-private collaboration.

In education, we support private enterprises to complement the work of the public sector and create more opportunities for people so that they are productive in rapidly changing economies. We work with technology-based solutions and vocational education providers, and also tertiary education institutions, to improve employability options for their students.

IFC is the world's largest multilateral investor in private health care and education. In FY19, our new long-term commitments for our own account in health and education totaled about \$374 million.

INFRASTRUCTURE

Modern infrastructure spurs economic growth, improves living standards, and can help address emerging development challenges, including rapid urbanization and climate change. IFC focuses on supporting private infrastructure projects whose innovative, high-impact business models can be widely replicated. This work includes early-stage and strategic engagement with governments, developers, and investors. We are committed to it because the private sector can make a significant contribution to infrastructure, providing essential services to large numbers of people—and do so efficiently, affordably, and profitably.

Our work to support infrastructure advances people's access to power, transportation, and water. Additionally, we advise governments on public-private partnerships, collaborate with mayors to improve municipal and environmental infrastructure, and find solutions to urban transport and other challenges. We mitigate risk and leverage specialized financial structuring and other capabilities to make projects bankable. We also help mitigate project risks by helping companies engage multiple stakeholders and support benefit sharing activities with local communities.

In FY19, our new long-term commitments for our own account in this sector totaled about \$1.1 billion.

MANUFACTURING

The manufacturing sector plays a vital role in creating opportunity and reducing poverty in developing countries. We work with our clients to increase production scale and complexity—introducing more value-added manufactured products and using more advanced industrial-process technologies. Fostering the production of basic materials such as cement, chemicals, and metals can have a ripple effect across value chains—with the potential to create formal jobs in manufacturing as well as in associated services.

We have maintained our focus on manufacturing, including in construction materials, textiles and garments, industrial equipment, and transportation machinery. We invest in and advise companies that seek a more complex model of production. We promote best practice standards in areas such as energy efficiency, carbon emissions, human resources, and gender. We also provide advisory support on improving workforce and operational productivity for mid-size manufacturing clients.

In FY19, our new long-term commitments for our own account in the manufacturing sector totaled about \$534 million.

NATURAL RESOURCES

Industries that can harness natural resources are vital for many of the world's poorest countries. They are a key source of jobs, energy, and government revenues. They also provide a wide array of benefits for local economies through sustainable supply chains and benefit-sharing programs.

IFC's mission in the oil, gas, and mining sector is to help developing countries realize these benefits, while helping promote sustainable solutions for community development. 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 FY19, our new long-term commitments for our own account in the sector totaled about \$280 million.

TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY

The rise of digital technologies offers emerging markets a once-in-a-generation opportunity to lay the foundation for economic growth, social inclusion, innovation, job creation, and access to high-quality services that would have been unimaginable even a decade ago.

Because IFC has one of the largest footprints in emerging markets, we are shaping the ways that the enabling infrastructure for digital technologies such as telecommunications towers, broadband, and data centers is developed and financed. We are also investing in ventures and growth-stage companies that offer innovative technologies or business models geared at emerging markets in areas including health care, education technology, e-commerce, and clean technology.

In FY19, our new commitments for our own account in this sector totaled about \$131 million.

TOURISM, RETAIL, AND PROPERTY

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

Our investments promote the development of business-enabling infrastructure—including business hotels, warehousing, and commercial property. We work with our retail and hotel clients to create jobs, increase tax revenues, improve business and trading conditions along their value chains, and raise labor standards. We also invest in property companies to expand affordable housing. In each of these areas, green buildings play a key role in our investment and advisory work.

In FY19, our new long-term commitments for our own account in tourism, retail, and property totaled about \$522 million.