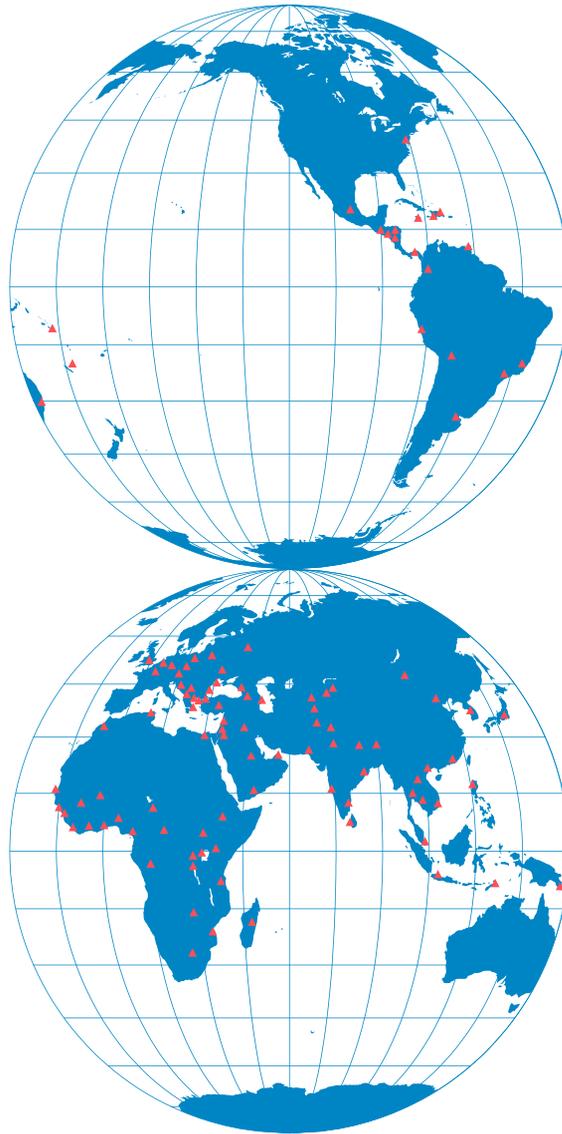


OUR EXPERTISE

**IFC blends investment  
with advice and resource  
mobilization to help the private  
sector advance development.**

---



## WHERE WE WORK

**A**s 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

OUR LONG-TERM  
COMMITMENTS IN  
TELECOMMUNICATIONS  
AND INFORMATION  
TECHNOLOGY TOTALED

**\$275**  
MILLION

for our own account  
in FY15

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.