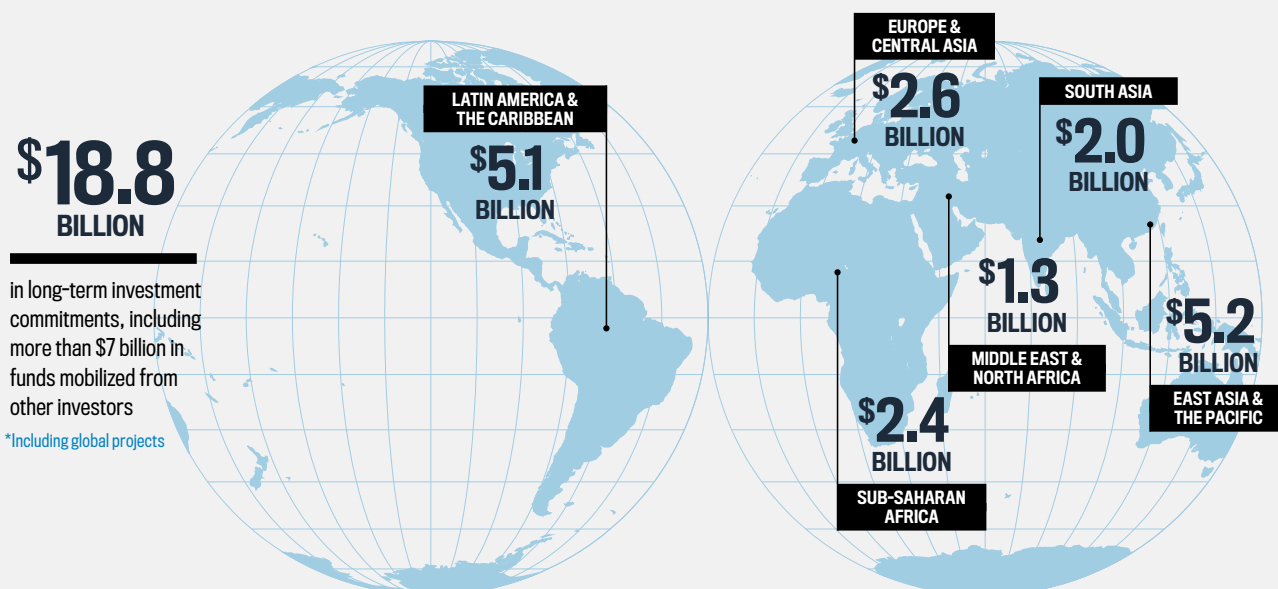


IFC'S GLOBAL IMPACT

Across the world, our investment and advice helped the private sector create jobs, strengthen infrastructure, and address the most urgent development challenges in emerging markets.



In FY16, we made more than \$5.4 billion in long-term investments in the poorest countries, including funds mobilized from other investors. Our investments in fragile and conflict-affected areas climbed to nearly \$1 billion—an increase of more than 50 percent.

IFC OPERATIONAL HIGHLIGHTS	2016	2015	2014	2013	2012
Dollars in millions, for the year ended June 30					
LONG-TERM INVESTMENT COMMITMENTS					
FOR IFC'S OWN ACCOUNT	\$ 11,117	\$ 10,539	\$ 9,967	\$ 11,008	\$ 9,241
Number of projects	344	406	364	388	365
Number of countries	78	83	73	77	78
CORE MOBILIZATION*	\$ 7,739	\$ 7,133	\$ 5,142	\$ 6,504	\$ 4,896
Syndicated loans ¹	\$ 5,416	\$ 4,194	\$ 3,093	\$ 3,098	\$ 2,691
IFC initiatives & other	\$ 1,054	\$ 1,631	\$ 1,106	\$ 1,696	\$ 1,727
Asset Management Company (AMC) Funds	\$ 476	\$ 761	\$ 831	\$ 768	\$ 437
Public-Private Partnership (PPP) ²	\$ 793	\$ 548	\$ 113	\$ 942	\$ 41
TOTAL INVESTMENT COMMITMENTS	\$ 18,856	\$ 17,672	\$ 15,109	\$ 17,512	\$ 14,137
INVESTMENT DISBURSEMENTS					
For IFC's account	\$ 9,953	\$ 9,264	\$ 8,904	\$ 9,971	\$ 7,981
Syndicated loans ³	\$ 4,429	\$ 2,811	\$ 2,190	\$ 2,142	\$ 2,587
TOTAL INVESTMENT DISBURSEMENTS	\$ 14,382	\$ 12,075	\$ 11,094	\$ 12,113	\$ 10,568
COMMITTED PORTFOLIO					
Number of firms	2,006	2,033	2,011	1,948	1,825
For IFC's account	\$ 51,994	\$ 50,402	\$ 51,735	\$ 49,617	\$ 45,279
Syndicated loans ⁴	\$ 16,550	\$ 15,330	\$ 15,258	\$ 13,633	\$ 11,166
TOTAL COMMITTED PORTFOLIO	\$ 68,544	\$ 65,732	\$ 66,993	\$ 63,250	\$ 56,445
SHORT-TERM FINANCE					
Average Outstanding Balance	\$ 2,807	\$ 2,837	\$ 3,019	\$ 2,739	\$ 2,529
ADVISORY SERVICES					
Advisory Services program expenditures	\$ 220.6	\$ 202.1	\$ 234.0	\$ 231.9	\$ 197.0
Share of program in IDA countries ⁵	62%	65%	66%	65%	65%

*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 and MCPP Loans

4. Includes B-Loans, A-Loan Participation (ALP), Structured A-Loan Participation Sales (SALPS), Agented Parallel Loans, Unfunded Risk Participations (URPs) and 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.



A

**letter from IFC Executive
Vice President and Chief Executive Officer
Philippe Le Houérou**

Across the world, nations have agreed over the past year to act in concert to achieve goals that once seemed beyond reach—to end poverty, to expand prosperity and peace, and to stop the rise in global warming.

Success, however, will not come easily. It will depend on trillions of dollars a year in investments by governments and the private sector. It will require the world to mobilize those funds in an era of decelerating economic growth and rising geopolitical uncertainty.

In such times, experience matters. You need it to venture into the poorest and most strife-prone regions of the world. You need it to create and develop markets where none exist. You need it to mobilize financing from private investors. You need it to create new types of partnerships that can close investment and regulatory gaps while creating solutions to global challenges such as climate change and pandemics. You need it to create jobs and avoid the “middle-income trap.”

At IFC, we have built this experience methodically. For six decades, we have routinely evaluated our activities to learn what works and what doesn’t. We have looked back to see ahead. We have innovated to strengthen the private sector in emerging markets. We have promoted policy to raise standards. We have demonstrated the benefits of investing in tough markets.

In the year that ended June 30, 2016—a period of considerable market turbulence—we invested and mobilized more money for private sector development than ever before. Our long-term investments grew to a record of nearly \$19 billion, helping create opportunity in more than 100 countries. More than a third of these investments—nearly \$8 billion in all—was mobilized from other investors.

Our work had an impact in every region of the world. Our clients provided 2.4 million jobs, helped educate 4.6 million students, and treated nearly 32 million patients. They generated power for 48 million people, distributed water to nearly 22 million, and provided gas to more than 50 million.

Our work illustrates how very large and complex infrastructure projects can be funded without increasing public debt. Consider one example: the opening this year of the expanded Panama Canal. In 2008, IFC and several other development banks committed \$2.3 billion to signal our confidence in the project—and to support the work of the Panama Canal Authority in ensuring the project was carried out responsibly.

This year, we also strengthened our advice to clients. Our advisory portfolio included about 700 projects in 100 countries, valued at \$1.3 billion. In FY16, more than 60 percent of IFC’s advice was delivered to clients in IDA countries—including 20 percent in fragile and conflict-affected areas.

IFC Asset Management Company’s assets under management increased to \$8.9 billion across 11 funds. AMC mobilized \$476 million for IFC projects.

We know the road ahead will be challenging. The world’s expectations of the development community—as reflected in the United Nations Sustainable Development Goals—are rightly ambitious. Investors have grown increasingly risk-averse regarding emerging markets, causing capital flows to recede just when they are most needed. Conflict and violence in many parts of the world pose a significant obstacle to development.

Yet we are optimistic—because IFC was *invented* for challenges of this kind. Sixty years ago, our founders set us on a course to “create conditions conducive to the flow of private capital” in “less developed areas” of the world—to intervene wherever “sufficient private capital is not available on reasonable terms.” We’ve been doing so ever since—venturing ever more deeply into the world’s toughest markets.

Drawing on the many lessons learned over six decades, IFC is uniquely positioned to lead this work.

A stylized, handwritten signature in black ink, consisting of a large, sweeping 'P' followed by a series of fluid, connected strokes.

PHILIPPE LE HOUÉROU
IFC Executive Vice President
and Chief Executive Officer

DEVELOPMENT RESULTS



*IFC IS
UNIQUELY
POSITIONED
TO LEAD.*

FINANCIAL HIGHLIGHTS

Dollars in millions, for the year ended June 30*

	2016	2015	2014	2013	2012
Net income (loss) attributable to IFC	(33)	445	1,483	1,018	1,328
Grants to IDA	330	340	251	340	330
Income before grants to IDA	296	749	1,739	1,350	1,658
Total assets	90,434	87,548	84,130	77,525	75,761
Loans, equity investments and debt securities, net	37,356	37,578	38,176	34,677	31,438
Estimated fair value of equity investments	13,664	14,834	14,890	13,309	11,977

KEY RATIOS

Return on average assets (GAAP basis)	0.00%	0.50%	1.8%	1.3%	1.8%
Return on average capital (GAAP basis)	(0.10)%	1.80%	6.4%	4.8%	6.5%
Cash and liquid investments as a percentage of next three years' estimated net cash requirements	85%	81%	78%	77%	77%
Debt-to-equity ratio	2.8:1	2.6:1	2.7:1	2.6:1	2.7:1
Total resources required (\$ billions)	19.2	19.2	18.0	16.8	15.5
Total resources available (\$ billions)	22.5	22.6	21.6	20.5	19.2
Total reserve against losses on loans to total disbursed loan portfolio	7.4%	7.5%	6.9%	7.2%	6.6%

*See Management's Discussion and Analysis and Consolidated Financial Statements for details on the calculation of these numbers:
<http://www.ifc.org/FinancialReporting>

DEVELOPMENT REACH BY IFC'S INVESTMENT CLIENTS

	PORTFOLIO CY14	PORTFOLIO CY15
JOBS		
Employment (millions of jobs) ¹	2.5	2.4
MICROFINANCE LOANS^{2, 3, 4}		
Number (millions)	43.6	51.2
Amount (\$ billions)	35.3	59.5
SME LOANS^{2, 3, 4}		
Number (millions)	4.3	7.6
Amount (\$ billions)	234.4	343.7
TRADE FINANCE⁵		
Number (millions)	1.5	1.8
Amount (\$ billions)	234	204
PEOPLE REACHED WITH SERVICES		
Power generation (millions of people)	55.8	48.0
Power distribution (millions of people) ⁶	50.2	50.1
Water distribution (millions of people)	23.4	21.8
Gas distribution (millions of people) ⁷	35.0	51.2
Phone connections (millions of customers)	237.2	262.8
Patients served (millions) ⁸	30.1	31.8
Students reached (millions)	3.5	4.6
Farmers reached (millions)	3.4	3.5
PAYMENTS TO SUPPLIERS AND GOVERNMENTS		
Domestic purchases of goods and services (\$ billions)	51.9	46.9
Contribution to government revenues or savings (\$ billions)	19.5	16.6

These figures represent the total reach of IFC clients as of end of CY14 and CY15. CY14 and CY15 portfolio data are not strictly comparable, because they are based on a changed portfolio of IFC clients. For microfinance and SME loans, results also reflect contributions from Advisory Services. While numerous controls are performed on the data provided by clients, they are sometimes based on estimates and the understanding of the indicator definitions may vary slightly between clients.

1. Portfolio figures for employment include jobs provided by Funds.

2. Portfolio reach figures represent the micro, small and medium outstanding loan portfolio of IFC clients as of end CY14 and CY15, for MSME-oriented financial institutions/projects. CY15 includes the data from 303 MSME clients, including 28 clients for which the data were extrapolated.

3. Reported CY15 Microfinance and SME data include a large contribution from a new client, Postal Savings Bank of China, a top contributor in CY15.

4. The MSME data as of March 2015 for eleven South Asia clients previously reported in CY14 and reported in IFC's FY15 Annual Report were included in CY15 data. This is a necessary alignment between Reach and DOTS data collection timeline rules.

5. The total number and dollar volume of trade transactions financed by the Global Trade Finance Program's network of emerging-market banks are based on actual data from 72% of the network's active banks in CY15. The figures are not directly comparable to last year's due to variance in the number of active banks who submitted survey responses. Numbers reflect transactions directly guaranteed by IFC as well as those executed by network banks that have been supported by the program.

6. CY14 total Power distribution revised due to the restatement of one client value in Latin America and the Caribbean.

7. One client in East Asia and the Pacific was responsible for distributing gas to 49.3 million people.

8. CY14 total Patients Served revised due to the restatement of one client value in South Asia.

ABOUT IFC

Sixty years ago, a few dozen countries made a calculated bet on the transformative potential of the private sector in developing countries.

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.

We have six decades of experience in the world's most challenging markets. With a global presence in more than 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.

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Creating Opportunity
Where It's Needed Most

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FY16 LONG-TERM COMMITMENTS

Dollar amounts in millions, for IFC's own account as of June 30, 2016

Total	\$ 11,117	100%	
BY INDUSTRY			
Financial Markets	\$ 4,474	40.24%	
Infrastructure	\$ 1,813	16.31%	
Agribusiness & Forestry	\$ 1,062	9.55%	
Consumer & Social Services	\$ 1,046	9.41%	
Manufacturing	\$ 824	7.41%	
Oil, Gas & Mining	\$ 824	7.41%	
Telecommunications & Information Technology	\$ 541	4.86%	
Funds	\$ 534	4.80%	

BY REGION*

Latin America and the Caribbean	\$ 2,688	24.18%	
East Asia and the Pacific	\$ 2,307	20.75%	
Europe and Central Asia	\$ 2,131	19.17%	
South Asia	\$ 1,428	12.85%	
Sub-Saharan Africa	\$ 1,398	12.58%	
Middle East and North Africa	\$ 955	8.59%	
Global	\$ 210	1.89%	

* Some amounts include regional shares of investments that are officially classified as global projects.

BY PRODUCT

Loans ¹	\$ 8,097	72.83%	
Equity ²	\$ 2,595	23.34%	
Guarantees	\$ 378	3.40%	
Risk-management products	\$ 48	0.43%	

1. Includes loan-type, quasi-loan products.

2. Includes equity-type, quasi-equity products.

FY16 COMMITTED PORTFOLIO

Dollar amounts in millions, for IFC's own account as of June 30, 2016

Total	\$51,994	100%	
BY INDUSTRY			
Financial Markets	\$ 16,125	31%	
Infrastructure	\$ 10,525	20%	
Manufacturing	\$ 5,398	10%	
Consumer & Social Services	\$ 4,408	8%	
Funds	\$ 4,319	8%	
Agribusiness & Forestry	\$ 3,411	7%	
Trade Finance	\$ 3,013	6%	
Oil, Gas & Mining	\$ 2,780	5%	
Telecommunications & Information Technology	\$ 2,014	4%	

BY REGION*

Latin America and the Caribbean	\$ 11,829	23%	
Europe and Central Asia	\$ 9,261	18%	
Sub-Saharan Africa	\$ 8,329	16%	
East Asia and the Pacific	\$ 8,003	15%	
South Asia	\$ 6,557	13%	
Middle East and North Africa	\$ 5,963	11%	
World	\$ 2,050	4%	

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

FY16 ADVISORY SERVICES PROGRAM EXPENDITURES

Dollar amounts in millions

Total	\$ 220.6	100%	
BY REGION			
Sub-Saharan Africa	\$ 63.1	28.6%	
East Asia and the Pacific	\$ 39.2	17.8%	
Europe and Central Asia	\$ 34.2	15.5%	
South Asia	\$ 26.5	12.0%	
Latin America and the Caribbean	\$ 24.6	11.1%	
Middle East and North Africa	\$ 23.0	10.4%	
Global	\$ 10.1	4.6%	

BY BUSINESS AREA

Financial Sector	\$ 67.2	30.4%	
Investment Climate	\$ 56.9	25.8%	
Cross-Industry Areas	\$ 34.0	15.4%	
Public-Private Partnerships	\$ 30.9	14.0%	
Energy & Resource Efficiency	\$ 19.3	8.8%	
Agribusiness	\$ 12.4	5.6%	