

IFC Year in Review

In FY18, IFC invested \$23.3 billion, including nearly \$11.7 billion mobilized from other investors. Our comprehensive approach helped businesses innovate, build internationally competitive industrial sectors, and create better jobs.



EAST ASIA AND THE PACIFIC:

\$3.4
BILLION

in long-term investment commitments

\$209
BILLION

in micro, small, and medium loans provided

\$5.7
BILLION

in goods and services purchased from domestic suppliers

554,000

jobs provided



EUROPE AND CENTRAL ASIA:

\$2.9
BILLION

in long-term investment commitments

4.7
MILLION

patients cared for

\$10
BILLION

in goods and services purchased from domestic suppliers

20

POLICY REFORMS

in 11 countries to support growth and promote investments



LATIN AMERICA AND THE CARIBBEAN:

\$5
BILLION

in long-term investment commitments

\$103
BILLION

in micro, small, and medium loans provided

\$3.5
BILLION

in financing facilitated for infrastructure through public-private partnerships

2.1

MILLION

students educated



MIDDLE EAST AND NORTH AFRICA:

\$2.0
BILLION

in long-term investment commitments

3
MILLION

patients cared for

\$1.6
BILLION

in goods and services purchased from domestic suppliers

3.4
MILLION

people gained access to power



SOUTH ASIA:

\$3.4
BILLION

in long-term investment commitments

\$49.7
BILLION

in micro, small, and medium loans provided

153
MILLION

non-cash retail transactions facilitated, totaling \$7.9 billion

\$84
MILLION

in new investment generated through policy reforms



SUB-SAHARAN AFRICA:

\$6.2
BILLION

in long-term investment commitments

33
POLICY REFORMS

in 12 countries to support growth and promote investments

1.3
MILLION

farmers benefited

46.7
MILLION

people gained access to power

Operational Highlights

Dollars in millions, for the years ended June 30

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|----------|----------|----------|----------|----------|
| Long-Term Investment Commitments | | | | | |
| FOR IFC'S OWN ACCOUNT | \$11,629 | \$11,854 | \$11,117 | \$10,539 | \$ 9,967 |
| Number of projects | 366 | 342 | 344 | 406 | 364 |
| Number of countries | 74 | 75 | 78 | 83 | 73 |
| CORE MOBILIZATION¹ | \$11,671 | \$ 7,461 | \$ 7,739 | \$ 7,133 | \$ 5,142 |
| Syndicated loans ² | \$ 7,745 | \$ 3,475 | \$ 5,416 | \$ 4,194 | \$ 3,093 |
| IFC Initiatives & Other | \$ 2,619 | \$ 2,207 | \$ 1,054 | \$ 1,631 | \$ 1,106 |
| Asset Management Company (AMC) Funds | \$ 263 | \$ 531 | \$ 476 | \$ 761 | \$ 831 |
| Public-Private Partnership (PPP) ³ | \$ 1,044 | \$ 1,248 | \$ 793 | \$ 548 | \$ 113 |
| TOTAL INVESTMENT COMMITMENTS | \$23,301 | \$19,316 | \$18,856 | \$17,672 | \$15,109 |
| Investment Disbursements | | | | | |
| For IFC's account | \$11,149 | \$10,355 | \$ 9,953 | \$ 9,264 | \$ 8,904 |
| Syndicated loans ⁴ | \$ 1,984 | \$ 2,248 | \$ 4,429 | \$ 2,811 | \$ 2,190 |
| TOTAL INVESTMENT DISBURSEMENTS | \$13,133 | \$12,602 | \$14,382 | \$12,075 | \$11,094 |
| Committed Portfolio | | | | | |
| Number of firms | 1,977 | 2,005 | 2,006 | 2,033 | 2,011 |
| For IFC's account | \$57,173 | \$55,015 | \$51,994 | \$50,402 | \$51,735 |
| Syndicated loans ⁵ | \$16,210 | \$16,047 | \$16,550 | \$15,330 | \$15,258 |
| TOTAL COMMITTED PORTFOLIO | \$73,383 | \$71,062 | \$68,544 | \$65,732 | \$66,993 |
| Short-Term Finance | | | | | |
| Average Outstanding Balance | \$ 3,435 | \$ 3,185 | \$ 2,807 | \$ 2,837 | \$ 3,019 |
| Advisory Services | | | | | |
| Advisory Services program expenditures | \$ 273.4 | \$ 245.7 | \$ 220.6 | \$ 202.1 | \$ 234.0 |
| Share of program in IDA countries ⁶ | 57% | 63% | 62% | 65% | 66% |

1. Defined as "core mobilization"—financing from entities other than IFC that becomes available to client due to IFC's direct involvement in raising resources.

2. Includes B-Loans, Parallel Loans, and MCPP Loans.

3. Third-party financing made available for public-private partnership projects due to IFC's mandated lead advisor role to national, local, or other government entities.

4. Includes B-Loans, Agented Parallel Loans, and MCPP Loans.

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

6. All references in this report to percentages of advisory program expenditures in IDA countries and fragile and conflict-affected areas exclude global projects.

Financial Highlights

Dollars in millions, as of and for the years ended June 30*

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------|--------|--------|--------|--------|
| Net income (loss) attributable to IFC | 1,280 | 1,418 | -33 | 445 | 1,483 |
| Grants to IDA | 80 | 101 | 330 | 340 | 251 |
| Income before grants to IDA | 1,360 | 1,523 | 296 | 749 | 1,739 |
| Total assets | 94,272 | 92,254 | 90,434 | 87,548 | 84,130 |
| Loans, equity investments and debt securities, net | 42,264 | 40,519 | 37,356 | 37,578 | 38,176 |
| Estimated fair value of equity investments | 14,573 | 14,658 | 13,664 | 14,834 | 14,890 |

Key Ratios

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Return on average assets (GAAP basis) | 1.4% | 1.6% | 0.0% | 0.5% | 1.8% |
| Return on average capital (GAAP basis) | 5.0% | 5.9% | -0.1% | 1.8% | 6.4% |
| Cash and liquid investments as a percentage of next three years' estimated net cash requirements | 100% | 82% | 85% | 81% | 78% |
| Debt-to-equity ratio | 2.5:1 | 2.7:1 | 2.8:1 | 2.6:1 | 2.7:1 |
| Total resources required (\$ billions) | 20.1 | 19.4 | 19.2 | 19.2 | 18.0 |
| Total resources available (\$ billions) | 24.7 | 23.6 | 22.5 | 22.6 | 21.6 |
| Total reserve against losses on loans to total disbursed loan portfolio | 5.1% | 6.1% | 7.4% | 7.5% | 6.9% |

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

FY18 Long-Term Commitments

Dollar amounts in millions, for IFC's own account as of June 30, 2018

| | | | |
|-------|----------|---------|---|
| Total | \$11,629 | 100.00% |  |
|-------|----------|---------|---|

By Industry

| | | | |
|---|----------|--------|---|
| Financial Markets | \$ 5,509 | 47.37% |  |
| Infrastructure | \$ 2,073 | 17.83% |  |
| Agribusiness & Forestry | \$ 956 | 8.22% |  |
| Tourism, Retail & Property | \$ 764 | 6.57% |  |
| Funds | \$ 747 | 6.42% |  |
| Health & Education | \$ 739 | 6.36% |  |
| Manufacturing | \$ 536 | 4.61% |  |
| Telecommunications & Information Technology | \$ 207 | 1.78% |  |
| Oil, Gas & Mining | \$ 97 | 0.83% |  |

By Region¹

| | | | |
|---|----------|--------|---|
| Latin America and the Caribbean | \$ 2,509 | 21.58% |  |
| Europe and Central Asia | \$ 2,256 | 19.40% |  |
| South Asia ² | \$ 2,080 | 17.88% |  |
| East Asia and the Pacific | \$ 1,940 | 16.89% |  |
| Sub-Saharan Africa | \$ 1,566 | 13.25% |  |
| Middle East and North Africa ² | \$ 1,010 | 8.69% |  |
| Global | \$ 268 | 2.31% |  |

By Product

| | | | |
|--------------------------|----------|--------|---|
| Loans ³ | \$ 9,804 | 84.30% |  |
| Equity ⁴ | \$ 1,300 | 11.18% |  |
| Guarantees | \$ 442 | 3.80% |  |
| Risk-management products | \$ 83 | 0.71% |  |

FY18 Committed Portfolio

Dollar amounts in millions, for IFC's own account as of June 30, 2018

| | | | |
|-------|----------|------|---|
| Total | \$57,173 | 100% |  |
|-------|----------|------|---|

By Industry

| | | | |
|---|----------|-----|---|
| Financial Markets | \$20,017 | 35% |  |
| Infrastructure | \$11,370 | 20% |  |
| Funds | \$ 4,640 | 8% |  |
| Manufacturing | \$ 4,515 | 8% |  |
| Agribusiness & Forestry | \$ 3,866 | 7% |  |
| Trade Finance | \$ 3,527 | 6% |  |
| Health & Education | \$ 2,828 | 5% |  |
| Tourism, Retail & Property | \$ 2,678 | 5% |  |
| Oil, Gas & Mining | \$ 1,976 | 3% |  |
| Telecommunications & Information Technology | \$ 1,757 | 3% |  |

By Region¹

| | | | |
|---|----------|-----|---|
| Latin America and the Caribbean | \$12,313 | 22% |  |
| Europe and Central Asia | \$10,345 | 18% |  |
| South Asia ² | \$ 9,898 | 17% |  |
| East Asia and the Pacific | \$ 9,045 | 16% |  |
| Sub-Saharan Africa | \$ 8,824 | 15% |  |
| Middle East and North Africa ² | \$ 4,905 | 9% |  |
| Global | \$ 1,842 | 3% |  |

1. Amounts include regional shares of investments that are officially classified as global projects.
2. Afghanistan and Pakistan, which previously were grouped under the Middle East and North Africa region, are now grouped under South Asia. In FY18, these countries accounted for \$2 million of IFC's commitments.
3. Includes loan-type, quasi-loan products.
4. Includes equity-type, quasi-equity products.

FY18 Long-Term Commitments by Environmental and Social Category

| CATEGORY | COMMITMENTS (\$ MILLIONS) | NUMBER OF NEW PROJECTS |
|-----------------|---------------------------|------------------------|
| A | 817 | 12 |
| B | 4,225 | 148 |
| C | 139 | 23 |
| FI ⁵ | 23 | 0 |
| FI-1 | 754 | 12 |
| FI-2 | 3,907 | 100 |
| FI-3 | 1,764 | 71 |
| Total | 11,629 | 366 |

5. FI category applies to new commitments on previously existing projects. Visit www.ifc.org/escategories for information on category definitions.

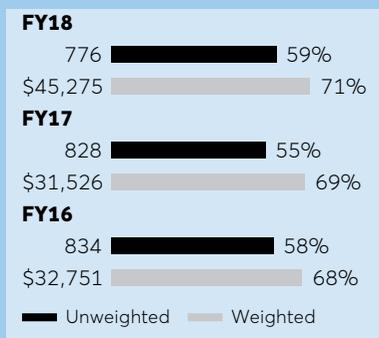
IFC's Largest Country Exposures⁶

June 30, 2018 (Based on IFC's Account)

| GLOBAL COUNTRY RANK | COMMITTED PORTFOLIO (\$ MILLIONS) | % OF GLOBAL PORTFOLIO |
|---------------------------|-----------------------------------|-----------------------|
| 1 India | 6,127 | 10.71% |
| 2 Turkey | 4,957 | 8.67% |
| 3 China | 3,378 | 5.91% |
| 4 Brazil | 2,877 | 5.03% |
| 5 Bangladesh | 1,520 | 2.66% |
| 6 Argentina | 1,411 | 2.47% |
| 7 Egypt, Arab Republic of | 1,406 | 2.46% |
| 8 Colombia | 1,343 | 2.35% |
| 9 Pakistan | 1,196 | 2.09% |
| 10 Mexico | 1,192 | 2.09% |

6. Excludes individual country shares of regional and global projects.

Weighted and Unweighted Investment Services DOTS Scores



Numbers at the left end of each bar for unweighted DOTS score are the total number of companies rated. Numbers at the left end of each bar for weighted DOTS score represent total IFC investment (US\$ millions) in those projects.

FY18 Investment Services DOTS Score by Industry

| | | |
|---|--------------|-----|
| IFC Total | 776 (45,275) | 59% |
| Funds | 98 (1,700) | 64% |
| Manufacturing | 58 (2,569) | 64% |
| Financial Markets | 216 (26,282) | 62% |
| Infrastructure | 143 (6,454) | 62% |
| Health & Education | 56 (1,540) | 61% |
| Oil, Gas & Mining | 17 (1,351) | 59% |
| Agribusiness & Forestry | 100 (3,047) | 54% |
| Tourism, Retail & Property | 46 (1,277) | 48% |
| Telecommunications & Information Technology | 42 (1,054) | 31% |

Numbers at the left end of each bar are the total number of companies rated and the total IFC investment (US\$ millions) in those projects at the end of FY18.

FY18 Investment Services DOTS Score by Region

| | | |
|---------------------------------|--------------|-----|
| IFC Total | 776 (45,275) | 59% |
| Middle East and North Africa | 64 (3,733) | 66% |
| East Asia and the Pacific | 97 (6,452) | 63% |
| Europe and Central Asia | 140 (10,295) | 61% |
| South Asia | 123 (5,330) | 59% |
| Sub-Saharan Africa | 158 (8,228) | 55% |
| Latin America and the Caribbean | 173 (10,418) | 54% |

Numbers at the left end of each bar are the total number of companies rated and the total IFC investment (US\$ millions) in those projects at the end of FY18.

FY18 Advisory Services Program Expenditures

Dollar amounts in millions

| | | |
|-------|-------|------|
| Total | 273.4 | 100% |
|-------|-------|------|

By Region

| | | |
|---------------------------------|------|-----|
| Sub-Saharan Africa | 86.4 | 32% |
| East Asia and the Pacific | 45.9 | 17% |
| South Asia* | 42.0 | 15% |
| Europe and Central Asia | 37.3 | 14% |
| Latin America and the Caribbean | 29.6 | 11% |
| Middle East and North Africa* | 15.2 | 6% |
| Global | 17.1 | 6% |

By Business Area

| | | |
|------------------------------|------|-----|
| Financial Sector | 78.8 | 29% |
| Investment Climate | 60.3 | 22% |
| Cross-Industry Areas | 55.3 | 20% |
| Public-Private Partnerships | 34.5 | 13% |
| Energy & Resource Efficiency | 25.3 | 9% |
| Agribusiness | 19.1 | 7% |

* Afghanistan and Pakistan, which previously were grouped under the Middle East and North Africa region, are now grouped under South Asia. In FY18, these countries accounted for \$2 million of IFC's commitments.

World Bank Group 2018 Summary Results

The Institutions of the World Bank Group

The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries, consisting of five institutions with a common commitment to reducing poverty, increasing shared prosperity, and promoting sustainable development.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

Lends to governments of middle-income and creditworthy low-income countries.

INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

Provides interest-free loans and grants to governments of the poorest countries.

INTERNATIONAL FINANCE CORPORATION (IFC)

Provides loans, equity, and advisory services to stimulate private sector investment in developing countries.

MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA)

Provides political risk insurance and credit enhancement to investors and lenders to facilitate foreign direct investment in emerging economies.

INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES (ICSID)

Provides international facilities for conciliation and arbitration of investment disputes.

World Bank Group Financing for Partner Countries

by fiscal year, millions of dollars

| World Bank Group | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------------------------|-------------|-------------|-------------|---------------------|---------------------|
| Commitments ^a | 58,190 | 59,776 | 64,185 | 61,783 | 66,868 |
| Disbursements ^b | 44,398 | 44,582 | 49,039 | 43,853 | 45,724 |
| IBRD | | | | | |
| Commitments | 18,604 | 23,528 | 29,729 | 22,611 | 23,002 |
| Disbursements | 18,761 | 19,012 | 22,532 | 17,861 | 17,389 |
| IDA | | | | | |
| Commitments | 22,239 | 18,966 | 16,171 | 19,513 ^c | 24,010 ^d |
| Disbursements | 13,432 | 12,905 | 13,191 | 12,718 ^c | 14,383 |
| IFC | | | | | |
| Commitments ^e | 9,967 | 10,539 | 11,117 | 11,854 | 11,629 |
| Disbursements | 8,904 | 9,264 | 9,953 | 10,355 | 11,149 |
| MIGA | | | | | |
| Gross issuance | 3,155 | 2,828 | 4,258 | 4,842 | 5,251 |
| Recipient-Executed Trust Funds | | | | | |
| Commitments | 4,225 | 3,914 | 2,910 | 2,962 | 2,976 |
| Disbursements | 3,301 | 3,401 | 3,363 | 2,919 | 2,803 |

a. Includes IBRD, IDA, IFC, Recipient-Executed Trust Fund (RETF) commitments, and MIGA gross issuance. RETF commitments include all recipient-executed grants, and therefore total WBG commitments differ from the amount reported in the WBG Corporate Scorecard, which includes only a subset of trust-funded activities.

b. Includes IBRD, IDA, IFC, and RETF disbursements.

c. Figures include the commitment and disbursement of a \$50 million grant for the Pandemic Emergency Financing Facility.

d. Figure does not include \$185 million in approved IDA18 IFC-MIGA Private Sector Window instruments, of which IDA has exposure of \$36 million in guarantees and \$9 million in derivatives.

e. Long-term commitments for IFC's own account. Does not include short-term finance or funds mobilized from other investors.

World Bank Group Global Commitments

The World Bank Group maintained strong support for developing countries over the past year as the organization focused on delivering results more quickly, increasing its relevance for its clients and partners, and bringing global solutions to local challenges.

\$66.9
BILLION

in loans, grants, equity investments, and guarantees to partner countries and private businesses.

Total includes multiregional and global projects. Regional breakdowns reflect World Bank country classifications.



\$6.8

BILLION

EAST ASIA AND THE PACIFIC



\$8.8

BILLION

EUROPE AND CENTRAL ASIA



\$8.7

BILLION

**LATIN AMERICA
AND THE CARIBBEAN**



\$8.2

BILLION

**MIDDLE EAST AND
NORTH AFRICA**



\$14.1

BILLION

SOUTH ASIA



\$19.8

BILLION

SUB-SAHARAN AFRICA