

# where innovation meets impact

MESSAGE FROM LARS H. THUNELL  
IFC EXECUTIVE VICE PRESIDENT AND CHIEF EXECUTIVE OFFICER

The role of the private sector in development has never been more important.

In a world with vast and shifting development needs and increasing constraints on public funding, the private sector creates jobs and opportunity, helping the poor improve their lives, generating tax revenues for governments, and providing the global economy with new sources of growth. IFC, the largest international development institution focused on the private sector, is helping link dynamic companies and industries with the needs of the poor.

IFC is where innovation meets impact. We provide value for money—through the resources we mobilize, the advice we provide, and the example we set for sustainable development.

Rising unemployment has prolonged the cycle of poverty in the world's poorest regions. More than 1 billion people are hungry. Nearly 900 million go without safe drinking water. More than 1.5 billion people lack access to electricity.

IFC is there to help. We provide financing and advice that lets small entrepreneurs expand their businesses. The advice we offer helps companies and governments raise social and environmental standards, and mitigate risks. The funds we leverage from other sources bring additional capital to worthy projects. Our standard-setting work builds stronger companies and industries over the long term.

In fiscal 2010, as never before, we mobilized our global expertise and financial resources so private enterprises could maximize their development impact while realizing the significant commercial benefit of investing in emerging markets. We did it while putting a greater emphasis on the world's poorest areas.

IFC invested a record \$18 billion in FY2010—\$13 billion of which was for our own account—in 528 projects in 103 countries. We mobilized more than \$5 billion from others, another landmark. Our Advisory Services expenditures totaled \$268 million.

Crucially, more of our work than ever was in countries served by the International Development Association, a top priority. We invested a record \$4.9 billion in 255 projects in 58 IDA countries.

We know that it takes more than investment volume to meet the needs of the poor. That is why we carefully target our resources, selecting where our financing and advice can be deployed most effectively. And we set measurable goals to gauge our impact and improve our performance.

In 2009, our clients provided 2.2 million jobs. They treated nearly 8 million patients, helped educate 1.4 million students, and supported 2.1 million farmers. They distributed water to 35 million customers, power to 29 million customers, and gas to 16 million. Micro, small, and medium enterprises, the businesses responsible for most of the world's job creation, received 10 million loans totaling \$112 billion from our clients.

Our results show that strong development impact is compatible with strong financial returns. Our net income topped \$1.7 billion in FY2010, after a \$200 million transfer to IDA.

During its first year of existence, IFC Asset Management Company began to deliver on its promise, establishing a new platform for mobilizing investment for development. It invested \$236 million in IFC projects, and attracted investor commitments of \$950 million to its IFC African, Latin American, and Caribbean Fund. As it grows, AMC will be a vital new source of funding for private enterprise in developing countries.

While 2010 was a milestone year for IFC, we can improve. We strive to learn from our experience—at all levels of the organization—and put our findings into practice. To become a stronger institution, we are organizing IFC to put ourselves in a better position to engage with clients and reach even more poor people. That process will ensure that we build on our recent accomplishments in the decades to come.

In 2010, IFC helped millions of people improve their lives—a tremendous achievement. We look forward to making further progress in 2011 in mobilizing the power of the private sector in the fight against poverty.



Lars H. Thunell  
IFC Executive Vice President  
and Chief Executive Officer

#### PROVIDING VALUE FOR MONEY

In 2009, our clients provided 2.2 million jobs, treated nearly 8 million patients, helped educate 1.4 million students, and supported 2.1 million farmers.

## IFC AT A GLANCE

More than 200 million people in the developing world were out of work this year. Over 1 billion are hungry, while millions more are confronting the threat that climate change poses. The United Nations estimates that 884 million people don't have safe drinking water and more than 2.6 billion people lack basic sanitation. The population of the developing world will expand by a third over the next four decades, growth that will strain already weak infrastructure.

In this environment, IFC is innovating to create opportunity where it's needed most. We committed a record \$18 billion in fiscal year 2010, \$12.7 billion of which was for our own account. We invested in 528 projects, an 18 percent increase from FY09. Our Advisory Services portfolio comprised 736 active projects valued at more than \$850 million, with annual expenditures totaling \$268 million.

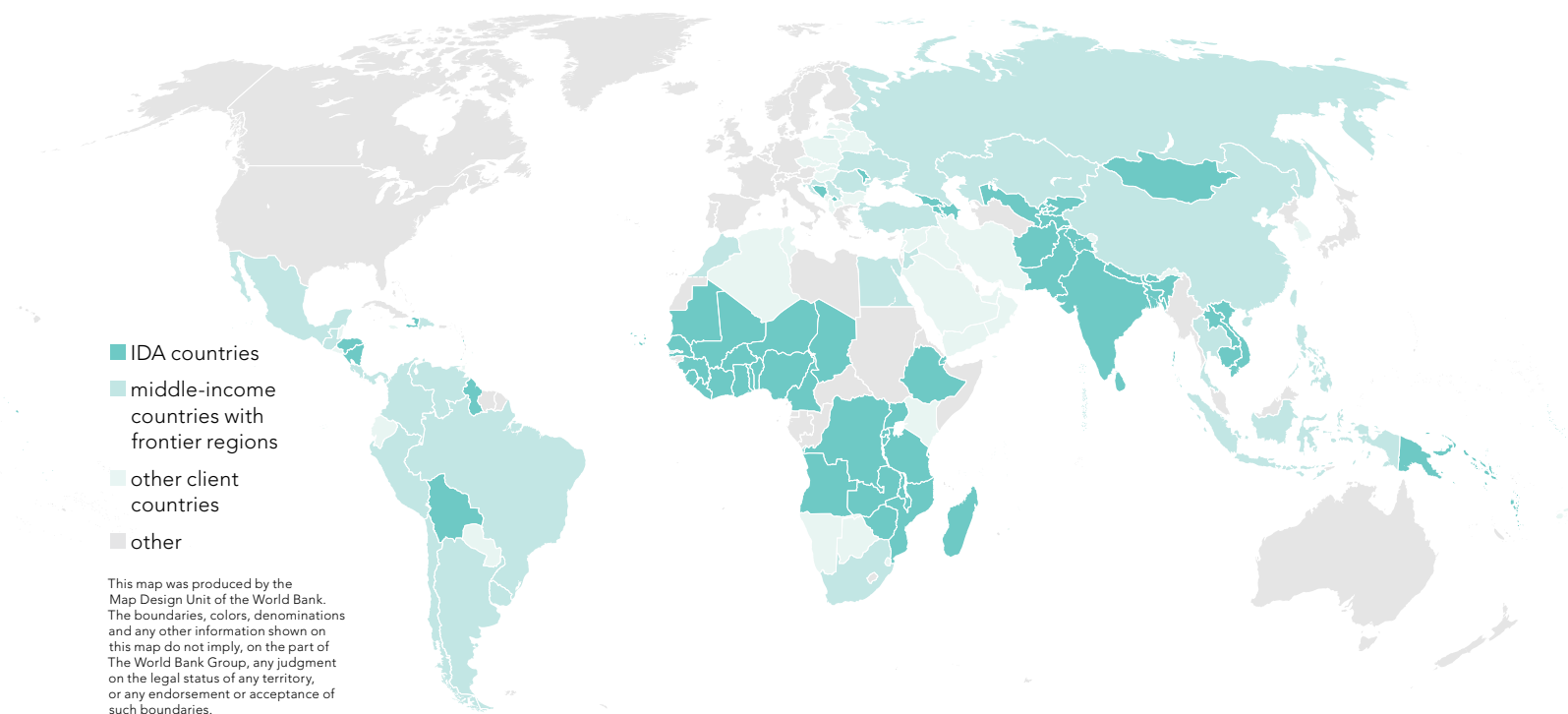
Countries served by the International Development Association, or IDA, accounted for nearly half our investments—255 projects totaling \$4.9 billion. Sub-Saharan Africa accounted for 19 percent of our investment commitments and 25 percent of our Advisory Services expenditures. We invested a record \$1.64 billion in clean energy, while climate change-related projects grew to 15 percent of the value of our Advisory Services portfolio. Our investments in microfinance rose 10 percent to \$400 million, expanding our microfinance portfolio to \$1.2 billion.

## OPERATIONAL HIGHLIGHTS

	as of and for the years ended June 30				
Dollars in millions	2010	2009	2008	2007	2006
<b>New Investment Commitments</b>					
Number of projects	528	447	372	299	284
Number of countries	103	103	85	69	66
For IFC's own account	\$12,664	\$10,547	\$11,399	\$8,220	\$6,703
<b>Mobilization</b>					
Syndicated loans	\$1,986	\$1,858	\$3,250	\$1,775	\$1,572
Structured finance	\$797	\$169	\$1,403	\$2,083	\$1,245
IFC initiatives & other	\$2,358	\$1,927			
Asset Management Company	\$236	\$8			
Total mobilization*	\$5,377	\$3,962	\$4,653	\$3,858	\$2,817
<b>Investment Disbursements</b>					
For IFC's own account	\$6,793	\$5,640	\$7,539	\$5,841	\$4,428
Total mobilization*	\$3,048	\$1,966	\$2,382	\$1,615	\$1,311
<b>Committed Portfolio</b>					
Number of firms	1,656	1,579	1,490	1,410	1,368
For IFC's own account	\$38,864	\$34,502	\$32,366	\$25,411	\$21,627
Total mobilization*	\$9,943	\$8,004	\$7,525	\$5,543	\$5,079
<b>Advisory Services</b>					
Number of projects	736	872	862	1,018	
Approved value	\$859	\$941	\$919	\$846	
Advisory Services total expenditures	\$268	\$291	\$269	\$197	\$152

\*includes IFC Initiatives, Syndicated B-Loans, Agented Parallel Loans, and IFC Asset Management Company





## DEVELOPMENT RESULTS

### development reach by IFC's client companies

	portfolio cy08	portfolio cy09
<b>Investments:</b>		
Employment provided (million)	2.1	2.2
<b>Microfinance loans</b>		
Number (million)	8.5	8.5
Amount (\$ billion)	\$9.32	\$10.79
<b>SME loans</b>		
Number (million)	1.3	1.5
Amount (\$ billion)	\$90.63	\$101.32
<b>Customers reached with services:</b>		
Power generation (million)	153.4	132.2
Power distribution (million)	28.5	29.4
Water distribution (million)	21.6	34.6
Gas distribution (million)	12.5	15.7
Phone connections (million)	220.1	169.3
Patients reached (million)	5.5	7.6
Students reached (million)	1.2	1.4
Farmers reached (million)	1.8	2.1
<b>Payments to suppliers and governments:</b>		
Domestic purchases of goods and services (\$ billion) †	\$48.57	\$38.02
Contribution to government revenues or savings (\$ billion)	\$22.24	\$20.08

CY08 and CY09 data are not strictly comparable, because they are based on a changed portfolio of IFC clients. Indicator definitions and reporting periods vary somewhat across industries. Some CY08 data have been revised.

Please see footnotes to industry tables on our Web site at [www.ifc.org/results\\_industry](http://www.ifc.org/results_industry).

† Only from Manufacturing and Services and Oil, Gas, Mining, and Chemicals Departments.

### development results by industry

IFC	493 (\$15,431)	71%
Global Manufacturing and Services	96 (\$2,659)	57%
Infrastructure	61 (\$1,719)	70%
Global Information and Communication Technologies	20 (\$272)	70%
Global Financial Markets	177 (\$7,202)	73%
Private Equity and Investment Funds	47 (\$592)	74%
Agribusiness	37 (\$1,172)	78%
Oil, Gas, Mining, and Chemicals	38 (\$1,546)	79%
Health and Education	13 (\$127)	85%

DOTS data as of June 30, 2010, for projects approved in calendar years 2001–2006.

Note: Number inside bar represents number of rated projects, and number in parentheses represents total IFC investment (US\$ millions) in those projects.

### development results by region

IFC	493 (\$15,431)	71%
Sub-Saharan Africa	62 (\$1,069)	66%
Europe and Central Asia	126 (\$4,954)	66%
Middle East and North Africa	43 (\$975)	70%
East Asia and the Pacific	85 (\$2,237)	72%
Latin America and the Caribbean	120 (\$4,818)	77%
South Asia	47 (\$1,167)	79%

DOTS data as of June 30, 2010, for projects approved in calendar years 2001–2006.

Note: Number inside bar represents number of rated projects, and number in parentheses represents total IFC investment (US\$ millions) in those projects.

### fy10 commitments by environmental and social category

category <sup>1</sup>	commitments (\$ millions)	number of projects
A	825	10
B	3,975	147
C	4,516	254
FI	3,348	117
N <sup>2</sup>	0	0
<b>Total</b>	<b>12,664</b>	<b>528</b>

<sup>1</sup> See category descriptions on page 103 of the Annual Report.

<sup>2</sup> N refers to increased commitments on existing projects or swaps and right issues.

### RESPONDING WITH INNOVATION

IFC offered hope and a hand up to millions of vulnerable people in 2010.

## OUR VISION

Our vision is that people should have the opportunity to escape poverty and improve their lives.

## OUR VALUES

Our values are excellence, commitment, integrity, and teamwork.

## IFC'S PURPOSE

IFC's purpose is to create opportunity for people to escape poverty and improve their lives by

- Promoting open and competitive markets in developing countries
- Supporting companies and other private sector partners where there is a gap
- Helping generate productive jobs and deliver essential services to the underserved
- Catalyzing and mobilizing other sources of finance for private enterprise development

To achieve our purpose, IFC offers development-impact solutions through firm-level interventions (direct investments, Advisory Services, and IFC Asset Management Company), standard-setting, and business-enabling environment work.

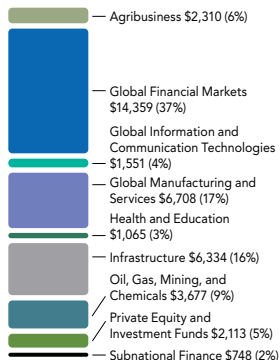
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## INVESTMENT PORTFOLIO

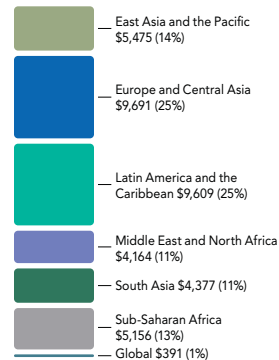
### committed portfolio by industry

for IFC's own account as of June 30, 2010  
dollar amounts in millions



### committed portfolio by region<sup>1</sup>

for IFC's own account as of June 30, 2010  
dollar amounts in millions

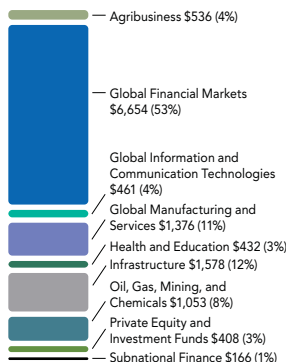


<sup>1</sup> Some amounts include regional shares of investments that are officially classified as global projects.

## FY10 COMMITMENTS

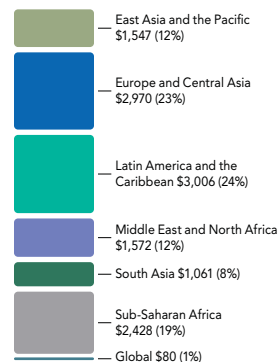
### fy10 commitments by industry

dollar amounts in millions



### fy10 commitments by region<sup>1</sup>

dollar amounts in millions

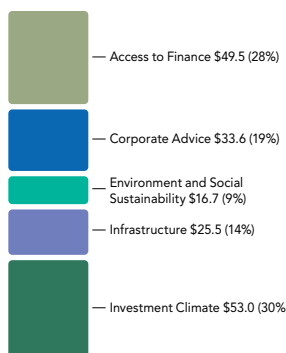


<sup>1</sup> Some amounts include regional shares of investments that are officially classified as global projects.

## FY10 ADVISORY SERVICES

### fy10 advisory services project expenditures by business line

dollar amounts in millions



### fy10 advisory services project expenditures by region

dollar amounts in millions

