

In FY12, IFC invested a record \$20.4 billion in 103 developing countries, reflecting a doubling of our annual commitments over the last five years. Those investments included nearly \$5 billion mobilized from other investors. Our Advisory Services program expenditures grew to \$197 million, up more than 50 percent over the last five years.

Our investment clients helped support 2.5 million jobs in 2011. They made 23 million loans totaling more than \$200 billion to micro, small, and medium enterprises. Our Advisory Services helped 33 client governments introduce 56 investment-climate reforms. We also helped conclude public-private partnerships that will improve access to basic services for more than 16 million people.

IFC GLOBAL RESULTS

\$20.4 BILLION
IN INVESTMENTS, INCLUDING
\$16.5 BILLION IN COMMITMENTS
FOR OUR OWN ACCOUNT

65%
OF OUR ADVISORY SERVICES
PROGRAM EXPENDITURES WERE
IN THE POOREST COUNTRIES
SERVED BY IDA

\$3.7 BILLION
LATIN AMERICA AND
THE CARIBBEAN

\$2.9 BILLION
EUROPE AND CENTRAL ASIA

\$2.2 BILLION
MIDDLE EAST AND
NORTH AFRICA

\$2.7 BILLION
SUB-SAHARAN AFRICA

\$2.5 BILLION
EAST ASIA AND THE PACIFIC

\$1.3 BILLION
SOUTH ASIA

IFC OPERATIONAL HIGHLIGHTS

Dollars in millions, for the years ended June 30

	2012	2011	2010	2009	2008
New Investment Commitments					
Number of projects	576	518	528	447	372
Number of countries	103	102	103	103	85
For IFC's own account	\$15,462	\$12,186	\$12,664	\$10,547	\$11,399
Core Mobilization*					
Syndicated loans ¹	\$ 2,691	\$ 4,680	\$ 1,986	\$ 1,858	\$ 3,250
Structured finance	–	–	\$ 797	\$ 169	\$ 1,403
IFC initiatives & other	\$ 1,727	\$ 1,340	\$ 2,358	\$ 1,927	–
Asset Management Company	\$ 437	\$ 454	\$ 236	\$ 8	–
Public-Private Partnership mobilization ²	\$ 41	–	–	–	–
Total core mobilization	\$ 4,896	\$ 6,474	\$ 5,377	\$ 3,962	\$ 4,653
Investment Disbursements					
For IFC's own account	\$ 7,981	\$ 6,715	\$ 6,793	\$ 5,640	\$ 7,539
Syndicated loans ³	\$ 2,587	\$ 2,029	\$ 2,855	\$ 1,958	\$ 2,382
Committed Portfolio					
Number of firms	1,825	1,737	1,656	1,579	1,490
For IFC's own account	\$45,279	\$42,828	\$38,864	\$34,502	\$32,366
Syndicated loans ⁴	\$11,166	\$12,387	\$ 9,302	\$ 8,299	\$ 7,525
Advisory Services					
Advisory Services program expenditures	\$ 197.0	\$ 181.7	\$ 166.4	\$ 157.8	\$ 130.8
Share of program in IDA countries ⁵	65%	64%	62%	52%	49%

*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 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 and Agented Parallel Loans.

⁴ Includes B-Loans, A-Loan Participation Sales (ALPS), Agented Parallel Loans, and Unfunded Risk Participation (URP).

⁵ All references in this report to percentages of advisory program expenditures in IDA countries and fragile and conflict-affected areas exclude global projects.

MESSAGE FROM LARS H. THUNELL
IFC EXECUTIVE VICE PRESIDENT AND CHIEF EXECUTIVE OFFICER
2006-2012



IFC is adapting to a world in transformation.

Developing countries have become major drivers of global growth. These countries are home to an ascendant consumer class—and more than a billion people who survive on less than \$1.25 a day. Financial crises have heightened the need for faster job creation. The rise of social media has amplified popular demands for greater transparency and accountability among governments and public institutions.

Against that backdrop, IFC has redefined development finance and the way we do business. We have established innovative ways to mobilize capital, and expanded our work in the poorest and most fragile areas of the world. We have more than doubled our investments in Africa over the last five years and have increased our activities in equity and short-term finance. We have helped build crucial global partnerships and have been a leader in thinking through the challenges of private sector development.

Our success has helped governments and stakeholders recognize the vital role the private sector can play. For entrepreneurship and job creation to even exist in poor countries, for tax revenues to rise in places where governments are breaking free from years of conflict, there must be a functioning private sector.

IFC HAS REDEFINED DEVELOPMENT FINANCE AND THE WAY WE DO BUSINESS

Consider that hundreds of millions of new jobs are needed to lower unemployment over the next decade. Or that up to \$300 billion in annual investment will be needed in the next two decades to mitigate and adapt to climate change. It cannot be done without the private sector. As the largest private sector development institution, IFC's role is clear.

New market players are changing the face of development. We must create more opportunity through partnerships—collaborating with the Group of 20, with foundations, with the full array of mobilization partners, and with our colleagues across the World Bank Group. That philosophy is behind our access-to-finance and inclusive-business work with the G-20, our efforts to increase local-currency finance, our Water Resources Group partnership to boost the availability of water, and our push for more companies and development institutions to embrace our environmental and social standards.

Recent economic crises have triggered new challenges. In times of uncertainty, banks often conserve capital and pull back lending in areas traditionally considered to be risky, including emerging markets.

We are responding by catalyzing new sources of capital, ramping up our short-term finance activities, and putting a special emphasis on creating opportunities for women. In addition, we launched an array of innovative initiatives to increase the availability of capital and support vulnerable markets in eastern and southern Europe.

We created the IFC Asset Management Company in 2009 so developing countries could have a new source of long-term equity capital. AMC is already showing its promise, with \$4.5 billion under management at the end of FY12. We have also taken strides to ensure that trade and commodity finance—without which international trade comes to a standstill—doesn't disappear in developing countries.

We are changing the way we work within IFC, part of a drive to bring staff and decision-making authority closer to clients. We redoubled our focus on results—introducing the IFC Development Goals to help drive IFC strategy and decision-making. We opened an operations center in Istanbul to speed the processing of our transactions. More than half of our staff now work in developing countries. These changes allow us make the most of our global knowledge and local expertise.

It has been an honor to be a part of this effort. The work we do here is having a critical impact—making a difference for the poor and building resilient private sectors.

A handwritten signature in dark ink, appearing to read 'Lars H. Thunell', written in a cursive style.

LARS H. THUNELL
*IFC Executive Vice President
and Chief Executive Officer
June 30, 2012*

DEVELOPMENT RESULTS



FY12 INVESTMENT SERVICES DOTS SCORE BY INDUSTRY

Infrastructure	80 (\$3,478)	76%
Funds	73 (\$945)	73%
Agribusiness & Forestry	71 (\$2,903)	72%
Financial Markets	218 (\$20,775)	70%
Manufacturing	88 (\$3,352)	69%
Oil, Gas & Mining	29 (\$1,918)	63%
Consumer & Social Services	84 (\$1,762)	57%
Telecommunications & Information Technology	25 (\$765)	56%
IFC Total	668 (\$35,897)	68%

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

FY12 INVESTMENT SERVICES DOTS SCORE BY REGION

East Asia and the Pacific	96 (\$5,645)	80%
South Asia	78 (\$2,569)	73%
Latin America and the Caribbean	148 (\$9,984)	72%
Sub-Saharan Africa	102 (\$4,717)	64%
Europe and Central Asia	158 (\$8,861)	61%
Middle East and North Africa	75 (\$3,824)	60%
IFC Total	668 (\$35,897)	68%

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

DEVELOPMENT REACH BY IFC'S INVESTMENT CLIENTS

	Portfolio CY10	Portfolio CY11	New Business FY12
Investments			
Employment (millions of jobs) ¹	2.4	2.5	0.2
Microfinance loans²			
Number (million)	8.0	19.7	10.5
Amount (\$ billions)	12.62	19.84	10.63
SME loans²			
Number (million)	1.7	3.3	0.9
Amount (\$ billions)	127.82	181.25	29.60
Customers reached with services			
Power generation (millions)	41.9	41.9	4.7
Power distribution (millions) ³	49.4	49.2	0.9
Water distribution (millions)	20.1	34.3	6.4
Gas distribution (millions) ⁴	17.2	22.4	NA
Phone connections (millions)	179.7	172.2	1.4
Patients reached (millions)	7.5	12.2	11.1
Students reached (millions)	1.0	0.9	1.2
Farmers reached (millions)	2.5	3.3	1.1
Payments to suppliers and governments			
Domestic purchases of goods and services (\$ billions)	39.51	49.84	4.18
Contribution to government revenues or savings (\$ billions)	20.28	21.73	5.71

CY10 and CY11 portfolio data are not strictly comparable, because they are based on a changed portfolio of IFC clients. The values for FY12 new business are incremental, that is, target minus baseline. Unlike the IDG figures, they do not apply contribution rules.

¹ Portfolio figures for employment include jobs provided by Funds, while New Business figures include jobs that are expected to be added by Funds.

² In many cases, results reflect also contributions from IFC Advisory Services. Portfolio reach figures represent SME and microfinance outstanding loan portfolio of IFC clients as of end of CY10 and CY11, for MSME-oriented financial institutions/projects. 222 and 268 clients were required to report their end-of-year SME and microfinance portfolios in CY10 and CY11, respectively. 195 and 252 clients did so for CY10 and CY11, respectively. The missing data were extrapolated.

³ In FY12, IFC adjusted its methodology to better estimate the numbers of residential individuals reached in these sectors.

⁴ One client in East Asia and the Pacific contributed 20.4 million of Gas Distribution customers in CY11.

FY12 COMMITMENTS

Dollar amounts in millions

Total	\$15,461.76 (100.00%)	
By Industry		
Trade Finance	\$6,003.67 (38.83%)	
Financial Markets	\$3,371.33 (21.80%)	
Infrastructure	\$1,447.43 (9.36%)	
Consumer & Social Services	\$1,374.82 (8.89%)	
Manufacturing	\$1,021.30 (6.61%)	
Agribusiness & Forestry	\$1,020.92 (6.60%)	
Oil, Gas & Mining	\$490.55 (3.17%)	
Funds	\$484.28 (3.13%)	
Telecommunications & Information Technology	\$247.45 (1.60%)	

By Product		
Loans ¹	\$6,667.88 (43.13%)	
Guarantees ²	\$6,401.66 (41.40%)	
Equity ³	\$2,281.91 (14.76%)	
Risk-management products	\$110.30 (0.71%)	

¹ Includes loan-type, quasi-equity products.

² Includes trade finance.

³ Includes equity-type, quasi-equity products.

By Region		
Latin America and the Caribbean	\$3,679.79 (23.80%)	
Europe and Central Asia	\$2,915.37 (18.86%)	
Sub-Saharan Africa	\$2,733.25 (17.68%)	
East Asia and the Pacific	\$2,548.15 (16.48%)	
Middle East and North Africa	\$2,209.71 (14.29%)	
South Asia	\$1,312.16 (8.49%)	
Global	\$63.31 (0.41%)	

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

COMMITTED PORTFOLIO

For IFC's own account as of June 30, 2012

Total	\$45,279 (100%)	
By Industry		
Financial Markets	\$13,881 (31%)	
Infrastructure	\$8,608 (19%)	
Manufacturing	\$5,578 (12%)	
Consumer & Social Services	\$3,826 (8%)	
Agribusiness & Forestry	\$3,556 (8%)	
Trade Finance	\$2,961 (7%)	
Funds	\$2,952 (7%)	
Oil, Gas & Mining	\$2,392 (5%)	
Telecommunications & Information Technology	\$1,520 (3%)	
Other	\$5 (0%)	

By Region		
Europe and Central Asia	\$10,503 (23%)	
Latin America and the Caribbean	\$10,371 (23%)	
East Asia and the Pacific	\$7,216 (16%)	
Sub-Saharan Africa	\$6,461 (14%)	
Middle East and North Africa	\$5,585 (12%)	
South Asia	\$4,697 (10%)	
Global	\$445 (1%)	

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

FY12 ADVISORY SERVICES PROGRAM EXPENDITURES

Dollar amounts in millions

Total	\$197.0 (100.00%)	
By Business Line		
Access to Finance	\$62.6 (32%)	
Investment Climate	\$56.5 (29%)	
Sustainable Business	\$47.9 (24%)	
Public-Private Partnerships	\$30.0 (15%)	

By Region		
Sub-Saharan Africa	\$57.4 (29%)	
Europe and Central Asia	\$34.4 (17%)	
East Asia and the Pacific	\$28.2 (14%)	
South Asia	\$27.6 (14%)	
Latin America and the Caribbean	\$20.9 (11%)	
Middle East and North Africa	\$17.9 (9%)	
Global	\$10.6 (5%)	

OUR VISION

That people should have the opportunity to escape poverty and improve their lives.

OUR VALUES

Excellence, commitment, integrity, teamwork, and diversity.

OUR PURPOSE

To create opportunity for people to escape poverty and improve their lives by catalyzing the means for inclusive and sustainable growth, through:

- Mobilizing other sources of finance for private enterprise development
- 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 poor and vulnerable

To achieve our purpose, IFC offers development-impact solutions through firm-level interventions (direct investments, advisory services, and the IFC Asset Management Company); by promoting global collective action; by strengthening governance and standard setting; and through business-enabling-environment work.

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