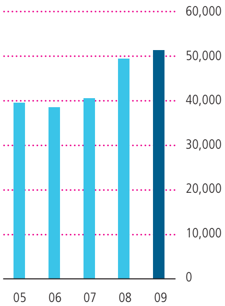
IFC *at a* GLANCE

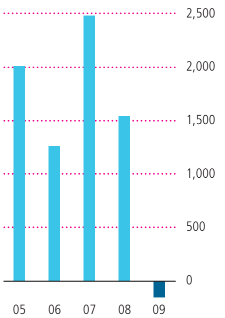
TOTAL ASSETS

Dollars in millions



NET INCOME

Dollars in millions



IFC'S FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS ARE AVAILABLE ONLINE AT: WWW.IFC.ORG/ANNUALREPORT.

FINANCIAL HIGHLIGHTS

AS OF AND FOR THE YEARS ENDED JUNE 30

Dollars in millions	2009	2008	2007	2006	2005
Net (loss) income	(151)	1,547	2,490	1,264	2,014
Grants to IDA	450	500	150	–	–
Total assets	51,483	49,471	40,599	38,547	39,583
Loans, equity investments and debt securities, net	22,214	23,319	15,796	12,787	11,489
Return on average assets [1]	(0.3)%	3.4%	6.3%	3.2%	5.6%
Return on average capital [2]	(0.9)%	9.6%	19.8%	12.1%	22.9%
Cash and liquid investments as a percentage of next three years' estimated net cash requirements	75%	62%	85%	112%	142%
External funding liquidity level [3]	163%	96%	95%	N/A	N/A
Debt to equity ratio [4]	2.1:1	1.6:1	1.4:1	1.6:1	1.9:1
Capital to risk-weighted assets ratio [5]	44%	48%	57%	54%	50%
Total reserves against losses on loans to total disbursed loan portfolio [6]	7.4%	5.5%	6.5%	8.3%	9.9%

Certain financial ratios are calculated excluding the effects of net gains and losses on other non-trading financial instruments and accumulated other comprehensive income.

[1] Return on average assets is defined as net income for the fiscal year as a percentage of the average of total assets at the end of such fiscal year and the previous fiscal year.

[2] Return on average capital is defined as net income for the fiscal year as a percentage of the average of total capital (excluding payments on account of pending subscriptions) at the end of such fiscal year and the previous fiscal year.

[3] Beginning June 30, 2007, IFC's liquidity policy was revised so that IFC is to maintain a minimum level of liquidity, consisting of proceeds from external funding to cover at least 65% of the sum of (i) 100% of committed but undisbursed straight senior loans; (ii) 30% of committed guarantees; and (iii) 30% of committed client risk management products.

[4] Debt to equity ratio is defined as the ratio of outstanding borrowings plus outstanding guarantees to subscribed capital plus undesignated retained earnings (less cumulative unrealized gains and losses on loans, equity investments, and other non-trading financial instruments accounted for at fair value in net income) at the end of the fiscal year.

[5] Capital to risk-weighted assets ratio is defined as the ratio of capital (including paid-in capital, retained earnings, and portfolio (general) loan loss reserve) to risk-weighted assets, both on- and off-balance sheet. The ratio does not include designated retained earnings reported in total capital on IFC's consolidated balance sheet.

[6] Total reserves against losses on loans to total disbursed loan portfolio is defined as reserve against losses on loans as a percentage of the total disbursed loan portfolio at the end of the fiscal year.

OPERATIONAL HIGHLIGHTS

AS OF AND FOR THE YEARS ENDED JUNE 30

Dollars in millions	2009	2008	2007	2006	2005
Investment commitments					
Number of projects [1]	447	372	299	284	236
Number of countries	103	85	69	66	67
Total commitments signed [2]	12,405	14,649	9,995	8,275	6,449
For IFC's own account [3]	10,547	11,399	8,220	6,703	5,373
Total resources mobilized [4]	3,964	4,752	3,887	2,817	2,125
Investment disbursements					
Total financing disbursed	7,606	9,921	7,456	5,739	4,011
For IFC's own account	5,640	7,539	5,841	4,428	3,456
Total resources mobilized	1,966	2,382	1,615	1,311	555
Committed portfolio					
Number of firms	1,579	1,490	1,410	1,368	1,313
Total committed portfolio	42,498	39,891	30,954	26,706	24,536
For IFC's own account [3]	34,502	32,366	25,411	21,627	19,253
Syndication [2]	7,996	7,525	5,543	5,079	5,283
Advisory Services					
Number of projects	782	862	1,018		
Approved value ($ millions)	940.8	919.1	846.3		
AS Expenditures	290.9	268.7	196.9	151.5	122.5

[1] Includes first commitment to projects in the fiscal year. Projects involving financing to more than one company are counted as one commitment.

[2] From FY06, includes loan and guarantees participations.

[3] Includes loan guarantees and risk management products.

[4] Includes syndications, structured and securitized products, and IFC new initiatives.

IFC responded to the global economic crisis with speed, agility, and innovation—helping businesses in developing countries with a broad package of targeted investments and Advisory Services.

The initiatives helped companies in challenging times: preserving and creating employment, supporting supply chains, and providing much-needed credit.

PROVIDING LIQUIDITY SUPPORT

TRADE

The global crisis steered private capital away from emerging markets and into lower-risk markets. Vital commercial trade finance lines were cut, creating a need for new funding in previously well-financed sectors. IFC has two complementary programs to support trade finance:

—We expanded our Global Trade Finance Program to $3 billion from $1 billion, guaranteeing risks that commercial banks will not take—especially for smaller companies in the poorest countries—and allowing support for an additional $18 billion in trade over three years. Now active in more than 70 countries, the program expects to add more in the coming year.

—A new Global Trade Liquidity Program is working on a larger scale, teaming IFC with multilateral institutions, national governments, and major international banks to provide liquidity for trade-related transactions through banks across the developing world. The program is designed to support $50 billion in trade over three years.

INFRASTRUCTURE

The crisis also threatens many upcoming emerging-market infrastructure projects that are expected to play an important development role.

—IFC's new Infrastructure Crisis Facility supports viable private sector or public-private-partnership projects that face financial distress because of the crisis. Debt and equity will provide short- to medium-term financing, and Advisory Services will help governments design or redesign public-private partnership projects. Plans include:

- —Ensuring a minimum level of continued new project activity where restarting project-development plans could otherwise take several years.
- —Investing up to $300 million in the facility's equity fund, with other investors expected to provide at least $2 billion.

MICROFINANCE

Although commercial microfinance as a whole continues to perform well, the private capital it had started attracting in recent years is now virtually unavailable. To help this critical industry rebuild market confidence and maintain its momentum in the fight against poverty:

—IFC and German development bank KfW created the Microfinance Enhancement Facility. Three of the industry's leading private fund managers—BlueOrchard Finance, responsAbility Social Investments AG, and Cyrano Management—serve as investment managers, ensuring rapid deployment and cost efficiency.

- —More than 100 microfinance institutions will receive needed refinancing.
- —The initiative potentially could benefit 60 million low-income borrowers in the world's poorest countries.

REBUILDING FINANCIAL INFRASTRUCTURE

INVESTING IN LEADING LOCAL BANKS

Strong banking systems are essential for resuming the flow of credit in emerging markets, so businesses can expand again and economies can rebound. Working with partners, IFC has moved to strengthen local banks that play a critical role in the economic health of developing countries.

—The IFC Capitalization Fund will provide additional capital for major banks in developing countries so they can keep lending and supporting economic recovery and job creation through the crisis.

- —The fund will make subordinated loans to and equity or equity-linked investments in major private banks or in state-owned banks on a clear path to privatization.
- —The $3 billion fund consists of a $1 billion IFC investment and $2 billion from the Japan Bank for International Cooperation.
- —We are also exploring expanding the reach of the IFC Capitalization Fund by developing parallel funds dedicated to investment banks in Africa and Eastern Europe in the short term.

ENHANCING ADVISORY SERVICES

IFC has quickly ramped up its advisory efforts and mobilized its donor partners to help governments, clients, and markets cope with the crisis and recover speedily. Priorities include:

—Helping financial institutions better manage their risks and their nonperforming loans.

—Complementing our investment efforts in banking for small and medium enterprises, microfinance, and housing finance with advice to financial institutions.

—Supporting governments' efforts to keep trade flowing with advice on trade logistics.

—Helping governments facing larger deficits widen their tax base.

—Encouraging governments to simplify their bankruptcy systems to allow indebted companies to recover faster.

—Advising boards of directors on risk management and crisis intervention.

—Helping governments redesign public-private infrastructure projects that face crisis-related difficulties.

FLIP OPEN TO VIEW OUR CRISIS-RESPONSE INITIATIVES

our vision

IFC'S VISION is that people should have the opportunity to escape poverty and improve their lives

our 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 to generate productive jobs and deliver essential services to the underserved