



# HIGHLIGHTS FROM THE 2022 IFC ANNUAL REPORT

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In fiscal year 2022, IFC committed a record \$32.8 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of global compounding crises.

## LETTER FROM MAKHTAR DIOP

IFC Managing Director



Stepping up in a time of uncertainty.

The title of our Annual Report reflects our determination to step forward, with a sense of urgency, when the world needs us most.

In an environment fraught with uncertainties, confronting mounting challenges with decisiveness and resolve is the only way forward.

## Global Challenges

The slow vaccination rates in the developing world and the emergence of new variants prolonged the impacts of the COVID-19 pandemic. The war in Ukraine unleashed a humanitarian crisis in the region, triggered a global food crisis, and further disrupted global supply chains. Soaring inflation worsened poverty and threatened essential investments in emerging markets. More frequent and intense climate events provided an ominous glimpse at the consequences of a continued disregard for the planet.

Taken together, these challenges point toward a singular truth: there is no going back to where we were before. We have entered a new normal, one that will require new partnerships and creative mindsets to pave the way for a more sustainable, resilient, and inclusive future.

What does the new normal demand from IFC? This topic has weighed heavily on my mind this year. I am incredibly proud of what our team has accomplished in the face of unprecedented uncertainty and growing fragility around the world. Fiscal Year 2022 was another record-setting year, with total investment commitments of \$32.8 billion. These investments created regional manufacturing hubs that can produce vaccines and other essential goods, helped commerce flow in fragile and conflict-affected areas, and kept climate projects on track amid economic anxiety that could have derailed them.

When I step back and reflect on the totality of IFC's accomplishments, a common thread emerges: IFC's ability to defy uncertainty and drive outcomes that change lives. Our ability to step up in the most challenging circumstances and bring others along. Our willingness to take risks and seize opportunities.

## Building Resilience

Countries around the world are carrying the weight of converging crises. They are feeling the pull to turn inward, shore up resources, and focus on national concerns. But strong nations and close global ties are not and should not be mutually exclusive goals.

To keep trade flowing across borders in turbulent times, IFC committed record amounts in trade financing support to emerging markets, especially low-income countries.

Another example of what is possible is building medical supply chains to address the pandemic. Since March 2020, IFC has invested and mobilized more than \$2.2 billion to help get vaccines, personal protective equipment, and medical supplies into emerging markets, with a special focus on regional facilities and distribution channels in Africa that can serve local populations long after the COVID-19 crisis subsides.

The potential implications of this approach go far beyond healthcare. We envision similar opportunities to build resilient ecosystems in areas like agriculture — and therefore food security — and housing. In fact, we plan to use our Global Health Platform as a model for addressing food insecurity and targeting assistance to farmers, food processors, and fertilizer distributors in developing countries.

We will also continue to support opportunities that connect individuals with training, digital resources, and capital to launch businesses. These investments are key to driving the economic engines of emerging markets and promoting the kinds of innovation that can reshape the world.

## Multidimensional Development

Consider the energy crisis in the developing world, where 600 million people in Africa alone still live without access to electricity. The need to address this issue is not up for debate. Yet the ever-worsening impacts of climate change mean we cannot do it in the same way we always have. We need to find a new path forward: one that combines advancements in sustainable technologies, massive investments in adaptation with innovative trade agreements and financing tools. This is the only way we are going to succeed in powering Africa — while decarbonizing an industry that is one of the world's largest contributors to greenhouse gas emissions — and helping middle income countries through their energy transition.

This is just one example of multidimensional development, but there are countless others. We need to both expand capital access for small businesses and invite in more women and underrepresented minorities to take part. We need to both build affordable housing and invest in more sustainable building materials.

It is hard to understate the power of these opportunities. They have the potential to create true win-win scenarios that benefit businesses, nations, and the entire global community. But they will also require sustained effort, new partnerships, and close collaboration between the public and private sectors and international development organizations like IFC.

## Creating a Stronger IFC

In the new normal, we all have to get comfortable taking on more challenges, which means taking more risks and being willing to push the envelope. We have to want more for the future of the world, do more to achieve it, and be more like the best versions of ourselves.

IFC has already taken so many important steps forward to meet the demands of the moment. We continue to increase our climate-related commitments, and we are on track for all direct investments to be aligned with the Paris Agreement by 2025. We are also building on our legacy of setting global standards, launching new green taxonomies for climate-friendly projects or issuing guidelines for blue finance to promote the blue economy and save our oceans.

We continue to build out our capacity for taking on bold risks in a prudent manner. We know how important our willingness to push into challenging markets is, and we remain committed to charting paths that will encourage others to follow. We intend to grow our use of blended finance tools to help rebalance risks for private investors, and we will keep taking chances on game-changing ideas and innovations. We know not every investment is going to pan out, but the potential impact of the ones that do far outweigh the costs.

I am especially excited about the growth of our Upstream program, which has truly gone mainstream and become a central part of our operations. Now we're shifting our focus to execute on a robust pipeline of commercially viable projects and convert these ideas into investments that move the needle and create new or expand existing markets including in fragile countries.

But even with all these initiatives, there is still more we can and must take on. That is why we are proactively

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improving how our organization works around the world. We are implementing changes to IFC's organizational structure and decision-making frameworks that will remove silos, foster greater collaboration, and streamline decision-making so that frontline staff, who know on-the-ground conditions best, can respond quickly and effectively to clients.

My hope is that these changes will help optimize IFC for the future. I want us to be an organization that embraces change and nurtures talent. I want us to have a culture that is diverse, lively, and inclusive. Put simply, I want us to be nothing short of the very best in global development — for our clients, for the people and communities we serve, and for ourselves.

The new normal is not something we should fear. It is something that should inspire our work toward a better, brighter tomorrow.



**Makhtar Diop**  
Managing Director

# IFC OPERATIONAL HIGHLIGHTS

Dollars in millions, for the years ended June 30

	2022	2021	2020	2019	2018
<b>Investment Commitments<sup>1</sup></b>	\$32,825	\$ 31,500	\$ 28,430	\$ 24,890	\$ 30,699
<b>Long-Term Investment Commitments</b>					
FOR IFC'S OWN ACCOUNT	\$ 12,569	\$ 12,474	\$ 11,135	\$ 8,920	\$ 11,629
Number of projects	296	313	282	269	366
Number of countries	68	71	67	65	74
MOBILIZATION <sup>2</sup>	\$ 10,596	\$ 10,831	\$ 10,826	\$ 10,206	\$ 11,671
Syndicated loans	\$ 3,475	\$ 3,647	\$ 4,989	\$ 5,824	\$ 7,745
IFC initiatives & other	\$ 3,311	\$ 3,693	\$ 3,370	\$ 2,857	\$ 2,619
Asset Management Company (AMC) Funds	\$ 248	\$ 244	\$ 50	\$ 388	\$ 263
Advisory Mobilization <sup>3</sup>	\$ 3,562	\$ 3,246	\$ 2,417	\$ 1,137	\$ 1,044
TOTAL LONG-TERM INVESTMENT COMMITMENTS	\$ 23,166	\$ 23,305	\$ 21,961	\$ 19,126	\$ 23,301
<b>Short-Term Investment Commitments</b>					
Annual Commitments <sup>4</sup>	\$ 9,659	\$ 8,195	\$ 6,469	\$ 5,764	\$ 7,398
<b>Investment Disbursements</b>					
For IFC's account	\$ 13,198	\$ 11,438	\$ 10,518	\$ 9,074	\$ 11,149
Syndicated loans	\$ 2,589	\$ 1,309	\$ 2,231	\$ 2,510	\$ 1,984
TOTAL INVESTMENT DISBURSEMENTS	\$ 15,787	\$ 12,747	\$ 12,749	\$ 11,584	\$ 13,133
<b>Portfolio Exposure<sup>5</sup></b>					
Number of firms	1,848	1,822	1,880	1,930	1,977
For IFC's account	\$ 63,763	\$ 64,092	\$ 58,650	\$ 58,847	\$ 57,173
Syndicated loans	\$ 15,235	\$ 15,658	\$ 16,161	\$ 15,787	\$ 16,210
TOTAL PORTFOLIO EXPOSURE	\$ 78,998	\$ 79,750	\$ 74,811	\$ 74,635	\$ 73,383
<b>Advisory Services</b>					
Advisory Services program expenditures	\$ 250.6	\$ 244.0	\$ 274.4	\$ 295.1	\$ 273.4
Share of program in IDA countries <sup>6</sup>	51%	54%	57%	59%	57%

1. Investment Commitments include Long-Term Investment Commitments and Short-Term Investment Commitments.

2. Defined as "core mobilization" — Non-IFC financing or risk sharing arranged on commercial terms due to the active and direct involvement of IFC for the benefit of a client. Excludes \$895 million of unfunded risk transfers that are accounted for under IFC's own account.

3. Advisory Mobilization includes third-party private financing that has been mobilized for Public Private Partnerships, as a result of IFC's role as lead transaction advisor. It also includes Corporate Finance Services, for projects in which IFC has provided transaction advisory services to help private sector clients expand into new markets, diversify and restructure operations or bring in new equity investors.

4. FY20 Annual Report reflected Short Term Finance ("STF") Average Outstanding Balance for FY17-FY19. FY21 Annual Report used Short-Term Investment commitment for FY17-FY21. In FY20 Annual Report, Short-Term Investment commitment was reported as \$6,473 million; the figure has been revised to \$6,469 million. Short-Term Finance includes Global Trade Finance Program (GTFP) and Global Trade Supplier Finance Program (GTSF).

5. Portfolio exposure is defined as the sum of the (i) committed exposure for IFC's debt investments, (ii) fair market value of IFC's equity investments, and (iii) total undisbursed equity commitments. Effective July 1, 2018, to accommodate change in accounting standards impacting how IFC reports its equity holdings, IFC has introduced the new term "Portfolio Exposure," which, instead of disbursed and outstanding balance, uses the fair market value of IFC's equity investments. Therefore, FY19 onwards Portfolio Exposure For IFC's account and prior years are not directly comparable.

6. All references 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

	2022	2021	2020	2019	2018
Net (loss) income <sup>1</sup>	\$ (464)	\$ 4,209	\$ (1,672)	\$ 93	\$ 1,280
Grants to IDA	–	213	–	–	80
(Loss) income before grants to IDA	(464)	4,422	(1,672)	93	1,360
Total assets	\$ 99,010	\$105,264	\$ 95,800	\$ 99,257	\$ 94,272
Investments	44,093	44,991	41,138	43,462	42,264
<b>Key Ratios</b>					
Overall liquidity ratio	111%	114%	96%	104%	100%
Debt-to-equity ratio	1.6	2.1	2.2	2.2	2.5
Capital available (\$ in billions)	32.5	30.7	28.2	27.8	24.7
Capital required (\$ in billions)	20.1	20.5	20.3	21.8	20.1
Total reserve against losses on loans to total disbursed portfolio	4.4%	4.9%	6.3%	4.7%	5.1%

1. Financial results are not directly comparable due to the adoption of ASU 2016-01 on July 1, 2019, which resulted in all unrealized gains and losses on equity investments being reported in Net Income since the fiscal year 2019.

## FY22 Advisory Services Program Expenditures

Dollar amounts in millions

Total	\$250.6	100%
<b>By Region</b>		
Africa	\$ 98.7	39%
Global	\$ 31.2	12%
East Asia and the Pacific	\$ 28.9	12%
Latin America and the Caribbean	\$ 26.1	10%
South Asia	\$ 20.0	8%
Europe	\$ 19.9	8%
Middle East	\$ 14.9	6%
Central Asia and Türkiye	\$ 10.9	4%

### By Business Area

IFC Industries	\$169.7	68%
<i>Financial Institutions Group</i>	62.3	25%
<i>Manufacturing, Agribusiness &amp; Services</i>	44.0	18%
<i>Transaction Advisory</i>	35.1	14%
<i>Infrastructure &amp; Natural Resources</i>	22.6	9%
<i>Disruptive Technologies &amp; Funds</i>	5.7	2%
Other Advisory, including Environment, Social & Governance	\$ 28.9	12%
Creating Markets Regional Advisory	\$ 52.0	21%

**“WE HAVE ENTERED A NEW NORMAL, ONE THAT WILL REQUIRE NEW PARTNERSHIPS AND CREATIVE MINDSETS TO PAVE THE WAY FOR A MORE SUSTAINABLE, RESILIENT, AND INCLUSIVE FUTURE.”**

**MAKHTAR DIOP**, IFC MANAGING DIRECTOR

## FY22 Long-Term Commitments

Dollar amounts in millions, for IFC's own account as of June 30, 2022

Total	\$12,569	100.00%
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### By Industry

Financial Markets	\$ 6,189	49.24%
Infrastructure	\$ 1,596	12.70%
Manufacturing	\$ 1,093	8.69%
Health & Education	\$ 809	6.44%
Funds	\$ 765	6.09%
Agribusiness & Forestry	\$ 706	5.62%
Telecommunications & Information Technology	\$ 656	5.22%
Tourism, Retail & Property	\$ 655	5.21%
Natural Resources <sup>1</sup>	\$ 100	0.80%

### By Region

Latin America and the Caribbean	\$ 3,164	25.17%
East Asia and the Pacific	\$ 2,965	23.59%
Africa	\$ 2,643	21.02%
South Asia	\$ 1,605	12.77%
Central Asia and Türkiye	\$ 1,024	8.15%
Europe	\$ 906	7.20%
Middle East	\$ 254	2.02%
Global	\$ 8	0.07%

### By Product

Loans <sup>2</sup>	\$10,190	81.07%
Equity <sup>3</sup>	\$ 1,622	12.90%
Guarantees	\$ 720	5.72%
Risk-management products	\$ 38	0.30%

1. Includes IFC's activities in oil, gas, and mining.

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

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

## FY22 Portfolio Exposure<sup>4</sup>

Dollar amounts in millions, for IFC's own account as of June 30, 2022

Total	\$63,763	100%
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### By Industry

Financial Markets	\$24,312	38%
Infrastructure	\$ 9,058	14%
Funds	\$ 6,605	10%
Manufacturing	\$ 4,471	7%
Health & Education	\$ 4,037	6%
Agribusiness & Forestry	\$ 3,951	6%
Tourism, Retail & Property	\$ 3,826	6%
Trade Finance	\$ 3,406	5%
Telecommunications & Information Technology	\$ 2,644	4%
Natural Resources <sup>1</sup>	\$ 1,451	2%

### By Region<sup>5</sup>

Africa	\$13,345	21%
Latin America and the Caribbean	\$12,956	20%
East Asia and the Pacific	\$12,593	20%
South Asia	\$ 8,637	14%
Global	\$ 5,641	9%
Central Asia and Türkiye	\$ 4,357	7%
Europe	\$ 3,620	6%
Middle East	\$ 2,614	4%

### By Product

Loans <sup>2</sup>	\$44,011	69%
Equity <sup>3</sup>	\$14,504	23%
Guarantees	\$ 4,883	8%
Risk-management products	\$ 364	1%

4. Portfolio exposure is defined as the sum of the (i) committed exposure for IFC's debt investments, (ii) fair market value of IFC's equity investments, and (iii) total undisbursed equity commitments.

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

## ABOUT IFC

IFC — a member of the World Bank Group — is the largest global development institution focused on the private sector in emerging markets.

We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries.



Creating Markets, Creating Opportunities

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