



IFC | INTERNATIONAL
FINANCE CORPORATION
WORLD BANK GROUP

Management's Discussion and Analysis,
Financial Statements, and Investment Portfolio

Volume 2

Adding Value *to Private Sector Investment*



2004 Annual Report

IFC'S ANNUAL REPORT ON THE WEB, www.ifc.org/ar2004, is a companion to this printed edition. It provides easy navigation and downloading of data related to IFC investment projects.

Note: The regional reports, project listings, and other information on IFC operations during the 2004 fiscal year appear in Volume 1 of the Annual Report.

The Corporation defines a commitment to include: (1) signed loan and equity (including quasi-equity) investment agreements; (2) signed guarantee agreements; and (3) risk management facilities that are considered ready for execution as evidenced by a signed ISDA agreement or a signed risk management facility agreement with a client.

Currency is given in U.S. dollars throughout unless otherwise specified.

All numbers reflect rounding.

THE INTERNATIONAL FINANCE CORPORATION promotes sustainable private sector investment in developing countries. IFC is a member of the World Bank Group and is headquartered in Washington, D.C. It shares the primary objective of all World Bank Group institutions: to reduce poverty and improve the lives of people in its developing member countries.

Since its founding in 1956, IFC has committed more than \$44 billion of its own funds and has arranged \$23 billion in syndications and underwriting for 3,143 companies in 140 developing countries. IFC coordinates its activities with the other institutions in the World Bank Group—the International Bank for Reconstruction and Development, the International Development Association, the Multilateral Investment Guarantee Agency, and the International Centre for Settlement of Investment Disputes—but is legally and financially independent. Its 176 member countries provide its share capital and collectively determine its policies.



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Management's Discussion & Analysis of Financial Condition and Results of Operations

I. OVERVIEW

International Finance Corporation (IFC or the Corporation) is an international organization, established in 1956, to further economic growth in its developing member countries by promoting private sector development. IFC is a member of the World Bank Group, which also includes the International Bank for Reconstruction and Development (IBRD or the World Bank), the International Development Association (IDA), and the Multilateral Investment Guarantee Agency (MIGA). It is a legal entity separate and distinct from the World Bank, IDA, and MIGA, with its own Articles of Agreement, share capital, financial structure, management, and staff. Membership in IFC is open only to member countries of the World Bank. As of June 30, 2004, IFC's entire share capital was held by 176 member countries.

IFC's principal products are loans and equity investments, with a small guarantee portfolio. Unlike most multilateral development institutions, IFC does not accept host government guarantees. IFC raises virtually all of the funds for its lending activities through the issuance of debt obligations in the international capital markets, while maintaining a small borrowing window with the World Bank. Equity investments are funded from net worth. During the year ended June 30, 2004 (FY04), IFC had an authorized borrowing ceiling of \$3.5 billion (including \$0.75 billion to allow for possible prefunding of the funding program for the year to June 30, 2005 (FY05) during FY04).

IFC's capital base and its assets and liabilities are primarily denominated in US dollars. The Corporation seeks to minimize market risk (foreign exchange and interest rate risks) by closely matching the currency, rate bases, and maturity of its liabilities in various currencies with assets with the same characteristics. The Corporation controls residual market risk by utilizing currency and interest rate swaps and other derivative instruments.

II. FINANCIAL SUMMARY

Basis of preparation of the Corporation's financial statements

The accounting and reporting policies of the Corporation conform to generally accepted accounting principles in the United States (US GAAP).

The Corporation has traditionally prepared one set of financial statements and footnotes, complying with both US GAAP and International Financial Reporting Standards (IFRS). However, principally due to material differences between US Statement of Financial Accounting Standards (SFAS) No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138, *Accounting for Certain Derivatives and Certain Hedging Relationships* (collectively SFAS No. 133), and its counterpart in IFRS, IAS No. 39, *Financial Instruments Recognition and Measurement*, it has not been possible for the Corporation to satisfy the requirements of both US GAAP and IFRS via one set of financial statements since the year ended June 30, 2000.

IFC is actively monitoring developments related to accounting standards and the primary basis for preparation of its financial statements, all with a view to the necessary systems and controls to manage its various lines of business. IFC plans to resume presentation of its financial statements using IFRS by the year ending June 30, 2007.

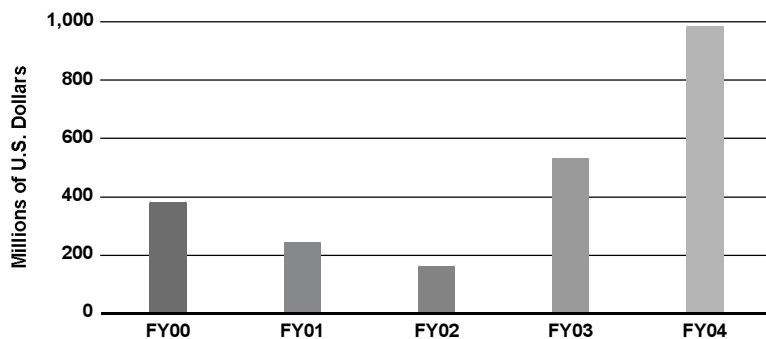
Unless stated otherwise, discussions of financial performance herein refer to operating income, which excludes the effects of adopting SFAS No. 133. The effects of SFAS No. 133 on net income are discussed in Section VII.

Financial performance summary

From year to year, IFC's operating income is affected by a number of factors, principally the magnitude of provisions for losses against its loans, equity investments and guarantees; loans in nonaccrual status and recoveries of interest on loans formerly in nonaccrual status; and income (dividends and capital gains) generated from its equity portfolio. A significant part of IFC's liquid assets portfolio is invested in fixed income securities, which are also subject to external market factors that affect the value of such securities, adding variability to operating income. Beginning in FY01, net income also includes net gains and losses on financial instruments other than from trading activities, pursuant to the implementation of SFAS No. 133.

IFC has been consistently profitable since its inception in 1956, and recorded operating income for FY04 of \$982 million, as compared with \$528 million for the year ended June 30, 2003 (FY03), and \$161 million for the year ended June 30, 2002 (FY02). The \$982 million of operating income in FY04 was a record high for the Corporation, reflecting contributions across each of IFC's main business segments: loans, equities and treasury operations. The Corporation was able to record net income in FY04, including the effects of SFAS No. 133, of \$993 million, as compared with \$487 million for FY03 and \$215 million for FY02.

The Corporation's operating income for the past five fiscal years ended June 30 is presented below:



The table below presents selected financial data for the last five fiscal years (in millions of US dollars, except where otherwise stated):

	As of and for the years ended June 30				
	2004	2003	2002	2001	2000
Net income highlights:					
Interest income	796	795	1,040	1,505	1,328
Of which:					
Interest and financial fees from loans	518	477	547	732	694
Income from time deposits and securities	278	318	493	773	634
Charges on borrowings	(141)	(226)	(438)	(961)	(812)
Net (losses) gains on trading activities	(104)	157	31	87	(38)
Income from equity investments	584	195	428	222	262
Of which:					
Capital gains on equity sales	381	52	288	91	132
Dividends and profit participations	207	147	141	131	130
Net gains (losses) on equity-related derivatives and custody & other fees	(4)	(4)	(1)	-	-
Release of (provision for) losses on loans, equity investments & guarantees	177	(98)	(657)	(402)	(215)
Net noninterest expense	(330)	(295)	(243)	(210)	(145)
Operating income	982	528	161	241	380
Net gains (losses) on other financial instruments	11	(41)	54	11	-
Effect of accounting change	-	-	-	93	-
Net income	993	487	215	345	380
Balance sheet highlights: (1)					
Total assets	32,361	31,543	27,739	26,170	38,719
Liquid assets, net of associated derivatives	13,055	12,952	14,532	13,258	12,204
Loans and equity investments	12,312	12,002	10,734	10,909	10,940
Reserve against losses on loans and equity investments	(2,033)	(2,625)	(2,771)	(2,213)	(1,973)
Borrowings withdrawn and outstanding	16,254	17,315	16,581	15,457	14,919
Total capital	7,782	6,789	6,304	6,095	5,733
Key financial ratios: (2)					
Return on average assets (3)	3.1%	1.8%	0.6%	0.6%	1.1%
Return on average net worth (4)	13.7%	8.2%	2.7%	4.1%	6.9%
Cash and liquid investments as a percentage of next three years' estimated net cash requirements	116%	107%	109%	101%	103%
Debt to equity ratio (5)	2.3:1	2.6:1	2.8:1	2.6:1	2.6:1
Capital adequacy ratio (6)	48%	45%	49%	48%	48%
Total reserve against losses to total disbursed portfolio (7)	16.5%	21.9%	25.8%	20.3%	18.0%

- In respect of loans, borrowings, and derivative assets and liabilities, the balance sheet and related disclosures as of June 30, 2004, June 30, 2003, June 30, 2002, and June 30, 2001, are not comparable with the balance sheet and related disclosures as of June 30, 2000, due to the effects of implementing SFAS No. 133.
- Key financial ratios are generally calculated excluding the effects of SFAS No. 133.
- Return on average assets is defined as operating 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.
- Return on average net worth is defined as operating income for the fiscal year as a percentage of the average of total net worth (excluding payments on account of pending subscriptions) at the end of such fiscal year and the previous fiscal year.
- Debt to equity ratio is defined as the ratio of outstanding borrowings plus outstanding guarantees to subscribed capital plus retained earnings at the end of the fiscal year.
- Capital adequacy ratio is defined as the ratio of capital (including paid-in capital, retained earnings, and general loss reserve) to risk-weighted assets, both on- and off-balance sheet.
- Total reserves against losses to total disbursed portfolio is defined as reserve against losses on loans and equity investments as a percentage of the total disbursed loan and equity portfolio at the end of the fiscal year.

III. CLIENT SERVICES

Business overview

In partnership with private investors, IFC assists in financing the establishment, improvement, and expansion of private sector enterprises by making investments where sufficient private capital is not otherwise available on reasonable terms. IFC seeks to bring together domestic and foreign private capital and experienced management and thereby create conditions conducive to the flow of private capital, domestic and foreign, into productive investments in its developing member countries. In this way, IFC plays a catalytic role in mobilizing additional project funding from other investors and lenders, either through cofinancing or through loan syndications, underwritings, and guarantees. In addition to project finance (described below) and resource mobilization, IFC offers financial and technical advisory services to private businesses in developing member countries. It also advises member governments on private sector development matters.

IFC's investments are normally made in its developing member countries. The Articles of Agreement mandate that IFC shall invest in productive private enterprise. The requirement for private ownership does not disqualify enterprises that are partly owned by the public sector if such enterprises are organized under local commercial and corporate law, operate free of host government control in a market context and according to profitability criteria, and/or are in the process of being totally or partially privatized.

The Corporation's main investment activity is project financing. This encompasses "greenfield" projects, expansions, and modernizations. IFC also provides corporate credits to selected companies to finance ongoing programs of investment projects. In addition, the Corporation facilitates financing through financial intermediaries, covering project and general purpose lending and specialized lending products such as leasing, trade, and mortgage finance. These financial intermediaries function either as IFC's borrower, on-lending to private sector companies at their own risk, or as IFC's agent, identifying companies for direct loans from IFC.

The Corporation applies stringent tests of enterprise soundness, project viability, and developmental impact in determining the eligibility of projects for its investments.

IFC has historically delivered its mission primarily through investments. IFC has increased its efforts in frontier markets and sustainable development impact. As a result, the demands on the Corporation for associated advisory work and technical assistance have increased and continue to grow. In FY04, IFC established a funding mechanism for technical assistance and advisory services, funded by designations of IFC's retained earnings. This funding mechanism finances project development facilities, private enterprise partnerships and similar facilities focused on small and medium-sized enterprise development and similar initiatives.

Amounts designated for technical assistance and advisory services are determined based on the Corporation's annual operating income in excess of \$150 million, contemplating the financial capacity and priorities of the Corporation, and are approved by the Corporation's Board of Directors prior to the issuance of the annual financial statements. Expenditures for the various approved technical assistance and advisory projects are recorded as expenses in the Corporation's income statement in the year in which they occur, beginning in the year ending June 30, 2005 (FY05), and have the effect of reducing retained earnings designated for this specific purpose. On August 3, 2004, IFC's Board of Directors approved a designation of \$225 million of the Corporation's retained earnings. Additional information on the funding mechanism for technical assistance and advisory services can be found in Notes A and K to the Corporation's FY04 financial statements.

Investment process and portfolio supervision

IFC's investment process can be divided into six main stages:

- Identification and appraisal
- Board approval
- Document negotiation
- Commitment
- Disbursement
- Supervision

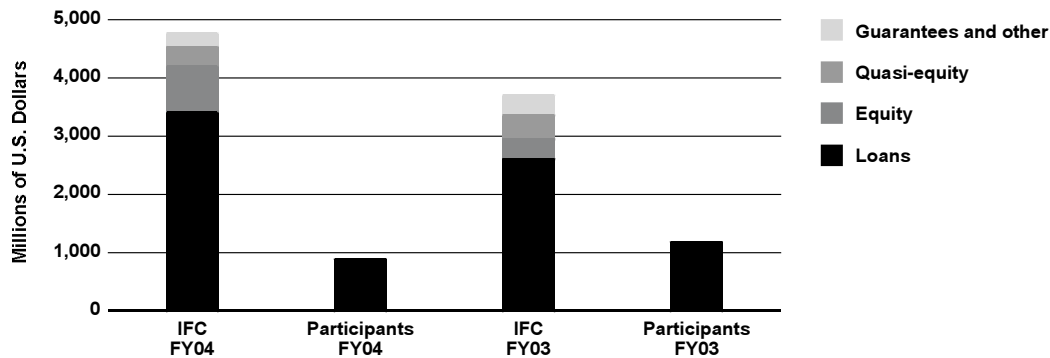
The initial four stages are carried out under the responsibility of the Vice President, Investment Operations, while the fifth and sixth stages are overseen by the Vice President, Portfolio and Risk Management.

The Corporation carefully supervises its projects to monitor project performance and compliance with contractual obligations and with IFC's internal policies and procedures. IFC's Board of Directors is informed of such matters and of recommended courses of action at regular intervals.

Investment program summary

Commitments

In FY04, the Corporation entered into new commitments totaling \$4.8 billion, including \$0.2 billion of signed guarantees, compared with \$3.9 billion (including \$0.4 billion of signed guarantees) for FY03. Loan and equity investment commitments pending disbursement at June 30, 2004 were \$4.6 billion (\$3.5 billion at June 30, 2003). Guarantees and client risk management facilities committed but not utilized at June 30, 2004, were \$0.7 billion (\$0.9 billion at June 30, 2003). FY04 and FY03 commitments comprised the following:

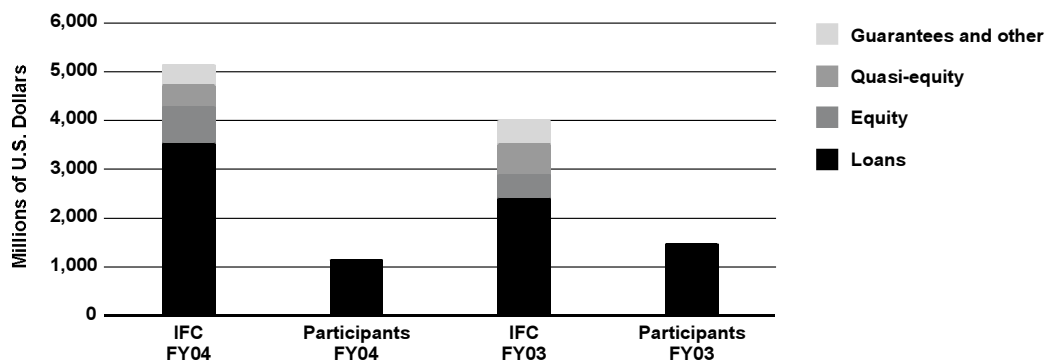


Disbursements

IFC disbursed \$3.2 billion for its own account in FY04 (\$3.0 billion in FY03). The strong level of disbursements in FY04 and FY03, as compared to FY02 (\$1.5 billion), reflects the results of the changed focus of the Corporation toward commitments as a measure of operational performance over the past two years, which has resulted in higher disbursement levels. In addition, in FY02, the Corporation faced a difficult investment climate in the emerging markets in which it operates, together with a changing product mix from direct investment products such as loans and equity investments to off-balance sheet products such as guarantees. At June 30, 2004, IFC's disbursed and outstanding loans and equity investments for its own account (disbursed investment portfolio) grew 3% to \$12.3 billion (\$12.0 billion at June 30, 2003).

Approvals

In FY04 IFC approved new investments for its own account, including guarantees and client risk management facilities, totaling \$5.1 billion, representing 224 projects, compared with \$4.0 billion in FY03, representing 186 projects. In addition, IFC approved loan participations (B-loans) arranged to be placed with financial institutions (Participants) for loans approved by the Corporation's Board of Directors totaling \$1.1 billion in 30 projects in FY04 compared with \$1.5 billion in 27 projects in FY03. FY04 and FY03 approvals comprised the following:

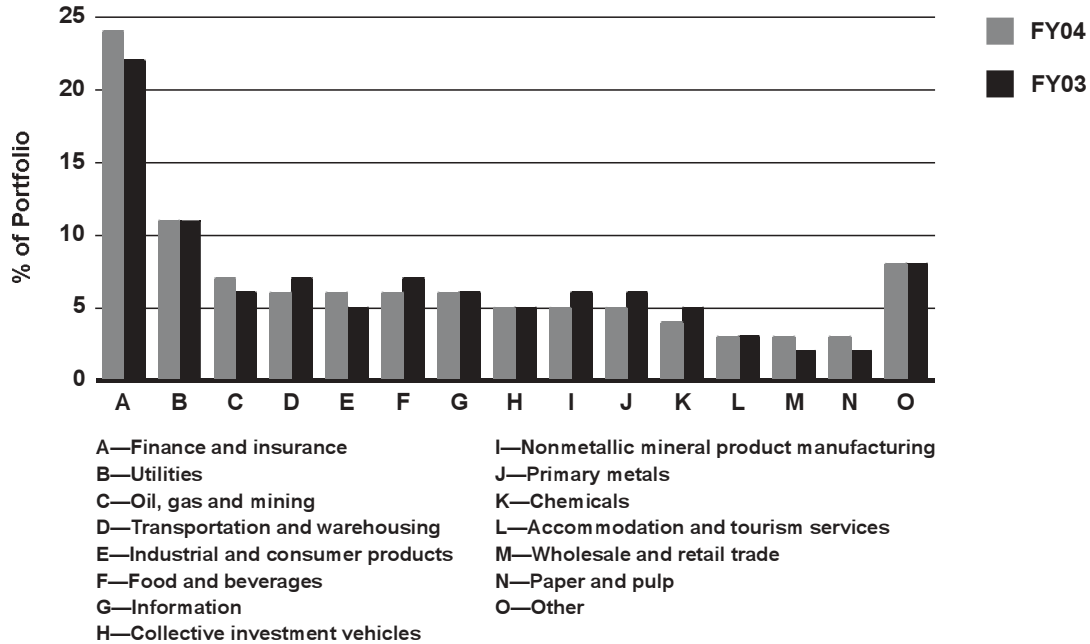


Approvals pending commitment for IFC's own account at June 30, 2004, including guarantees and client risk management facilities, were \$2.4 billion (\$2.9 billion at June 30, 2003).

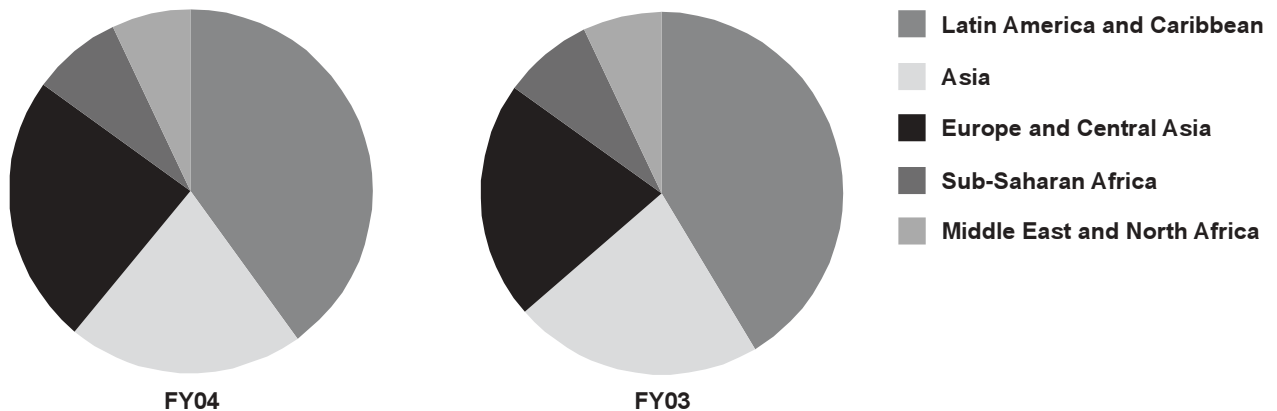
Disbursed investment portfolio

The Corporation’s disbursed investment portfolio is widely diversified by sector and geographic region. The following charts show the distribution of the portfolio as of June 30, 2004 and June 30, 2003:

Distribution of disbursed portfolio by sector



Distribution of disbursed portfolio by geographic region



Disbursed B-loans

The portfolio of disbursed and outstanding B-loans at June 30, 2004 totaled \$5.1 billion in 204 transactions compared with \$6.1 billion in 224 transactions at June 30, 2003.

Additional information on IFC’s investment portfolio as of and for the years ended June 30, 2004 and 2003 can be found in Notes C, D, E, F and G to the Corporation’s FY04 financial statements.

Investment products

Loans

Loans account for the major part of the financing provided by IFC, representing 79% of the Corporation's disbursed investment portfolio as of June 30, 2004, as compared to 77% at June 30, 2003.

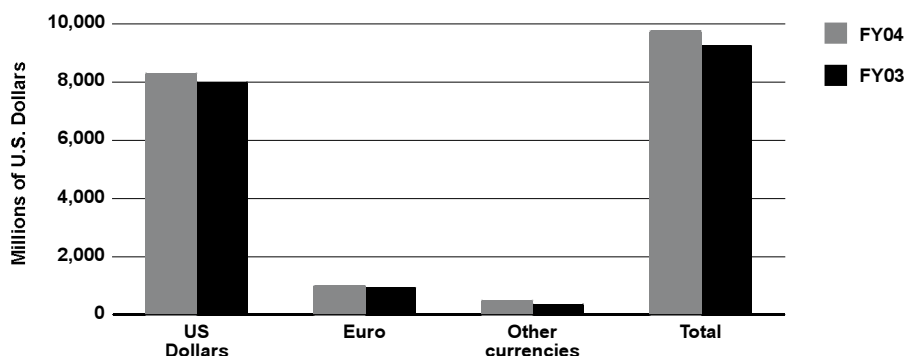
Loans will generally have the following characteristics:

- Term: typically amortizing with final maturities of up to 12 years
- Currency: primarily in major convertible currencies, principally US dollar, and to a lesser extent, Euro, Swiss franc and Japanese yen
- Interest rate: fixed or variable
- Pricing: reflects such factors as market conditions and country and project risks; variable rate loans are generally tied to the 6-month LIBOR index in the relevant currency.

Since the year ended June 30, 1999, IFC has offered local currency loan products to certain clients, provided the Corporation is able to hedge its local currency exposure through mechanisms such as cross-currency swaps or forward contracts. Fixed-rate loans and loans in currencies other than US dollars are normally transformed, using currency and/or interest rate swaps, into US dollar variable rate loans.

On June 30, 2004, total loans disbursed and outstanding were \$9.7 billion (\$9.2 billion at June 30, 2003). At June 30, 2004, 85% (86% at June 30, 2003) of the Corporation's loans were US dollar-denominated.

The currency composition of the loan portfolio at June 30, 2004 and 2003 is shown on the accompanying diagram:



Equity

Equity investments accounted for 21% of the Corporation's disbursed investment portfolio at June 30, 2004, as compared to 23% at June 30, 2003. IFC's equity investments are typically in the form of common or preferred stock and are usually denominated in the currency of the country in which the investment is made.

Quasi-equity

In addition to traditional equity investments, the Corporation provides financing through a variety of quasi-equity instruments, which constitute a growing portion of its investment portfolio. Quasi-equities include subordinated or convertible loans, asset-backed securities, mortgage-backed securities, and certain common or preferred shares with put and/or call features. Depending upon their characteristics, quasi-equities may be classified as either loans or equity investments in the Corporation's balance sheet. At June 30, 2004, the Corporation's disbursed and outstanding quasi-equity portfolio totaled \$1,645 million (\$1,571 million at June 30, 2003), of which \$1,483 million was classified as loans (\$1,391 million at June 30, 2003) and \$162 million was classified as equity investments (\$180 million at June 30, 2003) in the Corporation's balance sheet.

Loan participations (B-loans)

IFC finances only a portion, usually not more than 25%, of the cost of any project. All IFC-financed projects, therefore, require other financial partners. The principal direct means by which the Corporation mobilizes such private sector finance is through the sale of participations in its loans, known as the B-loan program. Through the B-loan program, IFC has worked primarily with commercial banks but also with non bank financial institutions in financing projects since the early 1960s. About 200 commercial banks and institutional investors currently participate in IFC's B-loan program.

Whenever it syndicates a loan, IFC will always make a loan for its own account (an A-loan), thereby sharing the risk alongside its loan participants. IFC acts as the lender of record and is responsible for the administration of the entire loan, including the B-loan. IFC charges fees to the borrower at prevailing market rates to cover the cost of the syndication of the B-loan. Since it began its loan syndication program, IFC has placed participations totaling \$22.6 billion.

Client risk management products

IFC provides clients with access to asset and liability management tools such as currency swaps and interest rate swaps, caps and floors by acting as an intermediary between clients and market counterparties. IFC also provides risk-sharing structures and guarantees that allow its clients to transact directly with market counterparties.

Guarantees and partial credit guarantees

Guarantees represent a growing product line for the Corporation. Beginning in FY01, the Corporation began offering partial credit guarantees to clients covering, on a risk-sharing basis, client obligations on bonds and/or loans. The Corporation's guarantee is available for debt instruments and trade obligations of clients and covers commercial as well as noncommercial risks. IFC will provide local currency guarantees but generally only if the Corporation is able to fund its commitment in local currency terms, for example, by hedging its exposure in the swap market. Guarantee fees are consistent with IFC's loan pricing policies. During FY04, the Corporation signed \$0.2 billion of guarantees, as compared with \$0.4 billion in FY03.

Underwritings and investment banking services

IFC provides underwriting and placement services for equity, quasi-equity, and/or debt securities issues of private sector companies in IFC's developing member countries. It also structures and underwrites funds and pooled investment vehicles such as private equity investment funds. IFC is often a core investor in the enterprises it underwrites. Services are priced in conformity with market standards and practices, in consultation with international securities firms and financial intermediaries. Underwriting and other capital markets services requiring a financial commitment from IFC are subject to the same investment criteria and limits applicable to its loans and equity investments.

The Corporation does not conduct any placement activities within the United States or directed at US investors in connection with securities offerings of private sector companies or pooled investment vehicles.

Advisory activities

The Corporation, on its own or through a department jointly managed with the World Bank, provides three general types of advisory services to member countries as well as to individual enterprises:

- Special advisory services on project structuring and financial packaging
- Financial advisory services provided to member governments or to private sector clients
- Policy advice to governments on capital markets development and private sector development, including privatization and foreign investment.

The Corporation also assists governments with developing the legal frameworks for privatizing their state-owned sectors, as well as with the sale of individual enterprises. Fees are charged for advisory services consistent with market rates charged for comparable services. IFC recorded such fees amounting to \$41 million for FY04 (\$51 million for FY03 and \$40 million for FY02).

Specially targeted assistance

IFC has established a number of vehicles through which it provides specially targeted assistance to areas highly in need of development. In FY04, the Corporation contributed \$29 million to such vehicles, compared with \$28 million in FY03 and \$22 million in FY02. In FY04, such vehicles included:

- The World Bank Group's Global SME Capacity Building Facility, which funds partnerships and programs that support the core pillars of the World Bank Group's Small and Medium-Sized Enterprise (SME) strategy.
- The Private Enterprise Partnership, which provides focused technical assistance, with the goal of helping build successful private businesses in the former Soviet Union region.
- The Corporation's own Technical Assistance Trust Fund, which provides resources through which IFC can cofinance technical assistance being supported by donors.

IV. TREASURY SERVICES

Liquid assets

IFC invests its liquidity in highly rated fixed and floating rate instruments issued by, or unconditionally guaranteed by, governments, government agencies and instrumentalities, multilateral organizations, and AAA-rated corporate issuers, including mortgage- and asset-backed securities, and in time deposits and other unconditional obligations of banks and financial institutions.

The Corporation manages the market risk associated with these investments through a variety of hedging techniques including derivatives, principally currency and interest rate swaps and financial futures.

IFC's liquid assets are invested in five separate portfolios.

PORTFOLIO	MARKET VALUE *	COMPRISING	MANAGED BY	INVESTED IN	BENCHMARK
P0	\$0.2bn (\$0.4bn)	Funds awaiting disbursement or reinvestment	IFC's Treasury Department	Short-term deposits	US overnight Fed funds
P1	\$7.8bn (\$8.6bn)	Proceeds from market borrowings invested pending disbursement of operational loans	IFC's Treasury Department	Principally global government bonds, asset-backed securities, and other AAA-rated corporate bonds generally swapped into 6-month US dollar LIBOR	Since January 2001, adjusted 3-month US dollar LIBID **. Prior to January 2001, 6-month US dollar LIBOR
P2	\$3.7bn (\$3.0bn)	Primarily the Corporation's paid-in capital and accumulated earnings that have not been invested in equity and quasi-equity investments or fixed-rate loans	IFC's Treasury Department	US Treasuries and other sovereign and agency issues	3-year duration US Treasuries***
P3	\$1.1bn (\$1.0bn)	Proceeds from market borrowings	External managers appointed by IFC	Global government bonds and mortgage-backed securities	Same as for P1
P4	\$0.3bn (\$0.0bn)	An outsourced portion of the P2 portfolio	External managers appointed by IFC	US Treasuries and other sovereign and agency issues	Lehman Brothers Intermediate Treasury Index
Total	\$13.1bn (\$13.0bn)	* at June 30, 2004 (June 30,2003) ** adjusted 3 month US dollar LIBID=US dollar LIBOR-12.5 basis points. The net duration of the P1 and P3 benchmarks is approximately 0.25 years. *** duration of P2 portfolio plus fixed-rate loans			

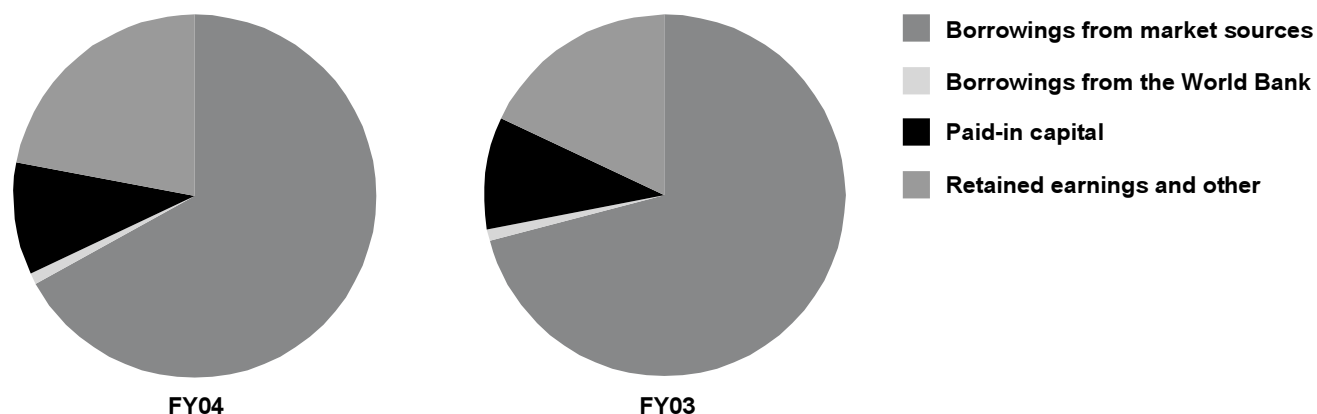
The P3 portfolio is not permitted to exceed 12% of the total value of liquid assets at any time. All portfolios are accounted for as trading portfolios.

The Corporation has a flexible approach to managing the liquid assets portfolios by making investments on an aggregate portfolio basis against its benchmark within specified risk parameters. In implementing these portfolio management strategies, the Corporation utilizes derivative instruments, including futures, and options, and takes long or short positions in securities.

All liquid assets are managed according to an investment authority approved by IFC's Board of Directors and investment guidelines approved by IFC's Finance and Risk Committee, a subcommittee of the Corporation's Management Group.

Capitalization

The Corporation's capitalization as of June 30, 2004 and June 30, 2003 is as follows:



Borrowings

The major source of IFC's borrowings is the international capital markets. Under the Articles of Agreement, the Corporation may borrow in the public markets of a member country only with approvals from that member and also the member in whose currency the borrowing is denominated. The Corporation borrowed \$3.0 billion during FY04 (\$3.5 billion in FY03 and \$4.0 billion in FY02). In addition, IFC's Board of Directors has authorized the repurchase and redemption of and tender for debt obligations issued by the Corporation. During FY04, the Corporation repurchased and retired \$33 million of outstanding debt (\$116 million in FY03).

IFC diversifies its borrowings by currency, country, source, and maturity to provide flexibility and cost-effectiveness. Outstanding market borrowings have remaining maturities ranging from less than one year to almost 30 years, with a weighted average remaining maturity of 11.9 years at June 30, 2004 (10.5 years at June 30, 2003).

Market borrowings are generally swapped into floating-rate obligations denominated in US dollars. As of June 30, 2004 the Corporation had gross payables from borrowing-related currency swaps of \$9.1 billion (\$9.3 billion at June 30, 2003) and from borrowing-related interest rate swaps in the notional principal amount of \$7.3 billion (\$7.3 billion at June 30, 2003). After the effect of these derivative instruments is taken into consideration, all of the Corporation's market borrowings at June 30, 2004, and June 30, 2003, were US dollar-denominated.

The weighted average cost of market borrowings after currency and interest rate swap transactions was 1.0% at June 30, 2004 (0.9% at June 30, 2003).

Capital and retained earnings

As of June 30, 2004 IFC's net worth (presented as Total Capital in the Corporation's balance sheet) amounted to \$7.8 billion, up from the June 30, 2003 level of \$6.8 billion.

As of June 30, 2004 and 2003, IFC's authorized capital was \$2.45 billion, of which \$2.36 billion was subscribed at June 30, 2004, unchanged from June 30, 2003. Over 99% of this was paid in (\$2.36 billion at June 30, 2004, and June 30, 2003). The Corporation has agreed to defer the payment dates for certain member countries. Pursuant to these arrangements, \$1 million of subscribed shares remained unpaid at June 30, 2004, (\$2 million at June 30, 2003).

V. ENTERPRISE RISK MANAGEMENT

In executing its sustainable private sector development business, IFC assumes various kinds of risks. The Corporation's management has defined a comprehensive enterprise risk management framework, within which it recognizes four main risk groupings: strategic risk, credit risk, financial risk, and operational risk. Active management of these risks is a key determinant of the Corporation's success, and its ability to maintain a stable capital and earnings base, and is an essential part of its operations. As part of its enterprise risk management framework, the Corporation has adopted several key financial and exposure policies and a number of prudential policies.

FY04 enterprise risk highlights

The Risk Management & Financial Policy Group is currently engaged in a project to revise IFC's capital allocation, pricing and risk limit framework. The objective of this project is to review and change IFC's policies in line with new business imperatives and best practice in risk management. This work is also related to the work on performance measures and incentives and complements the work in the operational risk framework development of the Corporation.



1. Strategic risk

IFC defines strategic risk as the potential reputational, financial and other consequences of a failure to achieve its strategic mission and, in particular, its sustainable development mandate.

The overall management of strategic risk is effected through the definition and implementation of an annual strategy for meeting the Corporation's mission and guidelines for its investment operations and advisory services. The strategy is developed with Senior Management by the Operational Strategy Group, and is approved by the Board of Directors. The Operations Evaluation Group conducts ex post evaluations of the implementation of the Corporation's investment strategy on an on-going basis.

Strategic risk includes the risk incurred by IFC in exercising its environmental and social development framework in member countries. Responsibility for managing this part of strategic risk rests with the Environmental and Social Development Department.

The key guiding principles and policies established as part of the framework for controlling strategic risk are as follows:

Guiding principles for IFC's operations

Catalytic role: IFC will seek above all to be a catalyst in facilitating productive investments in the private sector of its developing member countries. It does so by mobilizing financing from both foreign and domestic investors from the private and public sectors.

Business partnership: IFC functions like a business in partnership with the private sector. Thus, IFC takes the same commercial risks as do private institutions, investing its funds under the discipline of the marketplace.

Additionality: IFC participates in an investment only when it can make a special contribution not offered or brought to the deal by other investors.

Environmental and social policies

The Corporation has developed a comprehensive set of Guidelines and Safeguard Policies to promote environmentally and socially responsible private sector investments. Project sponsors are given the Safeguard Policies for environmental and social issues to review prior to conducting their assessments, as well as the environmental, health, and safety guidelines specific to the particular industry, sector, and type of project.

When making investments, IFC applies its standards to the project and its performance is monitored against those standards. Projects are expected to comply with the applicable policies and guidelines, as well as applicable local, national, and international laws.

FY04 strategic risk highlights

In 2003, IFC's Environmental and Social Policies became widely recognized as best practice when 12 international commercial banks adopted them in the form of the Equator Principles, with 12 banks following suit in FY04.

2. Credit risk

IFC defines credit risk as the potential reduction in value of on- and off- balance sheet assets due to a deteriorating credit profile of its clients, the countries in which it invests, or a financial counterparty. Credit risk is incurred in two areas of the Corporation's operations: (i) in its investment operations, where IFC provides loans, equity investments, guarantees and derivatives for clients in its developing member countries, and (ii) in its treasury operations, where credit risk is incurred with counterparties in its liquid asset investment, borrowing and asset-liability management activities. As part of its mandate, IFC is prohibited from accepting host government guarantees of repayment on its investments and, therefore, incurs commercial and sovereign risk on its investments.

The Corporation's Risk Management & Financial Policy Group has oversight responsibility for overall credit risk management and, in addition, monitors and controls credit risk arising in IFC's treasury activities. With respect to IFC's credit risk exposures to clients in developing countries, the Credit Review Department also plays a key role. At origination of new investments, the Credit Review Department analyzes information obtained from the investment departments and provides an independent review of the credit risk of the transaction. After commitment, the quality of IFC's loan and equity investment portfolio is monitored according to supervision principles and procedures defined in the Operational Policies and Procedures. Responsibility for the day-to-day monitoring and management of credit risk in the portfolio rests with the portfolio management units of individual investment departments. Their assessments are subject to quarterly review, on a sample basis, by the Loss Provisioning Division of the Controller's and Budgeting Department.

The Corporation's investment portfolio is subject to a number of operational and prudential limits, including limitations on single project exposure, single country exposure, and segment concentration. Similarly, credit policies and guidelines have been formulated covering treasury operations; these are subject to annual revision by the Risk Management & Financial Policy Group, and approval by the Finance and Risk Committee. Specifically, IFC has adopted the following key exposure policies:

Investment operations+

1. IFC does not normally finance for its own account more than 25% of a project's cost.
2. An equity investment in a company does not normally represent more than 35% of the company's total share capital, provided further that IFC is not the single largest shareholder.
3. Investment in a single obligor may not exceed 3% of IFC's total investment portfolio.
4. Equity plus quasi-equity investments in a single obligor may not exceed 3% of the Corporation's net worth plus general reserves, and straight equity investments may not exceed 1.5%.

Portfolio Management+

1. Total investments in a single country will not normally represent more than 12% of IFC's total investment portfolio or 25% of its net worth plus general reserves. Review trigger levels of between 1% and 6% of the portfolio are set for each country.
2. IFC lender of record disbursed exposure in a country may not exceed 10% for Heavily Indebted Poor Countries and 5% for all other countries. Exceptions for countries with low levels of external debt may be set by the Finance and Risk Committee. Lower trigger levels are set for certain countries.
3. The Corporation's total exposure to a single risk sector may not exceed 8% of the total investment portfolio. Lower review trigger levels are set for single sectors, and individually for the finance and insurance sector, based on IFC's total portfolio and the country exposure level.
4. IFC's held guarantees that are subrogated in local currency are limited to \$200 million.

+ All exposures are net of specific reserves

Treasury operations

1. Counterparties are subject to conservative eligibility criteria, currently restricted to banks and financial institutions with a minimum credit rating of A by leading international credit rating agencies.
2. Exposures to individual counterparties are subject to diversification caps. For derivatives, exposure is measured in terms of "worst case" potential exposure based on simulations of market variables. Institution-specific limits are updated monthly based on changes in counterparty size or credit status.
3. To limit exposure, IFC signs collateral agreements with counterparties that require the posting of collateral when net exposure exceeds certain predetermined thresholds, which decrease as a counterparty's credit rating deteriorates.
4. Because counterparties can be downgraded during the life of a transaction, the agreements provide an option for IFC to terminate all swaps if the counterparty is downgraded below investment grade or if other early termination events occur that are standard in the market.
5. Limits are also imposed on the volume of over-the-counter derivative transactions with individual counterparties.
6. For exchange-traded instruments, IFC limits credit risk by restricting transactions to a list of authorized exchanges, contracts and dealers, and by placing limits on the Corporation's open interest rate position in each contract.

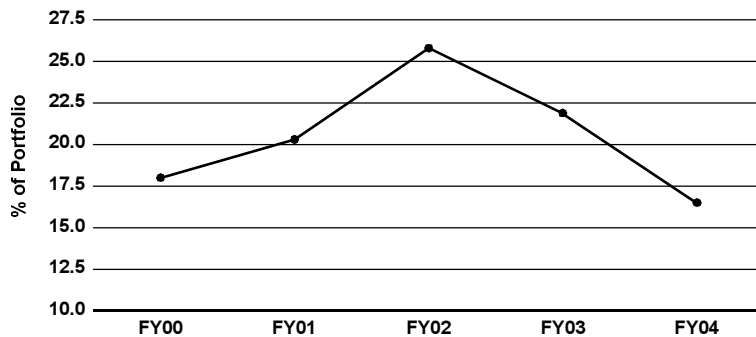
FY04 credit risk highlights

IFC does not recognize income on loans where collectability is in doubt or payments of interest or principal are past due more than 60 days unless management anticipates that collection of interest is expected in the near future.

The amount of nonaccruing loans as a percentage of the disbursed loan portfolio, a key indicator of portfolio performance, decreased to 11.5% at June 30, 2004, compared with 16.7% at June 30, 2003. The principal amount outstanding on nonaccrual loans totaled \$1,121 million at June 30, 2004, a decrease of 27% from the June 30, 2003 level of \$1,543 million.

The quality of IFC's investment portfolio, as measured by the aggregate risk level, improved during FY04, continuing the trend noted during the second half of FY03. As a result, total reserves against losses on loans and equity investments at June 30, 2004, decreased to \$2,033 million (\$2,625 million at June 30, 2003). This is equivalent to 16.5% of the disbursed portfolio, significantly below the level of 21.9% at June 30, 2003.

The five-year trend of loss reserves is presented below:



IFC operates under the assumption that the guarantee portfolio is exposed to the same idiosyncratic and systematic risks as IFC's loan portfolio and the inherent, probable losses in the guarantee portfolio need to be covered by an allowance for loss. The allowance at June 30, 2004, was \$16 million (\$30 million at June 30, 2003), based on the year-end portfolio, and is included in payables and other liabilities on the balance sheet. The reduction in allowance for the year, \$14 million for FY04 (\$1 million increase for FY03), is included in the release of (provision for) losses on loans, equity investments, and guarantees in the income statement.

The Corporation has not suffered credit losses on its exposures to derivatives counterparties in its treasury operations.

3. Financial risk

IFC defines financial risk in three components: (a) the potential inability to realize asset values in its portfolio sufficient to meet obligations to disburse funds as they arise ("liquidity risk"); (b) the potential inability to access funding at reasonable cost ("funding risk"); and (c) a deterioration in values of financial instruments or positions due to changes in market interest and exchange rates and the volatility thereof ("market risk").

Key financial policies

IFC currently operates under a number of key financial policies as detailed below, which have been approved by its Board of Directors:

1. **Disbursed equity** plus quasi-equity investments (net of loss reserves) may not exceed 100% of net worth, and disbursed equity (net of loss reserves) may not exceed 50% of net worth.
2. **Minimum liquidity** (liquid assets plus undrawn borrowing commitments from the World Bank) must be sufficient at all times to cover at least 65% of IFC's estimated net cash requirements for the next three years.
3. The currency, rate basis, and maturity of loan assets must be **closely matched** to borrowings; trigger levels are defined, at which foreign exchange and interest rate exposures are hedged.
4. **Capital** (paid-in capital plus retained earnings plus general loss reserves) must equal at least 30% of risk-weighted assets.

In addition, under IFC's Articles of Agreement, as long as IFC has outstanding borrowings from the World Bank, IFC's **leverage**, as measured by the ratio of IFC's debt (borrowings plus outstanding guarantees) to IFC's equity (subscribed capital plus retained earnings), may not exceed 4.0 to 1.

a. Liquidity risk

Within the key financial policies described above, in practice the Corporation maintains, as a prudential measure, an operating liquidity target of not less than 70% of three years' net cash requirements, including projected disbursement and debt service requirements.

The primary instruments for maintaining sufficient liquidity are the Corporation's liquid asset portfolios. As already noted, IFC distinguishes five such portfolios:

- P0, which is generally invested in short-dated deposits, money market funds, and tri-party repos, reflecting its use for short-term funding requirements;
- P1, which is generally invested in (a) foreign sovereign, sovereign-guaranteed and supra-national fixed income instruments (rated AA- or better); (b) US Treasury or agency instruments; (c) asset-backed securities rated AAA by at least two rating agencies and/or other AAA rated notes issued by Corporations; (d) interest rate futures and swaps to manage currency risk in the portfolio, as well as its duration relative to benchmark; and (e) cash deposits;
- P2, which is generally invested in US Treasuries and other sovereign and agency issues;
- P3, which comprises a global fixed income portfolio and a mortgage-backed securities portfolio; and
- P4, which commenced on July 1, 2003, which is an outsourced portion of the P2 portfolio.

FY04 liquidity risk highlights

At June 30, 2004, the Corporation's liquidity level stood at \$13.1 billion, or 116% of its projected net cash requirements for three years (\$13.0 billion, and 107% at June 30, 2003).

b. Funding risk

The Corporation's primary objective with respect to managing funding risk is, through the adoption of, the key financial policies described above, to maintain its AAA credit rating and, thereby, access to funding, as required, at the lowest possible cost. Access to funding is maximized, and cost is minimized, by issuing debt securities in various capital markets in a variety of currencies, sometimes using complex structures. These structures include borrowings payable in multiple currencies, or borrowings with principal and/or interest determined by reference to a specified index such as a stock market index, a reference interest rate, a commodity index, or one or more foreign exchange rates.

FY04 funding risk highlights

During FY04, the Corporation raised \$3.0 billion (\$3.5 billion in FY03) of funding at sub-LIBOR rates.

c. Market risk

The Corporation's exposure to market risk is minimized by adopting the matched funding policy noted above and by using a variety of derivative instruments to convert assets and liabilities into 6-month floating rate US dollar assets and liabilities.

Investment operations

Implementation of the matched funding policy is a two-step process: funds are earmarked at Board approval stage and matched, with respect to interest rate and currency, at disbursement. Interest rate and currency exchange risk associated with fixed rate and/or non-US dollar lending is hedged via currency and interest rate swaps that convert cash flows into variable rate US dollar flows.

Exposures to market risk resulting from derivative transactions with clients, which are intended to facilitate clients' risk management, are minimized by entering into offsetting positions with highly rated market counterparties.

Liquid asset portfolios

Consistent with the matched funding policy, the P0, P1 and P3 portfolios are strictly managed to variable rate USD dollar benchmarks, on a portfolio basis. To this end, a variety of derivative instruments are used, including short-term, over-the-counter foreign exchange forwards (covered forwards), interest rate and currency swaps, and exchange-traded interest rate futures and options. The Corporation also takes both long and short positions in securities in the management of these portfolios to their respective benchmarks.

The primary source of market risk in the liquid asset portfolios is the P2 and P4 portfolios, which, in contrast, are managed to a three-year duration US dollar benchmark, with additional flexibility to deviate from the benchmark. P2 represents the portion of IFC's capital not disbursed as equity investments, and the benchmark reflects the chosen risk profile for this uninvested capital. P4 represents an outsourced portion of the P2 portfolio.

Borrowing activities

Market risk associated with fixed rate obligations and structured instruments entered into as part of the Corporation's funding program is mitigated by using derivative instruments to convert them into variable rate US dollar obligations, consistent with the matched funding policy.

Asset-liability management

While IFC's matched-funding policy provides a significant level of protection against currency and interest rate risk, the Corporation can be exposed to residual market risk in its overall asset and liability management. This residual market risk is monitored by the Asset-Liability Management group within the Treasury Department.

Residual currency risk arises from events such as changes in the level of non-US dollar loan loss reserves. This risk is managed by monitoring the aggregate position in each lending currency and hedging the exposure when the net asset or liability position exceeds \$5 million equivalent, through spot sales or purchases.

Residual interest rate risk may arise from two sources:

- Assets that are fully match-funded at inception, which can become mismatched over time due to write downs, prepayments, or rescheduling; and
- Differing interest rate reset dates on assets and liabilities.

This residual risk is managed, first, by synchronizing interest rate reset dates on assets and liabilities at a portfolio level; and secondly by measuring the sensitivity of the present value of assets and liabilities in each currency to each basis point change in interest rates, with an action trigger of \$50,000 on this measure.

FY04 market risk highlights

Total liquid asset returns (comprising interest, realized and unrealized gains and losses, and translation adjustments) were \$177 million (\$475 million in FY03 and \$524 million in FY02), of which \$21 million was attributable to the P2 and, beginning in FY04, the P4 portfolio (\$264 million in FY03 and \$202 million in FY02). Currency translation gains for FY04 were \$7 million (\$8 million gain in FY03 and \$1 million loss in FY02).

4. Operational risk

IFC defines operational risk as the potential for loss resulting from events involving people, systems and processes. These include both internal and external events, whether caused by a lack of controls, documentation, or contingency planning, or by breakdowns in information systems, communications, physical safeguards, business continuity, supervision, transaction processing, or in the execution of legal, fiduciary, and agency responsibilities. As such, operational risk covers the risks emanating from the manner in which an entity is *operated* as opposed to the way it is *financed*.

Consistent with the Basel II Capital Adequacy guidelines, IFC is developing a matrix framework to analyze operational risk by identifying, for each area (people, systems and processes), which risks IFC will: (i) manage internally, as part of its ongoing business; (ii) alleviate through contingency planning; or (iii) insure externally, whether by sub-contracting, outsourcing or hedging, including insurance.

Responsibility for the development of the framework for managing and monitoring operational risk, and for contingency planning for recovery from emergencies, rests with the Controller's and Budgeting Department. In respect of insurable operational risk, IFC's Insurance Services Group performs insurance reviews to identify the risks and assess the adequacy of existing insurance policies and limits.

IFC seeks to mitigate the risks it manages internally by maintaining a comprehensive system of internal controls that is designed not only to identify the parameters of various risks but also to monitor and control those areas of particular concern. Key components of this effort are:

Key components of operational risk management

- The Corporation has adopted the COSO¹ control framework and a control self-assessment methodology to evaluate the effectiveness of its internal controls in people, systems and processes, and it has an ongoing program in place to cover all significant business operations. In addition, the COBIT² methodology is used to supplement the COSO review of the information technology function.
- The Internal Audit Department of the World Bank Group performs on-going independent review of the effectiveness of IFC's internal controls in selected key areas and functions.
- To promote data integrity, the Corporation has formulated a Data Management Policy. The policy is enforced through a network of Departmental Data Stewards.
- The Corporation has a New Products/Initiatives Assessment Group, with representation from key business and support functions, to ensure that processes and controls are in place to manage the risks in new products and initiatives, before they are executed.

1 COSO refers to the Internal Control - Integrated Framework formulated by the Committee of Sponsoring Organizations of the Treadway Commission, which was convened by the US Congress in response to the well-publicized irregularities that occurred in the financial sector during the late 1980s.

2 COBIT refers to Control Objectives for Information and Related Technology, first released in 1996, updated to the 3rd edition released in July 2000, sponsored by the Information Systems Audit and Control Association (ISACA).

FY04 operational risk highlights

IFC continues to focus on its preparedness to react to an emergency situation that disrupts its normal operations. During FY04, the Corporation has:

- extended the scope of the back-up facilities available for its key systems;
- completed the deployment of computing facilities to the homes of staff considered essential to maintaining key business activities in the event that the headquarters building becomes unavailable for use in an emergency situation; and
- undertaken emergency response simulation exercises, to test the adequacy of its contingency planning and enhance the preparedness of its emergency management team.

The Corporation is continuing a multi-year effort to analyze and develop enhanced methodologies for measuring, monitoring and managing operational risk in its key activities. During FY04, IFC has:

- Continued a process mapping exercise to identify potential areas of exposure to operational risk in investment processes and provide a basis for quantifying potential risks;
- Following a selective "proof of concept" basis for evaluation, made recommendations leading to the establishment of a regionally organized project risk management function in FY05, responsible for investment project administration and compliance monitoring; and
- Continued to refine its COSO self-assessment process, with pilot implementation of a software tool designed to enable more rigorous, consistent and comprehensive risk identification and control assessment across all its activities.

Management has carried out an evaluation of internal controls over external financial reporting for the purposes of determining if there were any changes made in internal controls during the year ended June 30, 2004, that had materially affected, or would be reasonably likely to materially affect, IFC's internal control over external financial reporting. As of June 30, 2004, no such significant changes occurred.

Internal controls and procedures are those processes which are designed to ensure that information required to be disclosed is accumulated and communicated to management, as appropriate to allow timely decisions regarding required disclosure by IFC. Management has undertaken an evaluation of the effectiveness of such controls and procedures. Based on that evaluation, management have concluded that these controls and procedures were effective as of June 30, 2004.

VI. CRITICAL ACCOUNTING POLICIES

The Notes to the FY04 financial statements contain a summary of the Corporation's significant accounting policies, including a discussion of recently issued accounting pronouncements. Certain of these policies are considered to be "critical" to the portrayal of the Corporation's financial condition, since they require management to make difficult, complex or subjective judgments, some of which may relate to matters that are inherently uncertain. These policies include determining the level of the allowance for losses in the loan and equity investment portfolios, and valuation of certain financial instruments with no quoted market prices. Additional information about these policies can be found in Notes A, C, N and O to the FY04 financial statements.

Reserve against losses on loans and equity investments

The Corporation considers a loan as impaired when, based on current information and events, it is probable that the Corporation will be unable to collect all amounts due according to the loan's contractual terms. The reserve against losses for impaired loans reflects management's judgment of the present value of expected future cash flows discounted at the loan's effective interest rate. The Corporation establishes a reserve against losses for equity investments when a decrease in value of the investments has occurred which is considered other than temporary. The reserve against losses for loans and equity investments includes an estimate of probable losses on loans and equity investments inherent in the portfolio but not specifically identifiable. The reserve is established through periodic charges to income in the form of a provision for losses on loans and equity investments. Investments written off, as well as any subsequent recoveries, are recorded through the reserve.

The assessment of the adequacy of total reserves against losses for loans and equity investments is highly dependent on management's judgment about factors such as geographical concentration, industry, regional and macroeconomic conditions, and historical trends. The reserve against losses on equity investments also considers the management quality of the investee company and its financial condition. Due to the inherent limitation of any particular estimation technique, management utilizes three different and independent methods to provide estimates for the total loss reserve balance: (1) a simulation model, (2) country risk ratings and probability of crisis associated with those risks, and (3) a model of the Corporation's long-term historical portfolio experience. Changes in these estimates could have a direct impact on the provision and could result in a change in the reserve balance.

The reserve against losses on loans and equity investments is separately reported in the balance sheet as a deduction of the Corporation's total loans and equity investments. Increases or decreases in the reserve level are reported in the income statement as provision for losses or release of provision for losses on loans, equity investments and guarantees. The reserve against losses on loans and equity investments relates only to the Client Services segment of the Corporation (see Note Q to the FY04 financial statements for further discussion of the Corporation's business segments).

Valuation of financial instruments with no quoted market prices

As part of its compliance with SFAS No. 133, the Corporation reports at fair value all of its derivative instruments and certain borrowings that the Corporation has designated as components of fair value hedges. In addition, certain features in various loan agreements, equity investment agreements, and borrowing contracts contain embedded derivatives that, for accounting purposes, are separately accounted as either derivative assets or liabilities, including puts, caps, floors, and forwards. Few of these instruments have a ready market valuation. Therefore, the fair values of the financial instruments with no quoted market prices are estimated using sophisticated pricing models of the net present value of estimated future cash flows. Management makes numerous assumptions in developing the pricing models, including the appropriate discount rates, interest rates, and related volatility and expected movement in foreign currency exchange rates. Changes in assumptions could have a significant impact on the amounts reported as assets and liabilities and the related gains and losses reported in the income statement. The fair value computations affect both the Client Services and Treasury segments of the Corporation (see Note Q to the FY04 financial statements for further discussion of the Corporation's business segments).

Additional information can be found in Notes A, N and O to the FY04 financial statements.

VII. RESULTS OF OPERATIONS

Overview

The main elements of IFC's net income, and influences on the level and variability of operating and net income from year to year, are:

ELEMENTS	SIGNIFICANT INFLUENCES
Operating income:	
Spread on interest earning assets	Nonaccruals and recoveries of interest on loans formerly in nonaccrual status and income from participation notes
Liquid asset income	Realized and unrealized gains and losses on the liquid asset portfolios
Income from the equity investment portfolio	Performance of the equity portfolio (dividends and capital gains)
Provisions for losses on loans, equity investments and guarantees	Level of provisions for losses on loans and equity investments and, beginning in FY01, on guarantees
Noninterest income and expense	Level of technical assistance and advisory services provided by the Corporation to its clients, the level of income from the staff retirement and other benefits plans, and the approved administrative and other budgets
Net income:	
Net gains (losses) on other financial instruments	Principally, differences between changes in fair values of derivative instruments and changes in fair value of hedged items in fair value hedging relationships

The following paragraphs detail significant variances between FY04 and FY03, and FY03 and FY02, covering the periods included in the Corporation's FY04 financial statements. As disclosed in Note A to the Corporation's FY04 financial statements, certain amounts in FY03 and FY02 have been reclassified to conform to the current year's presentation. Such reclassifications had no effect on operating income, net income or total assets.

FY04 versus FY03

Operating income

The Corporation's operating income for FY04 was \$982 million, a second consecutive record year, following FY03's then record operating income of \$528 million. The improvement was mainly attributable to significant equity income and an overall improvement in the quality of the loan and equity investment portfolio, as measured by portfolio impairment and portfolio risk levels, principally due to a reduction in the aggregate risk level within the portfolio resulting from: (i) the successful restructuring or rescheduling or problem projects; (ii) the growth in the outstanding portfolio in disbursements with better risk ratings; (iii) the write-off of investments with worse risk ratings than the average risk rating of the portfolio; and (iv) an overall improvement in country risk ratings. This improvement began during the latter stages of FY03 and continued into FY04 and resulted in a release of provisions for losses on loans, equity investments and guarantees.

The Corporation's liquid asset portfolios yielded a positive contribution to the Corporation's operating income although at a lower level than in FY03 mainly due to the overall higher interest rate environment during FY04, with a significant rising interest rate environment during the fourth quarter of FY04. The Corporation has a significant holding of fixed income securities, principally in its P2 portfolio, that decline in value in a rising interest rate environment.

A more detailed analysis of the components of IFC's operating income follows:

Net interest income

IFC's primary interest earning assets are its loan portfolio and its liquid assets portfolios. After charges on borrowings are taken into account, net interest income increased by \$86 million or 15% from \$569 million in FY03 to \$655 million in FY04.

Interest and financial fees from loans (including guarantee fees) for FY04 were \$518 million, compared with \$477 million in FY03, an increase of \$41 million, or 9%. Interest income increased from \$414 million in FY03 to \$444 million in FY04, principally reflecting the overall increase in average interest rates during FY04, when compared with FY03. The growth in the loan portfolio and the overall increase in average interest rates during FY04, when compared with FY03, contributed \$7 million, net of interest expense on lending-related swaps, of the increase in interest income. Recoveries of interest on loans being removed from non-accrual status, net of reversals of income on loans being placed in nonaccrual status, were \$39 million in FY04 (\$23 million – FY03). Income from the Corporation's participation notes, over and above minimum contractual interest, totaled \$40 million in FY04 (\$33 million – FY03). Commitment and financial fees also grew from \$63 million in FY03 to \$74 million in FY04 reflecting strong commitments and disbursements.

Interest income from time deposits and securities are discussed below, as a component of liquid asset income.

The Corporation's **charges on borrowings** decreased by \$85 million, from \$226 million in FY03 to \$141 million in FY04, largely reflecting the declining US dollar interest rate environment in late FY03 and early FY04. As the Corporation's borrowings generally reprice every six months, the effect of the significant rise in the interest rate environment in the fourth quarter of FY04 has not yet had a significant impact on charges on borrowings. The weighted average cost of the Corporation's borrowings outstanding from market sources, after the effects of borrowing-related derivatives, rose slightly during the year from 0.9% at June 30, 2003 to 1.0% at June 30, 2004. The borrowings portfolio, net of borrowing-related derivatives and before the effects of SFAS No. 133, increased by \$0.5 billion in FY04 from \$15.9 billion at June 30, 2003, to \$16.4 billion at June 30, 2004.

Liquid asset income

Liquid asset income comprises interest from time deposits and securities, net gains and losses on trading activities, and a small currency translation effect. The liquid assets portfolio, net of derivatives and securities lending activities, increased marginally from \$13.0 billion at June 30, 2003, to \$13.1 billion at June 30, 2004.

The overall rising interest rate environment experienced during FY04, concentrated in the fourth quarter, resulted in a negative impact on the carrying value of the Corporation's fixed income liquid asset investments and, accordingly, lower total returns. Liquid asset returns totaled \$177 million in FY04, reported as **interest income from time deposits and securities** (\$278 million), **net losses on trading activities** (\$104 million) and **currency translation gains** (\$3 million) in the Corporation's FY04 income statement. Liquid asset returns totaled \$475 million in FY03, reported as interest income from time deposits and securities (\$318 million), and net gains on trading activities (\$157 million).

Income from equity investments

Overall income from the equity investment portfolio increased by \$389 million from \$195 million in FY03 to \$584 million in FY04.

The Corporation generated realized capital gains on equity sales for FY04 of \$381 million, as compared with \$52 million for FY03, an increase of \$329 million. Realized capital gains on equity sales in FY04 were highly concentrated, with \$193 million of the total capital gains resulting from sales or partial sales of single equity investments in each of the Czech Republic, the Republic of Korea, and Mexico. IFC took advantage of buoyant markets to take some limited gains in investments where IFC's developmental role was complete, where pre-determined sales trigger levels had been met, and where markets had valued them adequately. Such opportunities did not occur in FY03 with only one sale of an equity investment generating a capital gain in excess of \$5 million.

Dividend income was also significantly higher in FY04 at \$207 million, as compared with \$147 million in FY03. Consistent with FY03, a significant amount of IFC's dividend income in FY04 was due in part to returns on the Corporation's joint ventures in the oil, gas and mining sectors, which totaled \$65 million in FY04, as compared with \$61 million in FY03.

Release of provisions for losses on loans, equity investments and guarantees

As noted above, the quality of the Corporation's investment portfolio improved during FY04, continuing the trend noted in the last nine months of FY03. As a result, IFC recorded a release of provisions for losses on loans, equity investments and guarantees of \$177 million in FY04, including a release of \$14 million in respect of guarantees, a significant improvement over FY03 when the Corporation recorded a charge of \$98 million (which included a charge of \$1 million in respect of guarantees). On June 30, 2004, the Corporation's total reserves against losses on loans and equity investments were 16.5% of the disbursed and outstanding portfolio (21.9% at June 30, 2003).

Noninterest income

Noninterest income of \$82 million for FY04 was \$11 million lower than in FY03 (\$93 million), principally due to lower service fees - \$41 million in FY04, as compared with \$51 million in FY03. FY03 service fees included the recovery of \$11 million of overdue interest and penalties received from one of the Corporation's client risk management derivatives to a client in the power sector which did not recur in FY04.

Noninterest expense

Administrative expenses (the principal component of noninterest expense) increased by 8% from \$332 million in FY03 to \$360 million in FY04. Administrative expenses include the grossing-up effect of certain revenues and expenses attributable to the Corporation's reimbursable program and jeopardy projects (\$34 million in FY04, as compared with \$30 million in FY03). The Corporation recorded expense from pension and other postretirement benefit plans in FY04 of \$19 million, as compared with \$24 million in FY03.

Net income

As more fully disclosed in Notes A, N and O to the Corporation's FY04 financial statements, the Corporation has designated certain hedging relationships in its borrowing activities and its lending activities as fair value hedges. The Corporation generally matches the terms of its derivatives with the terms of the specific underlying financial instruments hedged, in terms of currencies, maturity dates, reset dates, interest rates, and other features. However, differing valuation methodologies are applied to the derivative and the hedged

financial instrument, as prescribed by SFAS No. 133. The resulting ineffectiveness calculated for such relationships is recorded in net gains (losses) on other financial instruments, in net income.

The effects of SFAS No. 133 on net income FY04 and FY03 can be summarized as follows (US\$ millions):

	FY04	FY03
Operating income	982	528
SFAS No. 133 adjustments:		
Net gains (losses) on other financial instruments	11	(41)
Net income	993	487

Net gains (losses) on other financial instruments largely comprises the difference between the change in fair value of derivative instruments and the change in fair value of the hedged item under designated hedging relationships.

FY03 versus FY02

Operating income

The Corporation's operating income for FY03 was \$528 million, substantially higher than FY02 operating income of \$161 million. The improvement was mainly attributable to the significant reduction in the charge for provisions for losses on loans, equity investments and guarantees (provisions) and significantly higher net gains on the Corporation's liquid asset trading activities. Offsetting these favorable contributions to higher operating income in FY03, as compared with FY02, were lower realized capital gains on equity sales and higher expense from the Corporation's pension and other postretirement benefit plans (pension expense).

The lower charge for provisions reflected the stabilization and subsequent marginal improvement in the loan and equity investment portfolio quality in FY03. Provisions in FY02 reflected the declining portfolio quality, principally in Argentina, one of the Corporation's largest portfolio countries. Provisions totaled \$98 million in FY03, as compared with \$657 million in FY02.

The overall declining interest rate environment in FY03 continued to benefit the Corporation's returns from its liquid asset portfolios, in particular the P2 portfolio which is a largely fixed income portfolio. Gains on the Corporation's liquid asset trading activities in FY03 were \$157 million, as compared to \$31 million in FY02.

Realized capital gains in FY03 were \$52 million, as compared with \$288 million in FY02. The significant gains in FY02 were principally due to targeted sales of a small number of equity investments in certain emerging markets that had reached pre-determined sales trigger levels.

Pension expense in FY03 was \$24 million, as compared with pension income in FY02 of \$31 million.

Net interest income

IFC's primary interest earning assets are its loan portfolio and its liquid assets portfolios. After charges on borrowings are taken into account, net interest income decreased by \$33 million or 6% from \$602 million in FY02 to \$569 million in FY03.

Interest, commitment and financial fees from loans (including guarantee fees) for FY03 were \$477 million, compared with \$547 million in FY02, a decrease of 13%. Interest income declined from \$486 million in FY02 to \$414 million in FY03, principally reflecting the overall decline in interest rates during FY03. While the disbursed and outstanding loan portfolio grew by 15%, loans in nonaccrual status grew from \$1,217 million at June 30, 2002 to \$1,543 million at June 30, 2003, an increase of 27%. Recoveries of interest on loans being removed from non-accrual status, net of reversals of income on loans being placed in nonaccrual status were \$23 million in FY03 (\$27 million – FY02). Income from the Corporation's participation notes, over and above minimum contractual interest, totaled \$33 million in FY03 (\$22 million – FY02). In addition, as discussed in Note E to the FY03 financial statements, the Corporation recorded nonrecurring income of \$15 million in FY02, included in interest and financial fees from loans, as a result of exercising an option to reacquire the remaining outstanding loan participations owned by a trust, and the subsequent dissolution of the trust. Commitment and financial fees, however, grew from \$61 million in FY02 to \$64 million in FY03 reflecting the Corporation's strong commitments and disbursements in FY03.

Interest income from time deposits and securities for FY03 was \$318 million, \$175 million lower than the \$493 million recorded in FY02.

The liquid assets portfolio, net of derivatives and securities lending activities, decreased from \$14.5 billion at June 30, 2002, to \$13.0 billion at June 30, 2003 largely due to loan and equity disbursements and sales of equity securities exceeding repayments and redemptions by \$1.3 billion and repayments of the Corporation's borrowings exceeding drawdowns by \$0.3 billion. The \$1.5 billion decline in the liquid assets portfolio combined with the reduced yields due to the overall declining interest rate environment contributed to the reduction in interest income from time deposits and securities from FY02 to FY03.

The Corporation's charges on borrowings decreased by \$212 million from \$438 million in FY02 to \$226 million in FY03, largely reflecting the declining US dollar interest rate environment, as the weighted average cost of the Corporation's borrowings outstanding from market sources, after the effects of borrowing-related derivatives fell from 1.8% at June 30, 2002 to 0.9% at June 30, 2003. The borrowings portfolio, net of borrowing-related derivatives, decreased by \$0.8 billion in FY03 from \$16.7 billion at June 30, 2002, to \$15.9 billion at June 30, 2003.

Net gains and losses on trading activities

Due to the continuing overall decline in the US dollar interest rate environment throughout FY03, and the favorable impact of this decline on the carrying value of the Corporation's fixed income liquid asset investments, the Corporation recorded net realized and unrealized gains on its liquid asset portfolios of \$157 million, higher than the net realized and unrealized gains of \$31 million recorded in FY02.

Income from equity investments

Overall income from the equity investment portfolio declined by \$233 million from \$428 million in FY02 to \$195 million in FY03.

The Corporation generated realized capital gains for FY03 of \$52 million as compared with \$288 million for FY02, a decrease of \$236 million or 82%. Capital gains in FY02 were highly concentrated with \$227 million of the total capital gains of \$288 million resulting from sales or partial sales of six equity investments in Korea, Mexico, Peru, and Latvia. Such opportunities for sales based on pre-determined trigger levels did not recur to a significant extent in FY03 with only one sale of an equity investment generating a capital gain in excess of \$5 million. Dividend income was marginally higher in FY03 at \$143 million, as compared with \$140 million in FY02. Consistent with FY02, the stable performance in dividend income in FY03 was largely attributable to returns on the Corporation's joint ventures in the oil, gas and mining sectors.

Provisions for losses on loans, equity investments and guarantees

The income charge for provisions for losses of \$98 million in FY03, including \$1 million in respect of guarantees, was significantly lower than the charge in FY02 of \$657 million (which included \$16 million in respect of guarantees), a decline of \$559 million. On June 30, 2003, the Corporation's total reserves against losses on loans and equity investments were 21.9% of the disbursed and outstanding portfolio (25.8% at June 30, 2002). The significantly lower income charge in FY03 reflected the stabilization of the portfolio quality in the first quarter of FY03 and a marginal improvement in portfolio quality during the last nine months of the year.

Noninterest income

Noninterest income of \$93 million for FY03 was \$11 million higher than in FY02 (\$82 million), principally due to higher service fees - \$51 million in FY03, as compared with \$40 million in FY02. The increase was largely due to the recovery of \$11 million of overdue interest and penalties received from one of the Corporation's client risk management derivatives to a client in the power sector.

Noninterest expense

Administrative expenses (the principal component of noninterest expense) marginally increased by 2% from \$327 million in FY02 to \$332 million in FY03. Administrative expenses include the grossing-up effect of certain revenues and expenses attributable to the Corporation's reimbursable program and jeopardy projects (\$30 million in FY03, as compared with \$39 million in FY02), and the impact of a reorganization effected in FY02 (\$nil million in FY03, as compared with \$13 million in FY02).

FY02 administrative expenses were impacted by a series of efficiency and effectiveness measures implemented in the second half of FY02. These measures were taken as part of IFC's overall reorganization and also to address the impact on operating income of the emerging crisis in Argentina. Administrative expenses in FY02 included a charge of \$13 million for the reorganization, which involved staff reductions, field office closings and reorganizations, and a headquarters reorganization. The reorganization was finalized and announced in the fourth quarter of FY02, and the implementation of the plan was substantially completed in FY03.

The Corporation recorded expense from pension and other postretirement benefit plans in FY03 of \$24 million, as compared with income of \$31 million in FY02. The increase in expense was due to changes in the underlying actuarial assumptions related to the calculation of pension expense, and a decrease in the value of the pension assets during FY02.

Net income

As more fully disclosed in Notes A, L and M to the Corporation's FY03 financial statements, the Corporation changed its method of accounting for derivative instruments to conform with SFAS No. 133 beginning in FY01. Pursuant to SFAS No. 133, the Corporation has designated certain hedging relationships in its borrowing activities and its lending activities as fair value hedges. The Corporation generally matches the terms of its derivatives with the terms of the specific underlying financial instruments hedged, in terms of currencies, maturity dates, reset dates, interest rates, and other features. However, differing valuation methodologies are applied to the derivative and the hedged financial instrument, as prescribed by SFAS No. 133. The resulting ineffectiveness calculated for such relationships is recorded in net gains (losses) on other financial instruments in net income.

The effects of SFAS No. 133 on net income FY03 and FY02 can be summarized as follows (US\$ millions):

	FY03	FY02
Operating income	528	161
SFAS No. 133 adjustments:		
Net gains (losses) on other financial instruments	(41)	54
Net income	487	215

Net gains (losses) on other financial instruments largely comprises the difference between the change in fair value of derivative instruments and the change in fair value of the hedged item under designated hedging relationships.

VIII. GOVERNANCE

Board of Directors

In accordance with its Articles of Agreement, members of IFC's Board of Directors (the Board) are appointed or elected by their member governments. These Directors are neither officers nor staff of IFC. James D. Wolfensohn, President, is the only management member of the Board, serving as a non-voting member and as Chairman of the Board. The Board has established several Committees including:

- Committee on Development Effectiveness
- Audit Committee
- Budget Committee
- Personnel Committee
- Committee on Governance and Administrative Matters

The Board and its Committees function in continuous session at the principal offices of the World Bank Group, as business requires. Each Committee's terms of reference establish its respective roles and responsibilities. As Committees do not vote, their role is primarily to serve the full Board in discharging its responsibilities.

Audit Committee

Membership

The Audit Committee consists of eight members of the Board. All members are independent from Management. Membership on the Committee is determined by the Board, based upon nominations by the Chairman of the Board, following informal consultation with the Directors. Membership of the Committee is expected to reflect the economic and geographic diversity of IFC's member countries, as well as the seniority, and relevant experience of each member. Generally, Committee members are appointed for a two year term; reappointment to a second term, when possible, is desirable for continuity. Audit Committee meetings are generally open to any members of the Board who may wish to attend, and non-Committee members of the Board may participate in discussions. In addition, the Chairman of the Audit Committee may speak in that capacity at meetings of the Board with respect to discussions held in the Audit Committee.

Key responsibilities

The Audit Committee is appointed by the Board to exercise, on its behalf, oversight and assessment of the effectiveness of financial policies, the integrity of the financial statements, the system of internal controls regarding finance, accounting and ethics, fiduciary controls, such as procurement and financial management, financial, and operational risk. The Audit Committee also has responsibility for the appointment, qualifications, independence and performance of the external auditor, as well as the internal audit function. Oversight of the internal audit function includes reviewing the charter, operations, organizational structure and responsibilities of the function as well as the effectiveness of internal audit, and the annual internal audit plan. In the execution of this role, the Committee discusses with management, the external auditors, and the internal auditors, financial issues and policies which have a bearing on the Corporation's financial position and risk-bearing capacity. The Audit Committee also monitors the evolution of developments in corporate governance and the role of audit committees on an ongoing basis and in FY04 revised its terms of reference.

Communications

The Audit Committee communicates regularly with the Board through distribution of the following:

- The minutes of its meetings
- Reports of the Audit Committee prepared by the Chairman, which document discussions held. These Reports are distributed to the Directors, Alternates, World Bank Group Senior Management and Vice Presidents of IFC.
- "Statement(s) of the Chairman" and statements issued by other members of the Committee.
- The Annual Report of the Board, which provides an overview of the main issues addressed by the Audit Committee over the year.

The Audit Committee's communications with the external auditor are described in the Auditor Independence section, below.

Executive sessions

Members of the Audit Committee may convene in executive session at any time, without management present. Under the Audit Committee's terms of reference, it meets separately in executive session with the external and internal auditors.

Access to outside resources and to management

The Audit Committee has the capacity, under exceptional circumstances, to obtain advice and assistance from outside legal, accounting or other advisors as deemed appropriate. Appropriate funding shall be made available by the Board of Directors.

Throughout the year, the Audit Committee receives a large volume of information, that supports the preparation of the financial statements. The Audit Committee meets both formally and informally throughout the year to discuss financial and accounting matters. Directors have complete access to management of the Corporation. The Audit Committee reviews and discusses with management the quarterly and annual financial statements. The Committee also reviews with the external auditor the financial statements prior to their publication and recommends them for approval to the Board of Directors.

Code of Ethics

The World Bank Group strives to foster and maintain a positive work environment that supports the ethical behavior of its staff. To facilitate this effort, the Bank Group has in place a Code of Professional Ethics – Living our Values. The Code applies to all staff (including managers, consultants, and temporary employees) worldwide.

The Code is available on the Bank Group's website, www.worldbank.org. Staff relations, conflicts of interest, and operational issues, including the accuracy of books and records, are key elements of the Code.

In addition to the Code, an essential element of appropriate conduct is compliance with the obligations embodied in the Principles of Staff Employment, Staff Rules, and Administrative Rules, the violation of which may result in disciplinary actions. In accordance with the Staff Rules, senior managers must complete a confidential financial disclosure instrument with the Office of Ethics and Business Conduct.

Guidance for staff is also provided through programs, training materials, and other resources. Managers are responsible for ensuring that internal systems, policies, and procedures are consistently aligned with the World Bank Group's ethical goals. In support of its efforts on ethics, the World Bank offers a variety of methods for informing staff of these resources. Many of these efforts are headed by the following groups:

- The Office of Ethics and Business Conduct provides leadership, management and oversight for the Bank Group's ethics infrastructure including the Ethics HelpLine, a consolidated conflicts of interest disclosure/resolution system, financial disclosure, ongoing training to both internal and external audiences, and communication resources.
- The Department of Institutional Integrity is charged with investigating allegations of fraud and corruption with the Bank Group. The Department also investigates allegations of misconduct by Bank Group staff, and trains and educates staff and clients in detecting and reporting fraud and corruption in Bank Group-funded projects. The Department reports directly to the President and is composed of professionals from a range of disciplines including financial analysts, researchers, investigators, lawyers, prosecutors, forensic accountants, and Bank Group staff with operational experience.

The Bank Group has in place procedures for the receipt, retention and treatment of complaints received regarding accounting, internal controls and auditing. The Internal Audit Department would lead a review into complaints pertaining to accounting, internal controls and auditing and coordinate its findings with the Department of Institutional Integrity. Similarly, if the specific nature of the allegation involves fraud, corruption, or other forms of misconduct, the Department of Institutional Integrity would lead an investigation into such matters and coordinate its findings with the Internal Audit Department.

The Bank Group offers both an "Ethics HelpLine", as well as a Fraud and Corruption hotline run by an outside firm staffed by trained specialists. The third party service offers numerous methods of communication in addition to a toll free hotline in countries where access to telecommunications may be limited. In addition there are other methods by which the Department of Institutional Integrity may receive allegations, including directly by email, anonymously, or through confidential submission through their website, as well as the postal service and telephone.

Auditor Independence

In February 2003, the Board adopted a set of principles applicable to the appointment of the external auditor for IFC. Key features of those principles include:

An immediate prohibition of the external auditor from the provision of all non audit-related services.

- All audit-related services must be pre-approved on a case-by-case basis by the Board, upon recommendation of the Audit Committee.

- Mandatory rebidding of the external audit contract every five years.
- Prohibition of any firm serving as external auditor for more than two consecutive five-year terms.
- Mandatory rotation of the senior partner after five years.
- An evaluation of the performance of the external auditor at the mid-point of the five year term.

IFC's external auditor commenced a new term of up to five years in FY04, and will have served eleven years as external auditor upon completion of that term, pursuant to a one-time grandfathered exemption from the above-referenced ten-year limit. The service of the external auditors is subject to recommendation by the Audit Committee for annual reappointment and approval of a resolution by the Board.

As a standard practice, the external auditor is present as an observer at virtually all Audit Committee meetings and is frequently asked to present its perspective on issues. In addition, the Audit Committee meets periodically with the external auditor in private session without management present. Members of the Audit Committee have independent access to the external auditor. Communication between the external auditor and the Audit Committee is ongoing, as frequently as is deemed necessary by either party. IFC's external auditors follow the communication requirements with audit committees set out under U.S. generally accepted auditing standards. In keeping with these standards, significant formal communications include:

- quarterly and annual financial statement reporting,
- annual appointment of the external auditors,
- presentation of the external audit plan,
- presentation of control recommendations and discussion of the COSO attestation and report, and
- presentation of a statement regarding independence.

In addition, there is informal communication between the Chairman of the Audit Committee and the external auditor's lead client service partner.

Responsibility for External Financial Reporting

MANAGEMENT'S RESPONSIBILITY

INTERNATIONAL FINANCE CORPORATION
Washington, DC

August 3, 2004

Management's Report Regarding Effectiveness of Internal Controls Over External Financial Reporting

The management of the International Finance Corporation (IFC) is responsible for the preparation, integrity, and fair presentation of its published financial statements and all other information presented in the accompanying Management's Discussion and Analysis. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) and, as such, include amounts based on informed judgments and estimates made by management.

The financial statements have been audited by an independent accounting firm, which was given unrestricted access to all financial records and related data, including minutes of all meetings of the Board of Executive Directors and committees of the Board. Management believes that all representations made to the independent auditors during their audit were valid and appropriate. The independent auditors' report accompanies the audited financial statements.

Management is responsible for establishing and maintaining effective internal control over external financial reporting for financial presentations in conformity with US GAAP. The system of internal control contains monitoring mechanisms, and actions are taken to correct deficiencies identified. Management believes that internal controls for external financial reporting, which are subject to scrutiny by management and the internal auditors, and are revised as considered necessary, support the integrity and reliability of the external financial statements.

Key procedures that Management has established, which are designed to provide effective internal financial control within IFC, include the preparation, review and Board approval of annual financial plans that align with strategic plans prepared every year. Results are monitored regularly and reports on progress compared to the plan are prepared quarterly. Additionally, systems are in place to monitor financial risks such as changes in the market prices of financial instruments, funding of assets, operational error and fraud. Exposure to these risks is monitored by the IFC Finance and Risk Committee.¹ Further, the system of internal controls includes written policies and procedures, proper delegation of authority, accountability through establishing responsibility centers, and segregation of duties.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal control can provide only reasonable assurance with respect to financial

¹ The members of Finance and Risk Committee are: the VP, Portfolio and Risk Management (Chair), the EVP, the VP Operations, the VP Finance & Treasurer, the VP & Chief Economist, the General Counsel and the Director, Municipal Fund Department.

MANAGEMENT'S RESPONSIBILITY (continued)

-2-

August 3, 2004

statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

IFC assessed its internal control over external financial reporting for financial presentations in conformity with US GAAP as of June 30, 2004. This assessment was based on the criteria for effective internal control over external financial reporting described in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon this assessment, management believes that IFC maintained effective internal control over external financial reporting presented in conformity with US GAAP, as of June 30, 2004. The independent accounting firm that audited the financial statements has issued an attestation report on Management's assessment of IFC's internal control over external financial reporting.

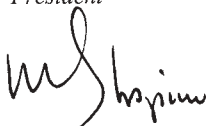
The Board of Executive Directors of IFC has appointed an Audit Committee responsible for monitoring the accounting practices and internal controls of IFC. The Audit Committee is comprised entirely of Executive Directors who are independent of IFC's management. The Audit Committee is responsible for recommending to the Board of Executive Directors the selection of independent auditors. It meets periodically with management, the independent auditors, and the internal auditors to ensure that they are carrying out their responsibilities. The Audit Committee is responsible for performing an oversight role by reviewing and monitoring the financial, accounting and auditing procedures of IFC in addition to reviewing IFC's reports. The independent auditors and the internal auditors have full and free access to the Audit Committee, with or without the presence of management, to discuss the adequacy of internal control over external financial reporting and any other matters which they believe should be brought to the attention of the Audit Committee.



James D. Wolfensohn
President



Peter Woicke
Executive Vice President



Allen F. Shapiro
Controller



Farida Khambata
Vice President, Portfolio and Risk Management

REPORT OF INDEPENDENT ACCOUNTANTS

Deloitte.

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President and Board of Governors
International Finance Corporation

We have examined management's assertion, included in the accompanying *Responsibility for External Financial Reporting - Management's Responsibility*, that the International Finance Corporation maintained effective internal control over external financial reporting presented in conformity with accounting principles generally accepted in the United States of America as of June 30, 2004, based on the criteria established in "Internal Control—Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO report). Management is responsible for maintaining effective internal control over external financial reporting. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of internal control over financial reporting, testing, and evaluating the design and operating effectiveness of the internal control over financial reporting, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal control over external financial reporting to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertion that the International Finance Corporation maintained effective internal control over external financial reporting presented in conformity with accounting principles generally accepted in the United States of America as of June 30, 2004, is fairly stated, in all material respects, based on the criteria established in "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Deloitte & Touche LLP

August 3, 2004

Member of
Deloitte Touche Tohmatsu

Financial Statements

REPORT OF INDEPENDENT ACCOUNTANTS FINANCIAL STATEMENTS INCLUDING NOTES

Deloitte.

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President and Board of Governors
International Finance Corporation

We have audited the accompanying balance sheets of the International Finance Corporation, as of June 30, 2004 and 2003, including the statements of capital stock and voting power as of June 30, 2004, and the related statements of income, comprehensive income, changes in capital, and cash flows for each of the three fiscal years in the period ended June 30, 2004. These financial statements are the responsibility of the International Finance Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the International Finance Corporation as of June 30, 2004 and 2003, and the results of its operations and its cash flows for each of the three fiscal years in the period ended June 30, 2004 in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

August 3, 2004

Member of
Deloitte Touche Tohmatsu

INTERNATIONAL FINANCE CORPORATION

BALANCE SHEET

as of June 30, 2004 and June 30, 2003

(US\$ millions)

	<u>2004</u>	<u>2003</u>
Assets		
Due from banks	\$ 74	\$ 93
Time deposits	2,387	2,293
Trading securities – Note B	12,842	10,572
Securities purchased under resale agreements	3,094	4,046
Loans and equity investments disbursed and outstanding – Note C		
Loans	9,753	9,242
Equity investments	2,559	2,760
Total loans and equity investments	12,312	12,002
Less: Reserve against losses on loans and equity investments	(2,033)	(2,625)
Net loans and equity investments	10,279	9,377
Derivative assets	1,092	1,734
Receivables and other assets – Note H	2,593	3,428
Total assets	\$ 32,361	\$ 31,543
Liabilities and capital		
Liabilities		
Securities sold under repurchase agreements and payable for cash collateral received	\$ 4,329	\$ 3,053
Borrowings withdrawn and outstanding – Note I		
From market sources	16,157	17,181
From International Bank for Reconstruction and Development	97	134
Total borrowings	16,254	17,315
Derivative liabilities	1,549	1,264
Payables and other liabilities – Note J	2,447	3,122
Total liabilities	24,579	24,754
Capital		
Capital stock, authorized 2,450,000 shares of \$1,000 par value each – Note K		
Subscribed	2,362	2,362
Less: Portion not yet paid	(1)	(2)
Total capital stock	2,361	2,360
Payments received on account of pending subscriptions	1	-
Accumulated other comprehensive income	2	4
Retained earnings	5,418	4,425
Total capital	7,782	6,789
Total liabilities and capital	\$ 32,361	\$ 31,543

The notes to financial statements are an integral part of these statements.

INTERNATIONAL FINANCE CORPORATION

INCOME STATEMENT

for the three years ended June 30, 2004

(US\$ millions)

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Interest income			
Interest and financial fees from loans – Note C	\$ 518	\$ 477	\$ 547
Interest from time deposits and securities – Note B	<u>278</u>	<u>318</u>	<u>493</u>
Total interest income	<u>796</u>	<u>795</u>	<u>1,040</u>
Interest expense			
Charges on borrowings – Note I	<u>141</u>	<u>226</u>	<u>438</u>
Total interest expense	<u>141</u>	<u>226</u>	<u>438</u>
Net interest income	655	569	602
Net (losses) gains on trading activities – Note B	(104)	157	31
Income from equity investments – Note E	584	195	428
Release of (provision for) losses on loans, equity investments and guarantees – Note C	<u>177</u>	<u>(98)</u>	<u>(657)</u>
Net income from loans, equity investments and trading activities	1,312	823	404
Noninterest income			
Service fees	41	51	40
Translation adjustments, net	7	8	(1)
Other income – Note L	<u>34</u>	<u>34</u>	<u>43</u>
Total noninterest income	<u>82</u>	<u>93</u>	<u>82</u>
Noninterest expense			
Administrative expenses – Notes S and T	360	332	327
Expense (income) from pension and other postretirement benefit plans – Note R ..	19	24	(31)
Contributions to special programs – Note M	29	28	22
Other expenses	<u>4</u>	<u>4</u>	<u>7</u>
Total noninterest expense	<u>412</u>	<u>388</u>	<u>325</u>
Operating income	982	528	161
Net gains (losses) on other financial instruments – Note N	<u>11</u>	<u>(41)</u>	<u>54</u>
Net income	<u>\$ 993</u>	<u>\$ 487</u>	<u>\$ 215</u>

The notes to financial statements are an integral part of these statements.

INTERNATIONAL FINANCE CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

for the three years ended June 30, 2004

(US\$ millions)

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Net income	\$ 993	\$ 487	\$ 215
Other comprehensive (loss) income			
Reclassification to net income of net interest accruals on swaps in cash flow hedging relationships at June 30, 2000	(2)	(2)	(6)
Total comprehensive income	\$ 991	\$ 485	\$ 209

STATEMENT OF CHANGES IN CAPITAL

for the three years ended June 30, 2004

(US\$ millions)

	Retained earnings			Accumulated other comprehensive income	Capital stock	Payments on account received of pending subscriptions	Total capital
	Undesignated	Designated for technical assistance and advisory services	Total				
At July 1, 2001	\$ 3,723	\$ -	\$ 3,723	\$ 12	\$ 2,360	\$ -	\$ 6,095
Year ended June 30, 2002							
Net income	215		215				215
Other comprehensive income (loss)				(6)			(6)
At June 30, 2002	\$ 3,938	\$ -	\$ 3,938	\$ 6	\$ 2,360	\$ -	\$ 6,304
Year ended June 30, 2003							
Net income	487		487				487
Other comprehensive income (loss)				(2)			(2)
At June 30, 2003	\$ 4,425	\$ -	\$ 4,425	\$ 4	\$ 2,360	\$ -	\$ 6,789
Year ended June 30, 2004							
Net income	993		993				993
Other comprehensive income (loss)				(2)			(2)
Designations for technical assistance and advisory services - Note K	(225)	225	-				-
Payments received on account of pending subscriptions						1	1
Payments received for capital stock subscribed					1		1
At June 30, 2004	\$ 5,193	\$ 225	\$ 5,418	\$ 2	\$ 2,361	\$ 1	\$ 7,782

The notes to financial statements are an integral part of these statements.

INTERNATIONAL FINANCE CORPORATION

STATEMENT OF CASH FLOWS

for the three years ended June 30, 2004

(US\$ millions)

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Cash flows from loans and equity investment activities			
Loan disbursements	\$ (2,684)	\$ (2,646)	\$ (1,250)
Equity disbursements	(468)	(313)	(285)
Loan repayments	1,935	1,402	1,350
Equity redemptions	4	5	23
Sales of loans and equity investments	975	271	638
Net cash (used in) provided by investing activities	<u>(238)</u>	<u>(1,281)</u>	<u>476</u>
Cash flows from financing activities			
Drawdown of borrowings	3,047	3,526	4,000
Repayment of borrowings	(3,136)	(3,796)	(3,109)
Capital subscriptions	1	—	—
Net cash (used in) provided by financing activities	<u>(88)</u>	<u>(270)</u>	<u>891</u>
Cash flows from operating activities			
Net income	993	487	215
Adjustments to reconcile net income to net cash provided by operating activities:			
Realized capital gains on equity sales	(381)	(52)	(288)
(Release of) provision for losses on loans, equity investments and guarantees ..	(177)	98	657
Translation adjustments, net	(7)	(8)	1
Net (gains) losses on other financial instruments	(11)	41	(54)
Change in accrued income on loans, time deposits and securities	(228)	(278)	41
Change in payables and other liabilities	(330)	1,917	(810)
Change in receivables and other assets	412	(4,322)	317
Net cash provided by (used in) operating activities	<u>271</u>	<u>(2,117)</u>	<u>79</u>
Change in cash and cash equivalents	(55)	(3,668)	1,446
Effect of exchange rate changes on cash and cash equivalents	2,400	265	334
Net change in cash and cash equivalents	2,345	(3,403)	1,780
Beginning cash and cash equivalents	12,958	16,361	14,581
Ending cash and cash equivalents	<u>\$ 15,303</u>	<u>\$ 12,958</u>	<u>\$ 16,361</u>
Composition of cash and cash equivalents			
Due from banks	\$ 74	\$ 93	\$ 95
Time deposits	2,387	2,293	4,471
Securities held in trading portfolio	12,842	10,572	11,795
Total cash and cash equivalents	<u>\$ 15,303</u>	<u>\$ 12,958</u>	<u>\$ 16,361</u>
Supplemental disclosure			
Change in ending balances resulting from exchange rate fluctuations:			
Loans outstanding	\$ 83	\$ 145	\$ 92
Borrowings	(765)	(473)	(585)

The notes to financial statements are an integral part of these statements.

INTERNATIONAL FINANCE CORPORATION

STATEMENT OF CAPITAL STOCK AND VOTING POWER

as of June 30, 2004

(US\$ thousands)

Members	Capital stock		Voting power		Members	Capital stock		Voting power	
	Amount paid	Percent of total	Number of votes	Percent of total		Amount paid	Percent of total	Number of votes	Percent of total
Afghanistan	\$ 111	*	361	0.02	Latvia	\$ 2,150	0.09	2,400	0.10
Albania	1,302	0.06	1,552	0.06	Lebanon	135	0.01	385	0.02
Algeria	5,621	0.24	5,871	0.24	Lesotho	71	*	321	0.01
Angola	1,481	0.06	1,731	0.07	Liberia	83	*	333	0.01
Antigua and Barbuda	13	*	263	0.01	Libya	55	*	305	0.01
Argentina	38,129	1.61	38,379	1.60	Lithuania	2,341	0.10	2,591	0.11
Armenia	992	0.04	1,242	0.05	Luxembourg	2,139	0.09	2,389	0.10
Australia	47,329	2.00	47,579	1.98	Macedonia, FYR of	536	0.02	786	0.03
Austria	19,741	0.84	19,991	0.83	Madagascar	432	0.02	682	0.03
Azerbaijan	2,367	0.10	2,617	0.11	Malawi	1,822	0.08	2,072	0.09
Bahamas, The	335	0.01	585	0.02	Malaysia	15,222	0.64	15,472	0.64
Bahrain	1,746	0.07	1,996	0.08	Maldives	16	*	266	0.01
Bangladesh	9,037	0.38	9,287	0.39	Mali	451	0.02	701	0.03
Barbados	361	0.02	611	0.03	Marshall Islands	663	0.03	913	0.04
Belarus	5,162	0.22	5,412	0.23	Mauritania	214	0.01	464	0.02
Belgium	50,610	2.14	50,860	2.11	Mauritius	1,665	0.07	1,915	0.08
Belize	101	*	351	0.01	Mexico	27,589	1.17	27,839	1.16
Benin	119	0.01	369	0.02	Micronesia, Fed. States of	744	0.03	994	0.04
Bhutan	720	0.03	970	0.04	Moldova	784	0.03	1,034	0.04
Bolivia	1,902	0.08	2,152	0.09	Mongolia	144	0.01	394	0.02
Bosnia and Herzegovina	620	0.03	870	0.04	Morocco	9,037	0.38	9,287	0.39
Botswana	113	*	363	0.02	Mozambique	322	0.01	572	0.02
Brazil	39,479	1.67	39,729	1.65	Myanmar	666	0.03	916	0.04
Bulgaria	4,867	0.21	5,117	0.21	Namibia	404	0.02	654	0.03
Burkina Faso	836	0.04	1,086	0.05	Nepal	822	0.03	1,072	0.04
Burundi	100	*	350	0.01	Netherlands	56,131	2.38	56,381	2.34
Cambodia	339	0.01	589	0.02	New Zealand	3,583	0.15	3,833	0.16
Cameroon	885	0.04	1,135	0.05	Nicaragua	715	0.03	965	0.04
Canada	81,342	3.44	81,592	3.39	Niger	147	0.01	397	0.02
Cape Verde	15	*	265	0.01	Nigeria	21,643	0.92	21,893	0.91
Central African Republic	119	0.01	369	0.02	Norway	17,599	0.75	17,849	0.74
Chad	1,364	0.06	1,614	0.07	Oman	1,187	0.05	1,437	0.06
Chile	11,710	0.50	11,960	0.50	Pakistan	19,380	0.82	19,630	0.82
China	24,500	1.04	24,750	1.03	Palau	25	*	275	0.01
Colombia	12,606	0.53	12,856	0.53	Panama	1,007	0.04	1,257	0.05
Comoros	14	*	264	0.01	Papua New Guinea	1,147	0.05	1,397	0.06
Congo, Dem. Rep. of	2,159	0.09	2,409	0.10	Paraguay	436	0.02	686	0.03
Congo Republic of	131	0.01	381	0.02	Peru	6,898	0.29	7,148	0.30
Costa Rica	952	0.04	1,202	0.05	Philippines	12,606	0.53	12,856	0.53
Côte d'Ivoire	3,544	0.15	3,794	0.16	Poland	7,236	0.31	7,486	0.31
Croatia	2,882	0.12	3,132	0.13	Portugal	8,324	0.35	8,574	0.36
Cyprus	2,139	0.09	2,389	0.10	Romania	2,661	0.11	2,911	0.12
Czech Republic	8,913	0.38	9,163	0.38	Russian Federation	81,342	3.44	81,592	3.39
Denmark	18,554	0.79	18,804	0.78	Rwanda	306	0.01	556	0.02
Djibouti	21	*	271	0.01	Saint Kitts and Nevis	638	0.03	888	0.04
Dominica	42	*	292	0.01	St. Lucia	74	*	324	0.01
Dominican Republic	1,187	0.05	1,437	0.06	Samoa	85	*	285	0.01
Ecuador	2,161	0.09	2,411	0.10	Saudi Arabia	30,062	1.27	30,312	1.26
Egypt, Arab Republic of	12,380	0.52	12,610	0.52	Senegal	2,299	0.10	2,549	0.11
El Salvador	29	*	279	0.01	Serbia and Montenegro	1,803	0.08	2,053	0.09
Equatorial Guinea	43	*	293	0.01	Seychelles	27	*	277	0.01
Eritrea	935	0.04	1,185	0.05	Sierra Leone	223	0.01	473	0.02
Estonia	1,434	0.06	1,684	0.07	Singapore	177	0.01	427	0.02
Ethiopia	127	0.01	377	0.02	Slovak Republic	4,457	0.19	4,707	0.20
Fiji	287	0.01	537	0.02	Slovenia	1,585	0.07	1,835	0.08
Finland	15,697	0.66	15,947	0.66	Solomon Islands	37	*	287	0.01
France	121,015	5.12	121,265	5.04	Somalia	83	*	333	0.01
Gabon	1,268	0.05	1,518	0.06	South Africa	15,948	0.68	16,198	0.67
Gambia, The	94	*	344	0.01	Spain	37,026	1.57	37,276	1.55
Georgia	861	0.04	1,111	0.05	Sri Lanka	7,135	0.30	7,385	0.31
Germany	128,908	5.46	129,158	5.37	Sudan	111	*	361	0.02
Ghana	5,071	0.21	5,321	0.22	Swaziland	684	0.03	934	0.04
Greece	6,898	0.29	7,148	0.30	Sweden	26,876	1.14	27,126	1.13
Grenada	74	*	324	0.01	Switzerland	41,580	1.76	41,830	1.74
Guatemala	1,084	0.05	1,334	0.06	Syrian Arab Republic	194	0.01	444	0.02
Guinea	339	0.01	589	0.02	Tajikistan	1,212	0.05	1,462	0.06
Guinea-Bissau	18	*	268	0.01	Tanzania	1,003	0.04	1,253	0.05
Guyana	1,392	0.06	1,642	0.07	Thailand	10,941	0.46	11,191	0.47
Haiti	822	0.03	1,072	0.04	Togo	808	0.03	1,058	0.04
Honduras	495	0.02	745	0.03	Tonga	34	*	284	0.01
Hungary	10,932	0.46	11,182	0.46	Trinidad and Tobago	4,112	0.17	4,362	0.18
Iceland	42	*	292	0.01	Tunisia	3,566	0.15	3,816	0.16
India	81,342	3.44	81,592	3.39	Turkey	14,545	0.62	14,795	0.62
Indonesia	28,539	1.21	28,789	1.20	Turkmenistan	810	0.03	1,060	0.04
Iran, Islamic Republic of	1,444	0.06	1,694	0.07	Uganda	735	0.03	985	0.04
Iraq	147	0.01	397	0.02	Ukraine	9,505	0.40	9,755	0.41
Ireland	1,290	0.05	1,540	0.06	United Arab Emirates	4,033	0.17	4,283	0.18
Israel	2,135	0.09	2,385	0.10	United Kingdom	121,015	5.12	121,265	5.04
Italy	81,342	3.44	81,592	3.39	United States	569,379	24.11	569,629	23.68
Jamaica	4,282	0.18	4,532	0.19	Uruguay	3,569	0.15	3,819	0.16
Japan	141,174	5.98	141,424	5.88	Uzbekistan	3,873	0.16	4,123	0.17
Jordan	941	0.04	1,191	0.05	Vanuatu	55	*	305	0.01
Kazakhstan	4,637	0.20	4,887	0.20	Venezuela, Rep. Boliv. de	27,588	1.17	27,838	1.16
Kenya	4,041	0.17	4,291	0.18	Vietnam	446	0.02	696	0.03
Kiribati	12	*	262	0.01	Yemen, Republic of	715	0.03	965	0.04
Korea, Republic of	15,946	0.68	16,196	0.67	Zambia	1,286	0.05	1,536	0.06
Kuwait	9,947	0.42	10,197	0.42	Zimbabwe	2,120	0.09	2,370	0.10
Kyrgyz Republic	1,720	0.07	1,970	0.08					
Lao People's Dem. Rep. ...	278	0.01	528	0.02					
					Total June 30, 2004	\$ 2,361,499	100.00+	2,405,499	100.00+
					Total June 30, 2003	\$ 2,360,181	100.00+	2,403,931	100.00+

* Less than .005 percent.

+ May differ from the sum of the individual percentages shown because of rounding.

The notes to financial statements are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

PURPOSE

The International Finance Corporation (the Corporation), an international organization, was established in 1956 to further economic development in its member countries by encouraging the growth of private enterprise. The Corporation is a member of the World Bank Group, which also includes the International Bank for Reconstruction and Development (IBRD), the International Development Association, and the Multilateral Investment Guarantee Agency (MIGA). The Corporation's activities are closely coordinated with and complement the overall development objectives of the other World Bank Group institutions. The Corporation, together with private investors, assists in financing the establishment, improvement and expansion of private sector enterprises by making loans and equity investments where sufficient private capital is not otherwise available on reasonable terms. The Corporation's share capital is provided by its member countries. It raises most of the funds for its investment activities through the issuance of notes, bonds and other debt securities in the international capital markets. The Corporation also plays a catalytic role in mobilizing additional project funding from other investors and lenders, either through cofinancing or through loan syndications, underwritings and guarantees. In addition to project finance and resource mobilization, the Corporation offers an array of financial and technical advisory services to private businesses in the developing world to increase their chances of success. It also advises governments on how to create an environment hospitable to the growth of private enterprise and foreign investment.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING AND RELATED POLICIES

The accounting and reporting policies of the Corporation conform with accounting principles generally accepted in the United States of America (US GAAP). On August 3, 2004, the Board of Directors of the Corporation approved these financial statements for issue.

Financial statements presentation - Certain amounts in the prior years have been reclassified to conform to the current year's presentation.

Use of estimates - The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting periods. Actual results could differ from these estimates. A significant degree of judgment has been used in the determination of: the adequacy of the reserve against losses on loans and equity investments; estimated fair values of all derivative instruments and related financial instruments in qualifying hedging relationships; and net periodic pension income. There are inherent risks and uncertainties related to the Corporation's operations. The possibility exists that changing economic conditions could have an adverse effect on the financial position of the Corporation.

As part of the ongoing compliance with US Statement of Financial Accounting Standards (SFAS) No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138, *Accounting for Certain Derivatives and Certain Hedging Relationships* (collectively SFAS No. 133), the Corporation uses internal models to determine the fair values of derivative and other financial instruments and the aggregate level of the reserve against losses on loans and equity investments. The Corporation undertakes continuous review and respecification of these models with the objective of refining its estimates, consistent with evolving best market practices. Changes in estimates resulting from refinements in the assumptions and methodologies incorporated in the models are reflected in net income in the period in which the enhanced models are first applied.

Translation of currencies - Assets and liabilities not denominated in United States dollars (US dollars or \$), other than disbursed equity investments, are expressed in US dollars at the exchange rates prevailing at June 30, 2004 and June 30, 2003. Disbursed equity investments are expressed in US dollars at the prevailing exchange rates at the time of disbursement. Income and expenses are translated at the rates of exchange prevailing at the time of the transaction. Translation gains and losses are credited or charged to income.

Originated loans - The Corporation originates loans to facilitate project finance, restructuring, refinancing, corporate finance, and/or developmental impact. The Corporation may have loans and equity investments outstanding to the same investee company at any given time. Loans are recorded as assets when disbursed. Loans are carried at the principal amounts outstanding. Where loans are part of a designated hedging relationship employing derivative instruments, the carrying value is adjusted for changes in fair value attributable to the risk being hedged. These adjustments are reported in net gains and losses on other financial instruments in the income statement. It is the Corporation's practice to obtain collateral security such as, but not limited to, mortgages and third-party guarantees.

Equity investments - The Corporation invests in equities for current income, capital appreciation, developmental impact or all three; the Corporation does not take operational, controlling or strategic equity positions within its investee companies. The Corporation may have loans and equity investments outstanding to the same investee company at any given time. Equity investments are recorded as assets when disbursed, and are carried at cost. The Corporation enters into put and call option agreements in connection with equity investments; these are accounted for in accordance with SFAS No. 133.

Reserve against losses on loans and equity investments - The Corporation recognizes portfolio impairment in the balance sheet through the reserve against losses on loans and equity investments, recording a provision or release of provision for losses on loans and equity investments in net income on a quarterly basis, which increases or decreases the reserve against losses on loans and equity investments.

Management determines the aggregate level of the reserve against losses on loans and equity investments, taking into account established guidelines and its assessment of recent portfolio quality trends. The guidelines comprise simulation techniques, internal country risk ratings and the impairment potential of the portfolio based on the Corporation's historical portfolio write-off and loss reserve experience on mature investments.

The reserve against losses on loans and equity investments reflects estimates of both probable losses already identified and probable losses inherent in the portfolio but not specifically identifiable. The determination of identified probable losses represents management's judgment of the creditworthiness of the borrower or the value of the company invested in and is established through review of individual loans and equity

NOTES TO FINANCIAL STATEMENTS

investments undertaken on a quarterly basis. The Corporation considers a loan as impaired when, based on current information and events, it is probable that the Corporation will be unable to collect all amounts due according to the loan's contractual terms. A reserve against losses for an equity investment is established when a decrease in value of the equity investment has occurred which is considered other than temporary. Unidentified probable losses are the aggregate probable losses over a one-year risk horizon, in excess of identified probable losses. The risks inherent in the portfolio that are considered in determining unidentified probable losses are those proven to exist by past experience and include: country systemic risk; the risk of correlation or contagion of losses between markets; uninsured and uninsurable risks; nonperformance under guarantees and support agreements; and opacity of, or misrepresentation in, financial statements.

Loan and Equity investments are written-off when the Corporation has exhausted all possible means of recovery, by reducing the reserve against losses on loans and equity investments. Such reductions in the reserve are offset by recoveries associated with previously written-off loans and equity investments.

Revenue recognition on loans and equity investments - Interest income and commitment fees on loans are recorded as income on an accrual basis. All other fees are recorded as income when received in freely convertible currencies. The Corporation does not recognize income on loans where collectibility is in doubt or payments of interest or principal are past due more than 60 days unless management anticipates that collection of interest will occur in the near future. Any interest accrued on a loan placed in nonaccrual status is reversed out of income and is thereafter recognized as income only when the actual payment is received. Interest not previously recognized but capitalized as part of a debt restructuring is recorded as deferred income, included in the balance sheet in payables and other liabilities, and credited to income only when the related principal is received. Such capitalized interest is considered in the computation of the reserve against losses on loans and equity investments in the balance sheet.

Dividends and profit participations are recorded as income when received in freely convertible currencies. Realized capital gains on the sale or redemption of equity investments are measured against the average cost of the investments sold and are recorded as income when received in freely convertible currencies.

Certain equity investments, for which recovery of invested capital is uncertain, are accounted for under the cost recovery method, such that receipts of freely convertible currencies are first applied to recovery of invested capital and then to capital gains. The cost recovery method is principally applied to the Corporation's investment in its unincorporated oil and gas joint ventures.

Guarantees - The Corporation extends financial guarantee facilities to its clients to provide credit enhancement for their debt securities and trade obligations. Beginning in the year ended June 30, 2001, the Corporation began offering partial credit guarantees to clients covering, on a risk-sharing basis, client obligations on bonds and/or loans. Under the terms of the Corporation's guarantees, the Corporation agrees to assume responsibility for the client's financial obligations in the event of default by the client (i.e., failure to pay when payment is due). Guarantees are regarded as issued when the Corporation commits to the guarantee. This date is also the "inception" of the guarantee contract. Guarantees are regarded as outstanding when the underlying financial obligation of the client is incurred, and called when the Corporation's obligation under the guarantee has been invoked. There are two liabilities associated with the guarantees: (1) the stand-ready obligation to perform and (2) the contingent liability. The stand-ready obligation to perform is recognized at the commitment date unless a contingent liability exists at that time or is expected to exist in the near term. The contingent liability associated with the financial guarantees is recognized when it is probable the guarantee will be called and when the amount of guarantee called can be reasonably estimated. All liabilities associated with guarantees are included in payables and other liabilities, and the receivables are included in other assets on the balance sheet. When the guarantees are called, the amount disbursed is recorded as a new loan, and specific reserves are established, based on the estimated probable loss. These reserves are included in the reserve against losses on loans and equity investments on the balance sheet. Commitment fees on guarantees are recorded as income on an accrual basis.

Funding Mechanism for Technical Assistance and Advisory Services - In FY04, IFC established a funding mechanism for technical assistance and advisory services. The funding mechanism is used to finance the Corporation's technical assistance and advisory activities. Amounts designated for technical assistance and advisory services are determined based on the Corporation's annual operating income in excess of \$150 million, and contemplating the financial capacity and priorities of the Corporation. Expenditures for the various approved technical assistance and advisory projects are recorded as expenses in the Corporation's income statement in the year in which they occur and have the effect of reducing retained earnings designated for technical assistance and advisory services.

During the year ended June 30, 2004, \$225 million was designated for the funding mechanism for technical assistance and advisory services. There were no expenditures under the technical assistance and advisory services funding mechanism in the year ended June 30, 2004. As of June 30, 2004, the Board of Directors has approved \$77 million in respect of proposed future technical assistance and advisory activities which are expected to be expended under the technical assistance and advisory services funding mechanism beginning in the years ending June 30, 2005 through June 30, 2009, including \$43 million projected in the year ending June 30, 2005. Actual amounts expended may differ from projected amounts, both in terms of amounts and timing.

Liquid asset portfolio - The Corporation's liquid funds are invested in government and agency obligations, time deposits and asset-backed securities. Government and agency obligations include long and short positions in highly rated fixed rate bonds, notes, bills and other obligations issued or unconditionally guaranteed by governments of countries or other official entities including government agencies and instrumentalities or by multilateral organizations. The liquid asset portfolio, as defined by the Corporation and as detailed in note B, comprises: these time deposits and securities; related derivative instruments; securities purchased under resale agreements, securities sold under repurchase agreements and payable for cash collateral received; receivables from sales of securities and payables for purchases of securities; and related accrued income and charges.

Trading securities are carried at fair value with any changes in fair value reported in net gains and losses on trading activities. Interest on

NOTES TO FINANCIAL STATEMENTS

securities and amortization of premiums and accretion of discounts are reported in interest from time deposits and securities.

The Corporation classifies due from banks, time deposits and securities (collectively, cash and cash equivalents) as an element of liquidity in the statement of cash flows because they are readily convertible to known amounts of cash within 90 days.

Repurchase and resale agreements - Repurchase agreements are contracts under which a party sells securities and simultaneously agrees to repurchase the same securities at a specified future date at a fixed price. Resale agreements are contracts under which a party purchases securities and simultaneously agrees to resell the same securities at a specified future date at a fixed price.

It is the Corporation's policy to take possession of securities purchased under resale agreements, which are primarily liquid government securities. The market value of these securities is monitored and, within parameters defined in the agreements, additional collateral is obtained when their value declines. The Corporation also monitors its exposure with respect to securities sold under repurchase agreements and, in accordance with the terms of the agreements, requests the return of excess securities held by the counterparty when their value increases.

Repurchase and resale agreements are accounted for as collateralized financing transactions and recorded at the amount at which the securities were acquired or sold plus accrued interest. Securities purchased under resale agreements, securities sold under agreements to repurchase and securities payable for cash collateral received are recorded at fair value.

Borrowings - To diversify its access to funding and reduce its borrowing costs, the Corporation borrows in a variety of currencies and uses a number of borrowing structures, including foreign exchange rate-linked, inverse floating rate and zero coupon notes. Generally, the Corporation simultaneously converts such borrowings into variable rate US dollar borrowings through the use of currency and interest rate swap transactions. Under certain outstanding borrowing agreements, the Corporation is not permitted to mortgage or allow a lien to be placed on its assets (other than purchase money security interests) without extending equivalent security to the holders of such borrowings.

Borrowings are recorded at the amount repayable at maturity, adjusted for unamortized premium and unaccrued discount. Where borrowings are part of a designated hedging relationship employing derivative instruments, the carrying amount is adjusted for changes in fair value attributable to the risk being hedged. Adjustments for changes in fair value attributable to hedged risks are reported in net gains and losses on other financial instruments in the income statement. Interest on borrowings and amortization of premiums and accretion of discounts are reported in charges on borrowings.

Risk management, derivative instruments and hedge accounting - The Corporation enters into transactions in various derivative instruments for financial risk management purposes in connection with its principal business activities, including lending, client risk management, borrowing, liquid asset portfolio management and asset and liability management. The Corporation does not use derivatives for speculative, marketing or merchandising purposes.

All derivative instruments are recorded on the balance sheet at fair value as derivative assets or derivative liabilities. Where they are not clearly and closely related to the host contract, certain derivative instruments embedded in loans, equity investments and market borrowing transactions entered into on or after January 1, 1999 are bifurcated from the host contract and recorded at fair value as derivative assets and liabilities. The value at inception of such embedded derivatives is excluded from the carrying value of the host contracts on the balance sheet. Changes in fair values of derivative instruments used in liquid asset portfolio management activities are recorded in net gains and losses on trading activities. Changes in fair values of derivative instruments other than those used in liquid asset portfolio management activities are recorded in other unrealized gains and losses on financial instruments.

Subject to certain specific qualifying conditions in SFAS No. 133, a derivative instrument may be designated either as a hedge of the fair value of an asset or liability (fair value hedge), or as a hedge of the variability of cash flows of an asset or liability or forecasted transaction (cash flow hedge). For a derivative instrument qualifying as a fair value hedge, fair value gains or losses on the derivative instrument are reported in net income, together with offsetting fair value gains or losses on the hedged item that are attributable to the risk being hedged. For a derivative instrument qualifying as a cash flow hedge, fair value gains or losses associated with the risk being hedged are reported in other comprehensive income and released to net income in the period(s) in which the effect on net income of the hedged item is recorded. Fair value gains and losses on a derivative instrument not qualifying as a hedge are reported in net income.

The Corporation has designated certain hedging relationships in its borrowing and lending activities as fair value hedges. The Corporation generally matches the terms of its derivatives with the terms of the specific underlying financial instruments hedged, in terms of currencies, maturity dates, reset dates, interest rates and other features. However, the valuation methodologies applied to the derivative and the hedged financial instrument, as prescribed by SFAS No. 133, may differ. The resulting ineffectiveness calculated for such relationships is recorded in net gains and losses on other financial instruments in the income statement.

The Corporation has not designated any hedging relationships as cash flow hedges.

The risk management policy for each of the Corporation's principal business activities and the accounting policies particular to them are described below.

Lending activities The Corporation's policy is to closely match the currency, rate basis and maturity of its loans and borrowings. Derivative instruments are used to convert the cash flows from fixed rate US dollar or non-US dollar loans into variable rate US dollars. The impact on net income of changes in fair value of interest rate swaps qualifying for the shortcut method under SFAS No. 133 is exactly offset by a corresponding adjustment to the fair value of the related loans. The Corporation has elected not to designate hedging relationships for all other lending-related derivatives that do not qualify for the shortcut method.

NOTES TO FINANCIAL STATEMENTS

Client risk management activities The Corporation enters into derivatives transactions with its clients to help them hedge their own currency, interest rate or commodity risk, which, in turn, improves the overall quality of the Corporation's loan portfolio. To hedge the market risks that arise from these transactions with clients, the Corporation enters into offsetting derivative transactions with matching terms with authorized market counterparties. Changes in fair value of all derivatives associated with these activities are reflected currently in net income. Though hedge accounting is not applicable to these activities, the matching of terms between the offsetting transactions minimizes the impact on net income. Fees and spreads charged on these transactions are recorded as income on an accrual basis.

Borrowing activities The Corporation issues debt securities in various capital markets with the objectives of minimizing its borrowing costs, diversifying funding sources, and developing member countries' capital markets, sometimes using complex structures. These structures include borrowings payable in multiple currencies, or borrowings with principal and/or interest determined by reference to a specified index such as a stock market index, a reference interest rate, a commodity index, or one or more foreign exchange rates. The Corporation uses derivative instruments with matching terms, primarily currency and interest rate swaps, to convert such borrowings into variable rate US dollar obligations, consistent with the Corporation's matched funding policy. The Corporation has designated the majority of derivatives associated with borrowing activities as fair value hedges of the underlying borrowings. There are a small number of cash flow-like hedging transactions for which no hedge relationship has been designated.

Liquid asset portfolio management activities The Corporation manages the interest rate, currency and other market risks associated with certain of the time deposits and securities in its liquid asset portfolio by entering into derivative transactions to convert the cash flows from those instruments into variable rate US dollars, consistent with the Corporation's matched funding policy. The derivative instruments used include short-term, over-the-counter foreign exchange forwards (covered forwards), interest rate and currency swaps, and exchange-traded interest rate futures and options. As the entire liquid asset portfolio is classified as a trading portfolio, all securities (including derivatives) are carried at fair value, and no hedging relationships have been designated.

Asset and liability management In addition to the risk managed in the context of its business activities detailed above, the Corporation faces residual market risk in its overall asset and liability management. Residual currency risk is managed by monitoring the aggregate position in each lending currency and eliminating the net excess asset or liability position through spot sales or purchases. Interest rate risk due to reset date mismatches is reduced by synchronizing the reset dates on assets and liabilities and managing overall interest rate risk on an aggregate basis. Interest rate risk arising from mismatches due to writedowns, prepayments and reschedulings, and residual reset date mismatches, is monitored by measuring the sensitivity of the present value of assets and liabilities in each currency to each basis point change in interest rates.

The Corporation monitors the credit risk associated with these activities by careful assessment and monitoring of prospective and actual clients and counterparties. In respect of liquid assets and derivatives transactions, credit risk is managed by establishing exposure limits based on the credit rating and size of the individual counterparty. In addition, the Corporation has entered into master agreements governing derivative transactions that contain close-out and netting provisions and collateral arrangements. Under these agreements, if the Corporation's credit exposure to a counterparty, on a mark-to-market basis, exceeds a specified level, the counterparty must post collateral to cover the excess, generally in the form of liquid government securities.

Resource mobilization - The Corporation mobilizes funds from commercial banks and other financial institutions (Participants) by facilitating loan participations, without recourse. These loan participations are administered and serviced by the Corporation on behalf of the Participants. The disbursed and outstanding balances of the loan participations are not included in the Corporation's balance sheet.

Pension and other postretirement benefits - IBRD has a defined benefit Staff Retirement Plan (SRP), a Retired Staff Benefits Plan (RSBP) and a Post-Employment Benefits Plan (PEBP) that cover substantially all of its staff members as well as the staff of the Corporation and of MIGA.

The SRP provides regular pension benefits and includes a cash balance plan. The RSBP provides certain health and life insurance benefits to eligible retirees. The PEBP provides pension benefits administered outside the SRP. All costs associated with these plans are allocated between IBRD, the Corporation, and MIGA based upon their employees' respective participation in the plans. In addition, the Corporation and MIGA reimburse IBRD for their share of any contributions made to these plans by IBRD.

The net periodic pension and other postretirement benefit income or expense allocated to the Corporation is included in income from (contributions to) Staff Retirement Plan and cost of (income from) other postretirement benefits, respectively, in the income statement. The Corporation includes a receivable from IBRD in receivables and other assets, representing prepaid pension and other postretirement benefit costs.

Accounting and financial reporting developments - On January 17, 2003, FASB issued FASB Interpretation No. 46, *Consolidation of Variable Interest Entities – an interpretation of ARB No. 51 (FIN 46)*. During December 2003, FASB replaced FIN 46 with FASB Interpretation No. 46, *Consolidation of Variable Interest Entities – an interpretation of ARB No. 51 (FIN 46R)*. FIN 46 and FIN 46R define certain "variable interest entities" (VIEs) and require parties to such entities to assess and measure variable interests in the VIEs for the purpose of determining possible consolidation of the VIEs. Enterprises are required to apply the provisions of FIN 46 to VIEs created after January 31, 2003. Entities with an interest in an entity that is subject to FIN 46R and that is created after December 31, 2003 are required to apply the provisions of FIN 46R to that entity immediately. Nonpublic entities are required to apply the provisions of FIN 46R to all entities that are subject to FIN 46R by the beginning of the first annual period beginning after December 15, 2004. IFC applied FIN 46 to entities created after January 31, 2003 and applied FIN 46R to entities created after December 31, 2003. As a result of its analysis, IFC did not identify any material variable interests in VIEs created after January 31, 2003, and accordingly, no such entities have been consolidated into IFC's financial statements. Pursuant to the requirements for nonpublic entities (nonpublic entities as defined in SFAS No. 123, *Accounting for Stock-Based Compensation*), IFC is required to apply the provisions of FIN 46R to entities created before January 31, 2003 in its financial statements for the year ending June 30, 2006.

NOTES TO FINANCIAL STATEMENTS

During the year ended June 30, 2003, FASB issued Statement of Financial Accounting Standards No. 149, *Amendment of Statement 133 on Derivative Instruments and Hedging Activities*. SFAS No. 149 codifies certain implementation decisions previously issued by the Derivatives Implementation Group and addresses additional implementation issues relating to the definition of a derivative. The Standard also clarifies the definition of a financial guarantee to conform with FASB Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*. SFAS No. 149 was effective for the Corporation on July 1, 2003 (FY04), and had no material impact on the financial position or results of operations for the Corporation.

During the year ended June 30, 2003, FASB issued Statement of Financial Accounting Standards No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*. SFAS No. 150 clarifies how the issuer classifies and measures certain financial instruments with characteristics of both liabilities and equities and is expected to lead to an increase in the number of quasi-debt/quasi-equity instruments issued being classified as liabilities on the issuer's balance sheet. SFAS No. 150 was effective for the Corporation on July 1, 2003 (FY04), and had no material impact on either the financial position or the results of operations of the Corporation.

In March 2004, FASB ratified the consensus reached by the Emerging Issues Task Force (EITF) on Issue No. 03-1, *The Meaning of Other-Than-Temporary Impairment and its Application to Certain Investments*. EITF 03-1 was issued to clarify the meaning of "other-than-temporary impairment" and its application to investments classified as either available-for-sale or held-to-maturity under Statement of Financial Accounting Standards No. 115, *Accounting for Certain Investments in Debt and Equity Securities* (including individual securities and investments in mutual funds), and investments accounted for under the cost method. The guidance in EITF 03-1 is effective for reporting periods beginning after June 15, 2004, and the disclosures for investments held at cost are required for fiscal years ending after June 15, 2004. The Corporation has assessed the impact of EITF 03-1 on its investments held at cost and has determined that EITF 03-1 will have no material impact on either the financial position or the results of operations of the Corporation.

In addition, during the year ended June 30, 2004, FASB issued and/or approved various FASB Staff Positions, EITF Issues Notes, and other interpretative guidance related to Statements of Financial Accounting Standards and APB Opinions. The Corporation analyzed and impounded the new guidance, as appropriate, with no material impact on either the financial position or results of operations of the Corporation.

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

NOTE B – LIQUID ASSET PORTFOLIO

The composition of the Corporation's liquid asset portfolio is as follows (US\$ millions):

	June 30, 2004	June 30, 2003
Assets		
Due from banks	\$ 39	\$ 53
Time deposits	2,375	2,293
Trading securities	12,842	10,572
Securities purchased under resale agreements	3,094	4,046
Receivables and other assets:		
Receivables from sales of securities	813	1,889
Accrued interest income on time deposits and securities	665	431
Accrued income on derivative instruments	24	15
Derivative assets	93	64
Total assets	<u>19,945</u>	<u>19,363</u>
Liabilities		
Payables and other liabilities:		
Payables for purchases of securities	1,733	2,388
Accrued charges on derivative instruments	112	96
Securities sold under repurchase agreements and payable for cash collateral received	4,329	3,053
Derivative liabilities	716	874
Total liabilities	<u>6,890</u>	<u>6,411</u>
Total net liquid asset portfolio	<u>\$ 13,055</u>	<u>\$ 12,952</u>

The liquid asset portfolio is denominated primarily in US dollars; investments in other currencies, net of the effect of associated derivative instruments that convert non-US dollar securities into US dollar securities, represent less than 1% of the portfolio at June 30, 2004 (less than 1% - June 30, 2003). The annualized rate of return on the trading portfolio during the year ended June 30, 2004, was 1.4 % (3.7% - year ended June 30, 2003; 4.1% - year ended June 30, 2002). After the effect of associated derivative instruments, the liquid asset portfolio generally reprices within one year.

Trading securities

The composition of trading securities is as follows:

	Year ended June 30, 2004	At June 30, 2004		
	Fair value average daily balance (US\$ millions)	Fair value (US\$ millions)	Average maturity (years)	Average yield (%)
Government and agency obligations	\$ 5,208	\$ 6,996	4.8	3.9
Asset-backed securities	2,785	2,767	14.6	1.7
Corporate securities	3,121	2,956	3.3	4.4
Money market funds	124	123	-	1.3
Total trading securities	<u>\$ 11,238</u>	<u>\$ 12,842</u>		
	Year ended June 30, 2003	At June 30, 2003		
	Fair value average daily balance (US\$ millions)	Fair value (US\$ millions)	Average maturity (years)	Average yield (%)
Government and agency obligations	\$ 4,693	\$ 4,296	5.4	4.2
Asset-backed securities	2,565	2,894	16.7	1.9
Corporate securities	3,010	3,242	3.4	4.7
Money market funds	140	140	-	1.2
Total trading securities	<u>\$ 10,408</u>	<u>\$ 10,572</u>		

The expected maturity of the asset-backed securities will differ from the contractual maturity, as reported above, due to prepayment features.

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

Liquid asset portfolio income

Income from the liquid asset trading portfolio for the years ended June 30, 2004, 2003 and 2002 comprises (US\$ millions):

	2004	2003	2002
Interest income	\$ 278	\$ 318	\$ 493
Net (losses) gains on trading activities:			
Realized	(38)	131	45
Unrealized	(66)	26	(14)
Net (losses) gains on trading activities	(104)	157	31
Translation adjustments	3	-	-
Total income from liquid asset portfolio	\$ 177	\$ 475	\$ 524

Collateral

The estimated fair value of securities held by the Corporation at June 30, 2004 as collateral, in connection with derivatives transactions and purchase and resale agreements, that may be sold or repledged was \$3,101 million (\$4,500 million - June 30, 2003).

NOTE C – LOANS AND EQUITY INVESTMENTS AND RESERVE AGAINST LOSSES

The distribution of the disbursed portfolio by sector is as follows (US\$ millions):

	June 30, 2004			June 30, 2003		
	Loans	Equity investments	Total	Loans	Equity investments	Total
Finance and insurance	\$ 2,190	\$ 790	\$ 2,980	\$ 1,870	\$ 794	\$ 2,664
Utilities	1,188	134	1,322	1,183	110	1,293
Oil, gas and mining	684	137	821	549	150	699
Transportation and warehousing	626	117	743	636	170	806
Industrial and consumer products	637	86	723	537	90	627
Food and beverages	625	67	692	731	115	846
Information	505	184	689	483	181	664
Collective investment vehicles	52	585	637	13	550	563
Nonmetallic mineral product manufacturing	539	69	608	590	106	696
Primary metals	524	36	560	566	97	663
Chemicals	465	63	528	536	85	621
Accommodation and tourism services	313	64	377	306	61	367
Wholesale and retail trade	301	40	341	259	26	285
Paper and pulp	280	37	317	215	66	281
Textiles, apparel and leather	220	38	258	250	54	304
Agriculture and forestry	201	31	232	163	19	182
Health care	116	17	133	99	20	119
Plastics and rubber	64	41	105	65	39	104
Other	210	21	231	178	27	205
Total disbursed portfolio	9,740	2,557	12,297	9,229	2,760	11,989
Fair value adjustments	13	2	15	13	-	13
Carrying value of loans and equity investments	\$ 9,753	\$ 2,559	\$ 12,312	\$ 9,242	\$ 2,760	\$ 12,002

The distribution of the disbursed loan and equity investment portfolio by geographical region is as follows (US\$ millions):

	June 30, 2004			June 30, 2003		
	Loans	Equity investments	Total	Loans	Equity investments	Total
Latin America and Caribbean	\$ 3,957	\$ 741	\$ 4,698	\$ 4,030	\$ 907	\$ 4,937
Europe and Central Asia	2,560	423	2,983	2,089	429	2,518
Asia	1,724	917	2,641	1,730	948	2,678
Sub-Saharan Africa	737	292	1,029	697	256	953
Middle East and North Africa	678	140	818	683	194	877
Other	84	44	128	-	26	26
Total disbursed portfolio	9,740	2,557	12,297	9,229	2,760	11,989
Fair value adjustments	13	2	15	13	-	13
Carrying value of loans and equity investments	\$ 9,753	\$ 2,559	\$ 12,312	\$ 9,242	\$ 2,760	\$ 12,002

At June 30, 2004, 21% (20% - June 30, 2003) of the disbursed loan portfolio consisted of fixed rate loans, while the remainder was at variable rates.

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

Loan portfolio

The currency composition and average yield of the disbursed loan portfolio are summarized below:

	June 30, 2004		June 30, 2003	
	Amount (US \$ millions)	Average yield (%)	Amount (US \$ million)	Average yield (%)
US dollar	\$ 8,286	5.1	\$ 7,977	5.0
Euro	984	5.6	907	5.9
Other currencies	470	8.7	345	8.5
Total disbursed loan portfolio	9,740	5.3	9,229	5.2
Fair value adjustments	13		13	
Carrying value of loans	\$ 9,753		\$ 9,242	

After the effect of interest rate and currency swaps, the Corporation's loans are principally denominated in US dollars.

Disbursed loans in all currencies are repayable during the years ending June 30, 2005 through June 30, 2009, and thereafter, as follows (US\$ millions):

	2005	2006	2007	2008	2009	Thereafter	Total
Fixed rate loans	\$ 540	\$ 338	\$ 245	\$ 205	\$ 214	\$ 468	\$ 2,010
Variable rate loans	1,580	1,094	1,099	980	883	2,094	7,730
Total disbursed loan portfolio	\$ 2,120	\$ 1,432	\$ 1,344	\$ 1,185	\$ 1,097	\$ 2,562	9,740
Fair value adjustments							13
Carrying value of loans							\$ 9,753

The Corporation's disbursed variable rate loans generally reprice within one year.

Loans on which the accrual of interest has been discontinued amounted to \$1,121 million at June 30, 2004 (\$1,543 million - June 30, 2003). Interest income not recognized on nonaccruing loans during the year ended June 30, 2004 totaled \$82 million (\$82 million - year ended June 30, 2003; \$106 million - year ended June 30, 2002). Interest collected on loans in nonaccrual status, related to current and prior years, during the year ended June 30, 2004 was \$54 million (\$40 million - year ended June 30, 2003; \$39 million - year ended June 30, 2002). The average recorded investment in impaired loans during the year ended June 30, 2004, was \$2,114 million (\$2,543 million - year ended June 30, 2003). The recorded investment in impaired loans at June 30, 2004 was \$1,781 million (\$2,446 million - June 30, 2003).

Reserve against losses on loans and equity investments

Changes in the reserve against losses on loans and equity investments for the years ended June 30, 2004, 2003 and 2002 are summarized below (US\$ millions):

	2004			2003			2002		
	Loans	Equity investments	Total	Loans	Equity investments	Total	Loans	Equity investments	Total
Beginning balance	\$ 1,684	\$ 941	\$ 2,625	\$ 1,758	\$ 1,013	\$ 2,771	\$ 1,363	\$ 850	\$ 2,213
Provision for losses	(89)	(74)	(163)	47	50	97	373	268	641
Other adjustments	(228)	(201)	(429)	(121)	(122)	(243)	22	(105)	(83)
Ending balance	\$ 1,367	\$ 666	\$ 2,033	\$ 1,684	\$ 941	\$ 2,625	\$ 1,758	\$ 1,013	\$ 2,771

Provision for losses on loans, equity investments and guarantees in the income statement for the year ended June 30, 2004 includes \$14 million release in respect of guarantees (\$1 million - year ended June 30, 2003; \$16 million - year ended June 30, 2002). At June 30, 2004 the accumulated reserve for losses on guarantees, included in the balance sheet in payables and other liabilities, was \$16 million (\$30 million - June 30, 2003).

Other adjustments comprise loan and equity investment write-offs and recoveries, reserves against interest capitalized as part of a debt restructuring, and translation adjustments.

Interest and financial fees from loans

Interest and financial fees from loans for the years ended June 30, 2004, 2003 and 2002 comprise the following (US\$ millions):

	2004	2003	2002
Interest income	\$ 444	\$ 414	\$ 486
Commitment fees	15	18	11
Other financial fees	59	45	50
Total interest and financial fees from loans	\$ 518	\$ 477	\$ 547

NOTES TO FINANCIAL STATEMENTS

NOTE D – GUARANTEES

Under the terms of the Corporation's guarantees, the Corporation agrees to assume responsibility for the client's financial obligations in the event of default by the client, where default is defined as failure to pay when payment is due. Guarantees entered into by the Corporation generally have maturities consistent with those of the loan portfolio. Guarantees signed at June 30, 2004 totaled \$908 million (\$1,080 million – June 30, 2003). Guarantees of \$315 million that were outstanding at June 30, 2004 (\$314 million – June 30, 2003), were not included in loans on the Corporation's Balance Sheet. The outstanding amount represents the maximum amount of undiscounted future payments that the Corporation could be required to make under these guarantees.

NOTE E – INCOME FROM EQUITY INVESTMENTS

Income from equity investments for the years ended June 30, 2004, 2003 and 2002 comprise the following (US\$ millions):

	2004	2003	2002
Realized capital gains on equity sales	\$ 381	\$ 52	\$ 288
Dividends and profit participations	207	147	141
Net gains (losses) on equity-related derivatives	(2)	(3)	-
Custody and other fees	(2)	(1)	(1)
Total income from equity investments	\$ 584	\$ 195	\$ 428

Dividends and profit participations include \$65 million (\$61 million - year ended June 30, 2003 and \$45 million - year ended June 30, 2002) of receipts received in freely convertible cash, net of cash disbursements, in respect of investments accounted for under the cost recovery method.

NOTE F – PROJECTS APPROVED AND COMMITTED BUT NOT DISBURSED OR UTILIZED

Projects approved by the Board of Directors not committed, loan and equity commitments signed but not yet disbursed, and guarantee and client risk management facilities signed but not yet utilized are summarized below (US\$ millions):

	June 30, 2004	June 30, 2003
Projects approved but not committed:		
Loans	\$ 1,753	\$ 1,961
Equity investments	398	610
Guarantees	240	246
Client risk management facilities	26	54
Total projects approved but not committed	2,417	2,871
Projects committed but not disbursed:		
Loans	3,521	2,697
Equity investments	1,035	758
Projects committed but not utilized:		
Guarantees	593	765
Client risk management facilities	103	168
Total projects committed but not disbursed or utilized	5,252	4,388
Total projects approved but not disbursed or utilized	\$ 7,669	\$ 7,259

NOTE G – RESOURCE MOBILIZATION

Loan participations arranged to be placed with Participants in respect of loans approved by the Board of Directors, loan participations signed as commitments for which disbursement has not yet been made and loan participations disbursed and outstanding and serviced by the Corporation for the Participants are as follows (US\$ millions):

	June 30, 2004	June 30, 2003
Loan participations arranged to be placed with Participants approved but not committed	\$ 2,175	\$ 2,517
Loan participations signed as commitments but not disbursed	455	472
Loan participations arranged to be placed with Participants approved but not disbursed	\$ 2,630	\$ 2,989
Loan participations disbursed and outstanding which are serviced by the Corporation	\$ 5,060	\$ 6,130

During the year ended June 30, 2004 the Corporation called and disbursed \$964 million (\$1,509 million - year ended June 30, 2003) of Participants' funds. The Corporation also sold \$58 million (\$15 million - year ended June 30, 2003) of its loans to Participants.

In July 1995, the Corporation securitized and sold variable rate US dollar loan participations to a trust (the Trust). Concurrently, the Corporation provided a \$20 million liquidity facility to the Trust and acquired \$20 million of the Trust's Class C certificates. In January 2002, the Corporation exercised an option to reacquire the remaining outstanding loan participations owned by the Trust for \$37 million, and the Trust was dissolved. As a result of the dissolution the Corporation recorded income of \$15 million, included in interest and financial fees from loans in the income statement for the year ended June 30, 2002. Reserves against losses of \$11 million were established on the reacquired

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

loans, included in provision for losses on loans, equity investments and guarantees for the year ended June 30, 2002.

NOTE H – RECEIVABLES AND OTHER ASSETS

Receivables and other assets are summarized below (US\$ millions):

	June 30, 2004	June 30, 2003
Receivables from sales of securities	\$ 813	\$ 1,889
Accrued interest income on time deposits and securities	665	431
Accrued income on derivative instruments	317	325
Accrued interest income on loans	94	99
Receivable from IBRD representing prepaid pension and other postretirement benefit costs	290	277
Headquarters building:		
Land	89	89
Building	184	184
Less: Building depreciation	(33)	(29)
Headquarters building, net	<u>240</u>	<u>244</u>
Deferred charges and other assets	174	163
Total receivables and other assets	<u>\$ 2,593</u>	<u>\$ 3,428</u>

NOTE I – BORROWINGS

Market borrowings and associated derivatives

The Corporation's borrowings outstanding from market sources and currency and interest rate swaps, net of unamortized issue premiums and discounts, are summarized below:

	June 30, 2004							
	Market borrowings		Currency swaps payable (receivable)		Interest rate swaps notional principal payable (receivable)		Net currency obligation	
	Amount (US \$ millions)	Weighted average cost (%)	Amount (US \$ millions)	Weighted average cost (%)	Notional amount (US \$ millions)	Weighted average cost (%)	Amount (US \$ millions)	Weighted average cost (%)
US dollar	\$ 7,696	4.6	\$ 8,571	0.4	\$ 6,935	1.3	\$ 15,950	1.0
					(7,253)	(4.4)	-	-
Japanese yen	4,984	4.1	(4,984)	(4.1)	-	-	-	-
Pound sterling	1,718	5.4	(1,718)	(5.4)	-	-	-	-
Hong Kong dollar	743	6.0	(743)	(6.0)	-	-	-	-
Euro	680	6.1	(680)	(6.1)	-	-	-	-
Australian dollar	535	4.8	(535)	(4.8)	-	-	-	-
South African rand	486	13.8	(486)	(13.8)	-	-	-	-
Canadian dollar	297	1.0	(297)	(1.0)	-	-	-	-
Colombian peso	230	12.5	(230)	(12.5)	-	-	-	-
New Zealand dollar	223	5.0	(223)	(5.0)	-	-	-	-
Swiss franc	80	2.5	(80)	(0.3)	80	0.3	-	-
					(80)	(2.5)	-	-
Singapore dollar	58	4.3	(58)	(4.3)	-	-	-	-
Hungarian Forints	48	9.0	(48)	(9.0)	-	-	-	-
Peruvian Soles Nuevos	14	7.3	(14)	(7.3)	-	-	-	-
Principal at face value	17,792		\$ (1,525)		\$ (318)		\$ 15,950	
Less: Unamortized discounts, net	(701)							
Total market borrowings	17,091							
Fair value adjustments	(934)							
Carrying value of market borrowings	<u>\$ 16,157</u>							

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2003								
	Market borrowings		Currency swaps payable (receivable)		Interest rate swaps notional principal payable (receivable)		Net currency obligation	
	Amount (US \$ millions)	Weighted average cost (%)	Amount (US \$ millions)	Weighted average cost (%)	Notional amount (US \$ millions)	Weighted average cost (%)	Amount (US \$ millions)	Weighted average cost (%)
US dollar	\$ 7,512	5.1	\$ 8,614	0.3	\$ 6,705	1.1	\$ 15,889	0.9
					(6,942)	(4.7)	-	-
Japanese yen	3,812	4.7	(3,812)	(4.7)	-	-	-	-
Pound sterling	2,349	5.7	(2,349)	(5.5)	250	3.8	-	-
					(250)	(5.8)	-	-
Euro	1,052	5.7	(1,052)	(5.7)	-	-	-	-
Hong Kong dollar	872	6.6	(872)	(6.6)	-	-	-	-
South African rand	398	13.8	(398)	(13.8)	-	-	-	-
Canadian dollar	295	1.0	(295)	(1.0)	-	-	-	-
Australian dollar	278	4.7	(278)	(4.7)	-	-	-	-
New Zealand dollar	204	5.0	(204)	(5.0)	-	-	-	-
Colombian peso	125	13.7	(125)	(13.7)	-	-	-	-
Swiss franc	74	2.7	(74)	0.1	74	0.1	-	-
					(74)	(2.7)	-	-
Singapore dollar	57	4.3	(57)	(4.3)	-	-	-	-
Principal at face value	17,028		\$ (902)		\$ (237)		\$ 15,889	
Less: Unamortized discounts, net	(595)							
Total market borrowings	16,433							
Fair value adjustments	748							
Carrying value of market borrowings	\$ 17,181							

The weighted average cost of the Corporation's borrowings outstanding from market sources after currency and interest rate swap transactions was 1.0% at June 30, 2004 (0.9% - June 30, 2003). The weighted average remaining maturity of the Corporation's borrowings from market sources was 11.9 years at June 30, 2004 (10.5 years - June 30, 2003).

Net fair value adjustments to the carrying value of market borrowings comprises \$(934) million (\$748 million - June 30, 2003) representing adjustments to the carrying value of transactions in designated fair value hedging relationships.

The net nominal amount receivable from currency swaps of \$1,525 million and the net notional amount receivable from interest rate swaps of \$318 million at June 30, 2004 (\$902 million and \$237 million - June 30, 2003), shown in the above table, are represented by currency and interest rate swap assets at fair value of \$951 million and currency and interest rate swap liabilities at fair value of \$637 million (\$1,590 million and \$166 million - June 30, 2003), included in derivative assets and derivative liabilities, respectively, on the balance sheet.

Borrowings from IBRD

Borrowings outstanding from IBRD are summarized below:

	June 30, 2004		June 30, 2003	
	Principal amount (US\$ millions)	Weighted average cost (%)	Principal amount (US\$ millions)	Weighted average cost (%)
US dollar	\$ 77	6.4	\$ 102	6.4
Euro	7	8.4	15	8.0
Other currencies	13	6.2	17	6.1
Total borrowings outstanding from IBRD	\$ 97		\$ 134	

The weighted average remaining maturity of borrowings from IBRD was 2.9 years at June 30, 2004 (3.7 years - June 30, 2003). There were no undrawn balances on committed borrowings from IBRD at June 30, 2004 (\$nil - June 30, 2003). Charges on borrowings for the year ended June 30, 2004 includes \$8 million (\$10 million - year ended June 30, 2003; \$12 million - year ended June 30, 2002) in respect of IBRD borrowings.

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NOTES TO FINANCIAL STATEMENTS

Maturity of borrowings

The principal amounts repayable on borrowings outstanding in all currencies, gross of any premiums or discounts, during the years ending June 30, 2005 through June 30, 2009 and thereafter are summarized below (US\$ millions):

	2005	2006	2007	2008	2009	Thereafter	Total
Borrowings from market sources	\$ 1,968	\$ 1,471	\$ 1,848	\$ 1,602	\$ 1,210	\$ 9,693	\$ 17,792
Borrowings from IBRD	42	24	18	9	3	1	97
Total borrowings, gross	\$ 2,010	\$ 1,495	\$ 1,866	\$ 1,611	\$ 1,213	\$ 9,694	17,889
Less: Unamortized discounts, net							(701)
Fair value adjustments							(934)
Carrying value of borrowings							\$ 16,254

After the effect of interest rate and currency swaps, the Corporation's borrowings generally reprice within one year.

NOTE J – PAYABLES AND OTHER LIABILITIES

Payables and other liabilities are summarized below (US\$ millions):

	June 30, 2004	June 30, 2003
Accrued charges on borrowings	\$ 269	\$ 285
Accrued charges on derivative instruments	205	192
Payables for purchases of securities	1,735	2,388
Accounts payable, accrued expenses and other liabilities	191	212
Deferred income	47	45
Total payables and other liabilities	\$ 2,447	\$ 3,122

NOTE K – CAPITAL TRANSACTIONS

The Corporation's authorized share capital was increased to \$2,450 million through two capital increases in 1992. The subscription and payment period for shares then allocated ended on August 1, 1999, but the Corporation has agreed to defer the payment date for certain member countries beyond this date. Pursuant to these arrangements, \$1 million of subscribed shares remained unpaid at June 30, 2004 (\$2 million - June 30, 2003).

During the year ended June 30, 2004, 720 shares were subscribed by member countries at a par value of \$1,000 each (nil - year ended June 30, 2001). \$1 million was paid in on account of pending subscriptions in the year ended June 30, 2004 (\$nil million - year ended June 30, 2003).

On August 3, 2004, the Board of Directors approved the designation of \$225 million of the Corporation's retained earnings for the purposes of the funding mechanism for technical assistance and advisory services.

NOTE L – OTHER INCOME

Other income for the year ended June 30, 2004, predominantly comprises \$16 million of fees collected from clients for expenses incurred by the Corporation on their behalf, included in administrative expenses (\$15 million - year ended June 30, 2003; \$18 million - year ended June 30, 2002).

NOTE M – CONTRIBUTIONS TO SPECIAL PROGRAMS

From time to time, the Board of Directors approves recommendations under which the Corporation contributes to special programs, comprising the Corporation's Global Small and Medium Enterprise Capacity Building Facility, Technical Assistance Fund and Foreign Investment Advisory Service and other donor-funded operations. During the year ended June 30, 2004, the Corporation contributed a total of \$29 million to these facilities (\$28 million - year ended June 30, 2003; \$22 million - year ended June 30, 2002), of which the largest amounts were attributable to the Global SME Capacity Building facility and the Private Enterprise Partnership.

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

NOTE N – NET GAINS (LOSSES) ON OTHER FINANCIAL INSTRUMENTS

Other unrealized gains on financial instruments for the year ended June 30, 2004 comprises (US\$ millions):

	2004	2003	2002
Difference between change in fair value of derivative instruments designated as a fair value hedge and change in fair value of hedged items attributable to risks being hedged	\$ 65	\$ (32)	\$ 81
Change in fair value of derivative instruments, other than those associated with liquid asset investments, not designated as a hedge	(54)	(6)	(31)
Amortization of difference between fair value and carrying value of hedged items at July 1, 2000 not designated for hedge accounting under SFAS No. 133	(2)	(5)	(2)
Release from accumulated other comprehensive income of transition gain on cash flow-like hedges	2	2	6
Net gains (losses) on other financial instruments	\$ 11	\$ (41)	\$ 54

Of the total other unrealized gains and losses on financial instruments, unrealized losses of \$26 million (\$nil million - year ended June 30, 2003; gains \$72 million - year ended June 30, 2002) are attributable to borrowings and related derivatives transactions, unrealized gains of \$36 million (losses \$40 million - year ended June 30, 2003; losses \$19 million - year ended June 30, 2002) are attributable to loans and related derivatives transactions and unrealized gains of \$1 million (losses \$1 million - year ended June 30, 2003; gains \$1 million - year ended June 30, 2002) are attributable to client risk management activities.

Upon the adoption of SFAS No. 133 on July 1, 2000, the Corporation recorded a gain of \$14 million to accumulated other comprehensive income to adjust the book value to fair value of cross-currency interest rate swaps in cash flow-like hedges. The Corporation elected not to seek hedge accounting for these transactions under SFAS No.133 and, accordingly, records the cross-currency interest rate swaps at fair value, with the change in fair value included in earnings. The gain recorded in accumulated other comprehensive income upon adoption of SFAS No.133 is released into earnings over the remaining original hedge term. The amounts released for the years ended June 30, 2004 and June 30, 2003 are shown above; the expected release for the year ending June 30, 2005 is \$nil million.

NOTE O – DERIVATIVE AND OTHER FINANCIAL INSTRUMENTS

Many of the Corporation's financial instruments are not actively traded in any market. Accordingly, estimates and present value calculations of future cash flows are used to estimate the fair values. Determining future cash flows for fair value estimation is subjective and imprecise, and minor changes in assumptions or methodologies may materially affect the estimated values. The excess or deficit resulting from the difference between the carrying amounts and the fair values presented does not necessarily reflect the realizable values, since the Corporation generally holds loans, borrowings and other financial instruments to maturity with the aim of realizing their recorded values.

The estimated fair values reflect the interest rate environments as of June 30, 2004 and June 30, 2003. In different interest rate environments, the fair value of the Corporation's financial assets and liabilities could differ significantly, especially the fair value of certain fixed rate financial instruments. Reasonable comparability of fair values among financial institutions is not likely, because of the wide range of permitted valuation techniques and numerous estimates that must be made in the absence of secondary market prices. This lack of objective pricing standards introduces a greater degree of subjectivity and volatility to these derived or estimated fair values. Therefore, while disclosure of estimated fair values of financial instruments is required, readers are cautioned in using these data for purposes of evaluating the financial condition of the Corporation. The fair values of the individual financial instruments do not represent the fair value of the Corporation taken as a whole.

The methodologies used and key assumptions made to estimate fair values as of June 30, 2004 and June 30, 2003 are summarized below.

Liquid assets - The estimated fair value of time deposits and the trading securities portfolio are based on quoted market prices and the present value of estimated future cash flows using appropriate discount rates.

Derivative instruments - Fair values for covered forwards were derived by using quoted market forward exchange rates. Fair values for other derivative instruments were derived by determining the present value of estimated future cash flows using appropriate discount rates.

Loans and loan commitments - The Corporation generally has not sold its loans from the portfolio, and there is no comparable secondary market. Fair values for fixed rate loans and loan commitments were determined using a discounted cash flow model based on a discount rate comprising the fixed rate loan spread plus the year-end estimated cost of funds. Since rates on variable rate loans and loan commitments are generally reset on a quarterly or semiannual basis, the carrying value adjusted for credit risk was determined to be the best estimate of fair value. The Corporation also holds options to convert loans into equity of certain of its investee companies. Fair values of these conversion options are based on quoted market prices or other calculated values of the underlying equity investment.

Equity investments - Fair values were determined using market prices where available, put option prices, book values or cost, certain of which were discounted based upon management's estimate of net realizable value. Where market prices were not available or alternate valuation techniques were not practical, cost was determined to be the best estimate of fair value.

Borrowings - Fair values were derived by determining the present value of estimated future cash flows using appropriate discount rates.

Estimated fair values of the Corporation's financial assets and liabilities and off-balance sheet financial instruments are summarized below

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NOTES TO FINANCIAL STATEMENTS

(US\$ millions). The Corporation's credit exposure is represented by the estimated fair values of its financial assets.

	June 30, 2004			June 30, 2003
	Carrying amount	Fair value adjustments	Fair value	Fair value
Financial assets				
Due from banks, time deposits, securities and securities purchased under resale agreements	\$ 18,397	\$ -	\$ 18,397	\$ 17,004
Loans	9,753	469	10,222	9,656
Equity investments	<u>2,559</u>	<u>1,285</u>	<u>3,844</u>	<u>4,561</u>
Total loans and equity investments	12,312	1,754	14,066	14,217
Reserve against losses	<u>(2,033)</u>	<u>-</u>	<u>(2,033)</u>	<u>(2,625)</u>
Net loans and equity investments	<u>10,279</u>	<u>1,754</u>	<u>12,033</u>	<u>11,592</u>
Derivative assets:				
Liquid asset portfolio-related	93	-	93	64
Loans-related	15	-	15	12
Borrowings-related	951	-	951	1,590
Client risk management-related	<u>33</u>	<u>-</u>	<u>33</u>	<u>68</u>
Total derivative assets	<u>1,092</u>	<u>-</u>	<u>1,092</u>	<u>1,734</u>
Nonfinancial assets	<u>2,593</u>	<u>-</u>	<u>2,593</u>	<u>3,428</u>
Total assets	\$ 32,361	\$ 1,754	\$ 34,115	\$ 33,758
Financial liabilities				
Securities sold under repurchase agreements and payable for cash collateral received	\$ 4,329	\$ -	\$ 4,329	\$ 3,053
Market and IBRD borrowings outstanding	16,254	4	16,258	17,307
Derivative liabilities:				
Liquid asset portfolio-related	716	-	716	874
Loans-related	162	-	162	154
Borrowings-related	637	-	637	166
Client risk management-related	<u>34</u>	<u>-</u>	<u>34</u>	<u>70</u>
Total derivative liabilities	<u>1,549</u>	<u>-</u>	<u>1,549</u>	<u>1,264</u>
Nonfinancial liabilities	<u>2,447</u>	<u>-</u>	<u>2,447</u>	<u>3,122</u>
Total liabilities	\$ 24,579	\$ 4	\$ 24,583	\$ 24,746
Off-balance sheet financial instruments				
Loan commitments	\$ 3,521	\$ 9	\$ 3,530	\$ 2,712

NOTE P – CURRENCY POSITION

The Corporation conducts its operations for its loans, time deposits and securities and borrowings in multiple currencies. The Corporation's policy is to minimize the level of currency risk by closely matching the currency of its assets (other than equity investments and quasi-equity investments) and liabilities by using hedging instruments. The Corporation's equity investments in enterprises located in its developing member countries are typically made in the local currency of the country. As a matter of policy, the Corporation carries the currency risk of equity investments and quasi-equity investments and funds these investments from its capital and retained earnings.

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

The following table summarizes the Corporation's exposure in major currencies at June 30, 2004 and June 30, 2003 (US\$ millions):

	June 30, 2004					
	US dollar	Euro	Japanese yen	Other currencies	Fair value adjustments	Total
Assets						
Cash and cash equivalents	\$ 11,859	\$ 2,831	\$ 455	\$ 158	\$ -	\$ 15,303
Securities purchased under resale agreements	2,916	178	-	-	-	3,094
Loans disbursed and outstanding	8,286	984	26	444	13	9,753
Equity investments disbursed and outstanding	-	-	-	2,557	2	2,559
Total investments	8,286	984	26	3,001	15	12,312
Reserve against losses	(1,779)	(183)	(4)	(67)	-	(2,033)
Net investments	6,507	801	22	2,934	15	10,279
Derivative assets	2,346	1,800	5,411	4,237	(12,702)	1,092
Receivables and other assets	2,260	121	116	96	-	2,593
Total assets	\$ 25,888	\$ 5,731	\$ 6,004	\$ 7,425	\$ (12,687)	\$ 32,361
Liabilities						
Securities sold under repurchase agreements and payable for cash collateral received	\$ 3,126	\$ 1,203	\$ -	\$ -	\$ -	\$ 4,329
Borrowings	7,457	677	4,993	4,061	(934)	16,254
Derivative liabilities	8,232	3,598	902	697	(11,880)	1,549
Payables and other liabilities	2,127	115	107	98	-	2,447
Total liabilities	\$ 20,942	\$ 5,593	\$ 6,002	\$ 4,856	\$ (12,814)	\$ 24,579
June 30, 2003						
	US dollar	Euro	Japanese yen	Other currencies	Fair value adjustments	Total
Assets						
Cash and cash equivalents	\$ 9,142	\$ 2,695	\$ 1,009	\$ 112	\$ -	\$ 12,958
Securities purchased under resale agreements	4,046	-	-	-	-	4,046
Loans disbursed and outstanding	7,977	907	27	318	13	9,242
Equity investments disbursed and outstanding	-	-	-	2,760	-	2,760
Total investments	7,977	907	27	3,078	13	12,002
Reserve against losses	(2,398)	(185)	(4)	(38)	-	(2,625)
Net investments	5,579	722	23	3,040	13	9,377
Derivative assets	3,810	1,409	4,148	4,418	(12,051)	1,734
Receivables and other assets	3,082	198	87	61	-	3,428
Total assets	\$ 25,659	\$ 5,024	\$ 5,267	\$ 7,631	\$ (12,038)	\$ 31,543
Liabilities						
Securities sold under repurchase agreements and payable for cash collateral received	\$ 2,675	\$ 378	\$ -	\$ -	\$ -	\$ 3,053
Borrowings	7,369	1,048	3,821	4,329	748	17,315
Derivative liabilities	9,054	3,308	1,373	436	(12,907)	1,264
Payables and other liabilities	2,756	176	79	111	-	3,122
Total liabilities	\$ 21,854	\$ 4,910	\$ 5,273	\$ 4,876	\$ (12,159)	\$ 24,754

NOTE Q – SEGMENT REPORTING

For management purposes, the Corporation's business comprises two segments: client services and treasury services. The client services segment consists primarily of lending and equity investment activities. Operationally, the treasury services segment consists of the borrowing, liquid asset management, asset and liability management and client risk management activities. Consistent with internal reporting, net income (expense) from asset and liability management and client risk management activities in support of client services are allocated to client services segment.

The assessment of segment performance by senior management includes net income for each segment, return on assets, and return on capital employed. The Corporation's management reporting system and policies are used to determine revenues and expenses attributable to each segment. Consistent with internal reporting, administrative expenses are allocated to each segment based largely upon personnel costs and segment head counts. Transactions between segments are immaterial and, thus, are not a factor in reconciling to the consolidated data.

The accounting policies of the Corporation's segments are, in all material respects, consistent with those described in note A, "Summary of Significant Accounting and Related Policies."

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

An analysis of the Corporation's major components of income and expense by business segment for the years ended June 30, 2004, 2003 and 2002 is given below (US\$ millions):

	2004			2003			2002		
	Client services	Treasury services	Total	Client services	Treasury services	Total	Client services	Treasury services	Total
Interest income	\$ 518	\$ 278	\$ 796	\$ 477	\$ 318	\$ 795	\$ 547	\$ 493	\$ 1,040
Charges on borrowings	(41)	(100)	(141)	(79)	(147)	(226)	(151)	(287)	(438)
Net gains (losses) on trading activities	-	(104)	(104)	-	157	157	-	31	31
Income from equity investments	584	-	584	195	-	195	428	-	428
Release of (provision for) losses	177	-	177	(98)	-	(98)	(657)	-	(657)
Service fees	41	-	41	51	-	51	40	-	40
Administrative expenses	(354)	(6)	(360)	(326)	(6)	(332)	(321)	(6)	(327)
Other noninterest income (expense)	(14)	3	(11)	(14)	-	(14)	44	-	44
Operating income (loss)	911	71	982	206	322	528	(70)	231	161
Net gains (losses) on other financial instruments	37	(26)	11	(41)	-	(41)	(18)	72	54
Net income (loss)	\$ 948	\$ 45	\$ 993	\$ 165	\$ 322	\$ 487	\$ (88)	\$ 303	\$ 215

Geographical segment data in respect of client services are disclosed in Note C, and are not relevant in respect of treasury services.

NOTE R – PENSION AND OTHER POSTRETIREMENT BENEFITS

IBRD has a defined benefit Staff Retirement Plan (SRP), a Retired Staff Benefits Plan (RSBP) and a Post-Employment Benefits Plan (PEBP) that cover substantially all of its staff members as well as the staff of the Corporation and of MIGA.

The SRP provides regular pension benefits and includes a cash balance plan. The RSBP provides certain health and life insurance benefits to eligible retirees. The PEBP provides pension benefits administered outside the SRP. All costs associated with these plans are allocated between IBRD, the Corporation, and MIGA based upon their employees' respective participation in the plans. In addition, the Corporation and MIGA reimburse IBRD for their share of any contributions made to these plans by IBRD.

Net cost from the SRP allocated to the Corporation for the year ended June 30, 2004 was \$12 million (\$15 million - year ended June 30, 2003; \$36 million - year ended June 30, 2002). The portion of the cost for the RSBP and the PEBP attributable to the Corporation for the fiscal year ended June 30, 2004 was \$7 million (\$9 million - year ended June 30, 2003; \$5 million - year ended June 30, 2002).

In addition, at June 30, 2004 \$290 million was receivable by the Corporation from IBRD (\$277 million - June 30, 2003), representing the accumulated excess of its contributions to pension and other postretirement benefit assets over its allocated net periodic pension and other postretirement benefit cost.

NOTE S – SERVICE AND SUPPORT PAYMENTS

The Corporation obtains certain administrative and overhead services from IBRD in those areas where common services can be efficiently provided by IBRD. This includes shared costs of the Boards of Governors and Directors, and other services such as communications, internal auditing, administrative support, supplies and insurance. Payments for these services are made by the Corporation to IBRD based on negotiated fees, chargebacks and allocated charges, where chargeback is not feasible. Expenses allocated to the Corporation for the year ended June 30, 2004, were \$21 million (\$19 million - year ended June 30, 2003; \$19 million - year ended June 30, 2002).

NOTE T – REORGANIZATION COSTS

In the year ended June 30, 2002, the Corporation undertook a major internal reorganization planning exercise designed to sharpen the focus on the needs of the Corporation's clients, strengthen developmental impact, increase the volume of high quality assets, and provide counter-cyclical support in countries affected by volatility in capital flows. The plan involved staff reductions, field office closings and reorganizations, and a headquarters reorganization which was substantially concluded during the year ending June 30, 2003. The Corporation originally charged \$13 million associated with the reorganization, included in administrative expenses in the income statement for the year ended June 30, 2002. Actual expenses paid during the years ended June 30, 2004, June 30, 2003 and June 30, 2002 totaled \$10 million.

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS


NOTE U – TRUST FUNDS

The Corporation uses the services of IBRD to administer funds on behalf of donors which are restricted for specific uses, including technical assistance, feasibility studies and project preparation, global and regional programs and research and training programs. These funds are placed in trust and are not included in the Corporation's assets. The responsibilities of the Corporation are to arrange for services generally not otherwise provided by it, including full project implementation and procurement of goods and services. The distribution of Trust Fund assets by executing agent is as follows (US\$ millions):

	June 30, 2004		June 30, 2003	
	Total fiduciary assets	Number of active funds	Total fiduciary assets	Number of active funds
Executed by the Corporation	\$ 232	578	\$ 167	592
Executed by the recipient	1	1	-	2
Total	\$ 233	579	\$ 167	594

NOTE V – CONTINGENCIES

In the normal course of its business, the Corporation is from time to time named as a defendant or co-defendant in various legal actions on different grounds in various jurisdictions. Although there can be no assurances, based on the information currently available, the Corporation's Management does not believe the outcome of any of the various existing legal actions will have a material adverse effect on the Corporation's financial condition or results of operations.



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Investment Portfolio

STATEMENT OF CUMULATIVE GROSS COMMITMENTS (at June 30, 2004)

Country, region or other area	Number of enterprises	Cumulative commitments ¹ (US\$ thousands)			Country, region or other area	Number of enterprises	Cumulative commitments ¹ (US\$ thousands)		
		IFC	Syndications	Total			IFC	Syndications	Total
Afghanistan	3	8,322	–	8,322	Eritrea	1	949	–	949
Albania	9	97,389	8,917	106,306	Estonia	11	137,806	11,855	149,661
Algeria	9	112,175	5,557	117,732	Ethiopia	4	21,848	1,719	23,567
Angola	3	2,810	–	2,810	Fiji	7	25,059	2,500	27,559
Argentina	171	2,805,104	2,336,464	5,141,568	Finland	4	1,233	1,915	3,148
Armenia	3	9,087	–	9,087	Gabon	5	115,588	110,000	225,588
Australia	2	975	–	975	Gambia, The	8	6,943	–	6,943
Azerbaijan	16	167,175	72,930	240,105	Georgia	8	78,462	–	78,462
Bangladesh	19	202,088	52,745	254,833	Ghana	40	292,609	272,000	564,609
Barbados	3	8,625	–	8,625	Greece	7	26,292	41,107	67,400
Belarus	3	26,250	–	26,250	Grenada	2	8,000	–	8,000
Belize	3	21,500	11,000	32,500	Guatemala	17	251,075	110,000	361,075
Benin	8	2,939	–	2,939	Guinea	9	33,684	–	33,684
Bhutan	1	10,000	–	10,000	Guinea-Bissau	4	7,246	–	7,246
Bolivia	25	276,152	40,500	316,652	Guyana	4	4,911	–	4,911
Bosnia and Herzegovina	22	137,028	10,578	147,606	Haiti	2	1,911	–	1,911
Botswana	5	6,770	–	6,770	Honduras	8	63,832	79,401	143,233
Brazil	160	3,829,560	3,056,792	6,886,352	Hungary	28	315,240	70,335	385,575
Bulgaria	19	293,092	21,802	314,894	India	172	2,696,075	525,057	3,221,131
Burkina Faso	6	3,064	–	3,064	Indonesia	81	1,434,146	1,185,871	2,620,018
Burundi	3	6,626	–	6,626	Iran, Islamic Republic of	8	41,343	8,199	49,542
Cambodia	4	19,243	–	19,243	Israel	1	10,500	–	10,500
Cameroon	26	301,150	471,500	772,650	Italy	1	960	–	960
Cape Verde	5	10,009	–	10,009	Jamaica	15	185,682	79,694	265,376
Chad	3	15,172	13,900	29,072	Japan	1	40,000	–	40,000
Chile	41	958,429	496,733	1,455,162	Jordan	28	248,648	70,250	318,898
China	81	1,210,913	552,754	1,763,666	Kazakhstan	20	356,154	172,917	529,070
Colombia	64	893,472	487,631	1,381,103	Kenya	60	328,014	59,295	387,308
Congo, Democratic Republic of	9	74,923	–	74,923	Korea, Republic of	48	864,911	195,700	1,060,611
Congo, Republic of	6	115,005	25,000	140,005	Kyrgyz Republic	8	48,661	–	48,661
Costa Rica	15	170,504	99,709	270,213	Lao People's Democratic Republic	4	3,247	–	3,247
Côte d'Ivoire	40	265,016	70,964	335,980	Latvia	5	73,897	35,000	108,897
Croatia	10	205,120	97,657	302,777	Lebanon	25	323,128	230,430	553,558
Cyprus	7	70,739	645	71,384	Lesotho	2	454	–	454
Czech Republic	16	396,808	245,588	642,396	Liberia	3	12,703	–	12,703
Dominica	1	700	–	700	Lithuania	8	81,637	9,309	90,946
Dominican Republic	18	272,499	158,100	430,599	Macedonia, FYR	11	93,098	25,000	118,098
Ecuador	16	136,506	16,240	152,746	Madagascar	12	49,216	–	49,216
Egypt	53	988,711	504,871	1,493,582	Malawi	14	35,854	–	35,854
El Salvador	13	217,118	113,500	330,618	Malaysia	11	54,862	5,389	60,251
					Maldives	3	33,750	8,500	42,250

STATEMENT OF CUMULATIVE GROSS COMMITMENTS (at June 30, 2004)

Country, region or other area	Number of enterprises	Cumulative commitments ¹ (US\$ thousands)			Country, region or other area	Number of enterprises	Cumulative commitments ¹ (US\$ thousands)		
		IFC	Syndications	Total			IFC	Syndications	Total
Mali	18	93,781	40,000	133,781	Sri Lanka	25	204,265	23,616	227,881
Mauritania	10	51,692	9,503	61,194	Sudan	6	27,268	6,489	33,757
Mauritius	11	38,619	96	38,715	Swaziland	8	47,779	–	47,779
Mexico	125	3,056,633	2,172,089	5,228,722	Syrian Arab Republic	3	20,288	–	20,288
Moldova	8	72,286	25,000	97,286	Tajikistan	9	27,323	–	27,323
Mongolia	5	10,150	–	10,150	Tanzania	38	91,065	13,041	104,105
Morocco	28	405,338	515,014	920,352	Thailand	64	1,213,028	1,701,374	2,914,403
Mozambique	21	207,977	–	207,977	Togo	7	18,600	–	18,600
Namibia	4	23,878	–	23,878	Trinidad and Tobago	12	204,279	235,000	439,279
Nepal	6	73,673	36,000	109,673	Tunisia	20	135,819	2,281	138,100
Nicaragua	9	29,643	929	30,571	Turkey	119	2,346,163	1,495,371	3,841,534
Niger	1	2,493	–	2,493	Uganda	38	77,396	1,588	78,985
Nigeria	52	459,329	113,155	572,484	Ukraine	9	99,493	–	99,493
Oman	3	28,860	57,000	85,860	Uruguay	12	124,050	20,000	144,050
Pakistan	91	1,289,564	536,769	1,826,333	Uzbekistan	14	64,964	12,900	77,864
Panama	14	429,533	153,300	582,833	Vanuatu	1	5,398	–	5,398
Papua New Guinea	2	13,300	–	13,300	Venezuela	37	811,230	703,791	1,515,021
Paraguay	4	15,008	–	15,008	Vietnam	24	233,033	203,375	436,408
Peru	44	565,119	298,621	863,740	Yemen, Republic of	8	39,517	1,105	40,622
Philippines	80	1,255,982	695,880	1,951,862	Zambia	28	150,023	20,286	170,309
Poland	43	459,772	115,317	575,088	Zimbabwe	51	284,262	99,000	383,262
Portugal	7	51,811	11,000	62,811					
Romania	22	429,944	194,471	624,414	Regional Investments				
Russian Federation	75	1,585,543	209,838	1,795,381	Sub-Saharan Africa	28	490,534	1,906	492,440
Rwanda	3	5,166	–	5,166	East Asia and				
Saint Lucia	2	9,940	–	9,940	the Pacific	17	418,023	–	418,023
Samoa	4	1,085	–	1,085	South Asia	10	303,170	–	303,170
Saudi Arabia	1	7,600	–	7,600	Europe and	26	436,536	25,000	461,536
Senegal	19	100,260	12,398	112,658	Central Asia				
Serbia and Montenegro	15	231,824	92,423	324,247	Latin America and the Caribbean	33	445,876	63,000	508,876
Seychelles	6	29,359	2,500	31,859	Middle East and	8	108,160	–	108,160
Sierra Leone	4	29,186	–	29,186	North Africa				
Slovakia	7	357,109	–	357,109	Other ²	17	59,814	1,400	61,214
Slovenia	12	225,160	47,383	272,543	Global	39	787,035	308,000	1,095,035
Somalia	2	975	–	975					
South Africa	39	354,248	15,000	369,248	Total:	3,143	44,013,672	22,577,411	66,591,083
Spain	5	19,043	1,685	20,728					

1. Commitments are composed of funds to be provided by IFC for its own account, funds to be provided by participants through the purchase of an interest in IFC's investment, and funds to be provided by other financial institutions in association with IFC, where IFC has rendered material assistance in mobilizing these funds. Cumulative commitments are composed of disbursed and undisbursed balances. The undisbursed portion is revalued at current exchange rates, while the disbursed portion represents the cost of commitment at the time of disbursement. Beginning in FY04, the Corporation includes structured finance (guarantee) and risk management products in commitments. Accordingly, cumulative commitments as of June 30, 2004, are not directly comparable with cumulative commitments as of June 30, 2003, as reported in the Corporation's 2003 Annual Report.

2. Of this amount, \$9.8 million represents investments made at a time when the authorities on Taiwan represented China in the International Finance Corporation. The balance represents investments in West Bank and Gaza.

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
SUB-SAHARAN AFRICA							
Angola							
Enterprise Bank of Angola	Finance & Insurance	FY04	0.7	–	–	0.7	0.7
Fábrica de Bleach Corasol Limitada	Chemicals	FY99	0.6	–	0.6	–	0.6
					0.6	0.7	1.3
Benin							
Bank of Africa, Benin (BOAB)	Finance & Insurance	FY93, 94, 95	0.3	–	–	0.2	0.2
Finadev Microfinance	Finance & Insurance	FY01	0.3	–	–	0.3	0.3
Vision +	Industrial & Consumer Products	FY00	0.0	–	–	–	–
					–	0.5	0.5
Botswana							
Abercrombie & Kent Botswana (Proprietary) Limited	Accommodation & Tourism Services	FY00, 01	2.8	–	2.4	–	2.4
Kalahari Diamonds Limited	Oil, Gas, & Mining	FY03	2.0	–	–	2.0	2.0
					2.4	2.0	4.4
Burundi							
Flores Limited	Agriculture & Forestry	FY02	0.3	–	0.4	–	0.4
Vegetables and Flowers Exports S.A.	Agriculture & Forestry	FY01	0.5	–	0.6	–	0.6
					1.0	–	1.0
Cameroon							
Banque Internationale du Cameroun Pour L'Épargne et le Crédit	Finance & Insurance	FY01	0.6	–	–	0.9	0.9
Cameroon Oil Transportation Company	Oil, Gas, & Mining	FY01	86.1	86.1	86.1	–	86.1
Complexe Avicole de Mvog-Betsi	Agriculture & Forestry	FY96	0.4	–	0.3	–	0.3
Cotonnière Industrielle du Cameroun (CICAM)	Textiles, Apparel, & Leather	FY86	6.1	–	4.5	–	4.5
FME-GAZ	Chemicals	FY02	0.3	–	0.3	–	0.3
Horizon Bilingual Education Complex	Education Services	FY01	0.3	–	0.4	–	0.4
Notacam S.A.	Textiles, Apparel, & Leather	FY97	0.9	–	0.8	–	0.8
Orange Cameroun S.A.	Information	FY02	0.9	–	–	–	–
Pecten Cameroon Company	Oil, Gas, & Mining	FY92, 96, 97, 98, 03	115.0	236.6	44.0	–	44.0
Société Agro-Industrielle et Commerciale du Cameroun	Agriculture & Forestry	FY00	0.4	–	0.2	–	0.2
Société de Transports et Négoces du Cameroun SARL	Transportation & Warehousing	FY03	0.8	–	0.8	–	0.8
					137.6	0.9	138.5
Cape Verde							
Caixa Económica de Cabo Verde, S.A.	Finance & Insurance	FY04	6.1	–	6.1	–	6.1
Growela Cabo Verde, Lda	Textiles, Apparel, & Leather	FY94	1.0	–	0.2	–	0.2
					6.2	–	6.2
Chad							
Finadev Tchad	Finance & Insurance	FY03	0.2	–	–	0.2	0.2
Tchad Oil Transportation Company S.A. (TOTCO)	Oil, Gas, & Mining	FY01	13.9	13.9	13.9	–	13.9
					13.9	0.2	14.1
Congo, Democratic Republic of							
Celtel Democratic Republic of Congo	Information	FY00, 03	27.0	–	24.0	–	24.0
Grands Hôtels du Zaire, Z.S.A.R.L.	Accommodation & Tourism Services	FY85	15.0	–	–	7.8	7.8
					24.0	7.8	31.8

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC' (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
SUB-SAHARAN AFRICA							
Côte d'Ivoire							
Bank of Africa (Côte d'Ivoire)	Finance & Insurance	FY99, 03	0.2	–	–	0.2	0.2
Cinergy, S.A.	Utilities	FY99	40.5	30.3	29.0	–	29.0
Compagnie Ivoirienne de Production d'Électricité S.A.	Utilities	FY95	17.9	–	1.5	–	1.5
Drop Ivoire	Food & Beverages	FY99	1.3	–	1.4	–	1.4
Établissements R. Gonfreville, S.A.	Textiles, Apparel, & Leather	FY77, 87	10.7	–	1.5	1.7	3.2
Filature et Tissage Gonfreville	Textiles, Apparel, & Leather	FY96	–	–	0.2	–	0.2
Industrial Promotion Services (Côte d'Ivoire) S.A.	Collective Investment Vehicles	FY88	0.9	–	–	0.8	0.8
Multi Produits S.A.	Wholesale & Retail Trade	FY94, 97	0.8	–	0.1	0.4	0.5
Ocean Energy Côte d'Ivoire Ltd.	Oil, Gas, & Mining	FY93, 95, 96, 98	63.7	20.0	–	48.7*	48.7
Omnium Chimique et Cosmétique (COSMIVOIRE) S.A.	Food & Beverages	FY87, 94, 97	9.1	–	–	2.4	2.4
Pétra Ivoire S.A.	Utilities	FY96, 00	2.0	–	1.0	–	1.0
S.G.I. Africaine de Bourse S.A.	Finance & Insurance	FY00	0.0	–	–	0.0	0.0
Société Hôtelière de la Lagune	Accommodation & Tourism Services	FY00	2.1	–	1.6	0.4	2.1
Société Médicale de Moyens et d'Équipement	Health Care	FY01	1.2	–	1.6	–	1.6
Société pour le Développement Industriel de la Région d'Odienné	Agriculture & Forestry	FY97	2.8	–	3.9	–	3.9
Texicodi S.A.	Textiles, Apparel, & Leather	FY96	–	–	0.3	–	0.3
Tropical Rubber Côte d'Ivoire	Agriculture & Forestry	FY99	3.5	–	2.4	–	2.4
					44.5	54.6	99.1
Gabon							
Vaalco Energy, Inc.	Oil, Gas, & Mining	FY02	10.0	–	5.3	–	5.3
					5.3	–	5.3
Gambia, The							
Kerr Kande Farm Limited II	Agriculture & Forestry	FY98	0.2	–	0.2	–	0.2
Kombo Beach Hotel Limited	Accommodation & Tourism Services	FY84	2.9	–	0.0	–	0.0
Lyefish Company Limited	Food & Beverages	FY95	0.4	–	0.4	–	0.4
Ndebaan Medi-Services Company Limited	Health Care	FY94	0.2	–	0.2	–	0.2
					0.8	–	0.8
Ghana							
Afariwaa Farms and Livestock Products Limited	Agriculture & Forestry	FY94	0.4	–	0.2	–	0.2
Antelope Company Ltd.	Chemicals	FY97	0.3	–	0.3	–	0.3
CAL Merchant Bank Limited	Finance & Insurance	FY90, 91, 93	8.9	–	–	0.9	0.9
Diamond Cement Ghana Limited	Nonmetallic Mineral Product Manufacturing	FY02	6.0	–	4.5	1.0	5.5
Enterprise Life Assurance Company Ltd. (ELAC)	Finance & Insurance	FY01	0.1	–	–	0.1	0.1
Ghana Aluminum Products Limited (Ghanal)	Primary Metals	FY92	0.4	–	–	0.4	0.4
Ghana Printing and Packaging Industries Limited	Pulp & Paper	FY02	1.7	–	1.3	–	1.3
Ghanaian Australian Goldfields Limited	Oil, Gas, & Mining	FY90, 92, 96, 97	27.2	18.5	7.6	2.5	10.1
Network Computer Systems (NCS)	Information	FY98	0.7	–	0.5	–	0.5
PharmaCare Industries Company Limited	Chemicals	FY00	0.4	–	0.1	–	0.1
Professional Technical Services Limited	Industrial & Consumer Products	FY98	0.3	–	0.3	–	0.3
Shangri-La Hotel	Accommodation & Tourism Services	FY95	0.4	–	0.9	–	0.9
Sikaman Savings and Loan Company Limited	Finance & Insurance	FY01	0.5	–	–	0.5	0.5
Tacks Farms Ghana Limited	Agriculture & Forestry	FY97	0.4	–	0.4	–	0.4
					16.1	5.5	21.5

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
SUB-SAHARAN AFRICA							
Guinea							
Agro Investment Company S.A.	Agriculture & Forestry	FY98	0.2	–	0.2	–	0.2
Société Aurifère de Guinée S.A.	Oil, Gas, & Mining	FY88	8.3	–	+	–	+
Société Guinéenne d'Hôtellerie et d'Investissements (SGHI)	Accommodation & Tourism Services	FY95, 99	4.7	–	3.5	0.6	4.0
					3.6	0.6	4.2
Guinea-Bissau							
Agribissau SARL	Agriculture & Forestry	FY94	0.8	–	–	0.1	0.1
Banco de Africa Ocidental, S.A.R.L.	Finance & Insurance	FY00	0.3	–	–	0.3	0.3
					–	0.4	0.4
Kenya							
AAA Growers	Agriculture & Forestry	FY00	0.5	–	0.5	–	0.5
AAR Health Services Limited	Health Care	FY98	0.5	–	–	0.5	0.5
Allpack Industries Limited	Pulp & Paper	FY92	0.4	–	–	0.4	0.4
Ceres Estates Limited	Food & Beverages	FY97	0.9	–	0.9	–	0.9
Deras Limited	Textiles, Apparel, & Leather	FY99	1.0	–	1.0	–	1.0
Diamond Trust of Kenya Limited	Finance & Insurance	FY82	1.0	–	–	0.8	0.8
Equitea EPZ Company Ltd.	Food & Beverages	FY98	0.4	–	0.3	0.1	0.4
Gapco Kenya	Wholesale & Retail Trade	FY02	15.0	–	15.0	–	15.0
Grain Bulk Handlers Limited	Transportation & Warehousing	FY98	10.0	–	5.3	–	5.3
Industrial Promotion Services (Kenya) Ltd.—Frigoken Ltd.	Transportation & Warehousing	FY92	0.1	–	–	0.1	0.1
Industrial Promotion Services (Kenya) Ltd.—Novaskins Tannery Limited	Food & Beverages	FY92	0.1	–	–	0.1	0.1
Industrial Promotion Services (Kenya) Ltd.—Premiere Food Industries Ltd.	Food & Beverages	FY92	0.1	–	–	0.1	0.1
International Hotels (Kenya) Limited	Accommodation & Tourism Services	FY95	6.0	–	3.4	–	3.4
K-Rep Bank Limited	Finance & Insurance	FY97, 99	1.4	–	–	1.4	1.4
Kenya Airways Limited	Transportation & Warehousing	FY03	15.0	–	15.0	–	15.0
Leather Industries of Kenya Limited	Textiles, Apparel, & Leather	FY84, 92	1.4	–	–	0.6	0.6
Lesiolo Grain Handlers Limited	Transportation & Warehousing	FY01	2.5	–	2.5	–	2.5
Locland Limited	Agriculture & Forestry	FY98	0.6	–	0.2	–	0.2
Mabati Rolling Mills Limited	Industrial & Consumer Products	FY00	11.5	–	9.0	–	9.0
Magadi Soda Company Ltd.	Chemicals	FY96, 04	35.0	–	26.0	–	26.0
Magana Flowers (K) Limited	Agriculture & Forestry	FY00	1.2	–	1.2	–	1.2
Makini School Limited	Education Services	FY97	0.5	–	0.2	–	0.2
Panafrican Paper Mills (E.A.) Limited	Pulp & Paper	FY70, 74, 77, 79, 81, 88, 90, 94, 96	68.5	3.9	25.9	–	25.9
Redhill Flowers (Kenya) Limited	Agriculture & Forestry	FY97	0.3	–	0.3	–	0.3
Tourism Promotion Services (KENYA) Ltd.	Accommodation & Tourism Services	FY72	1.6	0.8	–	0.0	0.0
Tsavo Power Company Ltd.	Utilities	FY00, 01	17.6	23.5	12.8	0.8	13.6
					119.4	5.0	124.5
Liberia							
Liberian Agricultural Company	Agriculture & Forestry	FY00	3.5	–	1.1	–	1.1
					1.1	–	1.1
Madagascar							
Aquaculture de la Mahajamba (Aqualma) S.A.	Food & Beverages	FY92, 93, 96	6.4	–	0.1	0.6	0.7
Bank of Africa Madagascar	Finance & Insurance	FY00	1.3	–	0.7	0.8	1.5
BNI-Crédit Lyonnais Madagascar	Finance & Insurance	FY92	2.6	–	–	2.6	2.6
Cottonline S. A.	Textiles, Apparel, & Leather	FY04	5.0	–	5.0	–	5.0
Grands Hôtels de Madagascar	Accommodation & Tourism Services	FY98	1.0	–	0.7	–	0.7
Karibotel	Accommodation & Tourism Services	FY95	0.4	–	0.2	–	0.2

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)			
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity	
SUB-SAHARAN AFRICA								
Madagascar (continued)								
La Cotonniere D'Antsirabe (Cotona), S.A.	Textiles, Apparel, & Leather	FY86, 90	1.5	–	–	0.2	0.2	
Les Pêcheries de Nossi Be, S.A.	Agriculture & Forestry	FY84, 90	5.7	–	–	0.2	0.2	
						6.8	4.5	11.3
Malawi								
Kabula Hotel Limited	Accommodation & Tourism Services	FY00	0.6	–	0.6	–	0.6	
Maravi Flowers Ltd.	Agriculture & Forestry	FY97	0.6	–	0.2	–	0.2	
Mwaiwathu Private Hospital Limited	Health Care	FY97	0.8	–	–	0.8	0.8	
National Insurance Company Limited (NICO)	Finance & Insurance	FY00	1.0	–	–	1.2	1.2	
						0.9	2.0	2.9
Mali								
Établissement Zoumana Traore Suarl	Transportation & Warehousing	FY99	–	–	0.3	–	0.3	
Graphique Industrie S.A.	Pulp & Paper	FY99	+	–	0.5	–	0.5	
Groupelement des Grands Garages de Bamako	Industrial & Consumer Products	FY97	0.7	–	0.7	–	0.7	
Hôtel Le Rabelais	Accommodation & Tourism Services	FY99	–	–	0.1	–	0.1	
Imprim Color	Information	FY00	0.0	–	–	–	–	
La Société d'Exploitation des Mines d'Or de Sadiola S.A. (SEMOS)	Oil, Gas, & Mining	FY95	39.8	25.0	–	4.8	4.8	
Société Industrielle d'Emballage et de Conditionnement	Plastics & Rubber	FY99	0.3	–	0.3	–	0.3	
Société Malienne de Promotion Hôtelière	Accommodation & Tourism Services	FY94, 98, 03	4.3	–	2.3	–	2.3	
Timbuktu Trading and Transport	Transportation & Warehousing	FY98	0.1	–	0.2	–	0.2	
						4.4	4.8	9.2
Mauritania								
Générale de Banque de Mauritanie pour l'Investissement et le Commerce	Finance & Insurance	FY98, 00, 04	21.1	–	15.3	–	15.3	
TIVISKI S.A.R.L.	Food & Beverages	FY99	+	–	0.5	–	0.5	
						15.7	–	15.7
Mauritius								
Mauritius Venture Capital Fund Limited	Collective Investment Vehicles	FY96	1.6	–	–	0.4	0.4	
Socota Textile Mills Limited	Textiles, Apparel, & Leather	FY87	6.0	–	–	1.0	1.0	
						–	1.4	1.4
Mozambique								
Ausmoz Farm Holdings, Lda.	Agriculture & Forestry	FY01	0.7	–	0.7	–	0.7	
Auto Body Grand Prix Lda	Industrial & Consumer Products	FY03	0.4	–	0.6	–	0.6	
Banco de Microfinanças de Moçambique (BMF)	Finance & Insurance	FY01, 03	0.4	–	–	0.4	0.4	
BIMI–Banco de Investimento, SARL	Finance & Insurance	FY99	0.3	–	–	0.3	0.3	
Cabo Caju, Lda.	Food & Beverages	FY00	0.6	–	0.6	–	0.6	
Companhia De Pescas da Zambezia Lda	Food & Beverages	FY98	1.0	–	1.0	–	1.0	
Complexo Turístico Oasis de Xai-Xai, Lda	Accommodation & Tourism Services	FY98	0.7	–	0.7	–	0.7	
Empresa Nacional de Hidrocarbonetos de Moçambique	Oil, Gas, & Mining	FY04	18.5	–	–	18.5	18.5	
Maragra Acucar SARL	Food & Beverages	FY00	10.3	–	10.3	–	10.3	
Mozambique Aluminum S.A.R.L. (MOZAL)	Primary Metals	FY98, 01	121.3	–	111.4	–	111.4	
Rodoviária da Beira Limitada	Transportation & Warehousing	FY99	0.2	–	0.2	–	0.2	
						125.5	19.2	144.7

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
SUB-SAHARAN AFRICA							
Namibia							
Life Office of Namibia Limited	Finance & Insurance	FY98, 01	1.6	–	–	1.6	1.6
Novanam Limited	Agriculture & Forestry	FY95, 97, 98, 03	19.4	–	12.8	–	12.8
					12.8	1.6	14.4
Nigeria							
Abuja International Diagnostic and Medical Center	Health Care	FY97	2.5	–	1.8	0.7	2.5
Adamac Industries Limited	Oil, Gas, & Mining	FY03	25.0	15.0	25.0	–	25.0
Andchristie Company Limited	Information	FY97	0.2	–	0.1	–	0.1
Ansby Nigeria Limited	Chemicals	FY99	0.1	–	0.1	–	0.1
Arewa Textiles, Ltd.	Textiles, Apparel, & Leather	FY64, 67, 70, 92	6.6	0.7	–	+	+
Capital Alliance Private Equity (Mauritius), Ltd.	Collective Investment Vehicles	FY00	7.5	–	–	7.5	7.5
Citibank Nigeria	Finance & Insurance	FY01	10.0	–	6.4	–	6.4
Diamond Bank	Finance & Insurance	FY01	20.0	–	10.0	–	10.0
FSB International Bank	Finance & Insurance	FY01	22.5	–	20.7	–	20.7
First Securities Discount House	Finance & Insurance	FY93	0.9	–	–	0.9	0.9
Global Fabrics Manufacturers Limited	Textiles, Apparel, & Leather	FY00	0.3	–	0.3	–	0.3
Guaranty Trust Bank Plc.	Finance & Insurance	FY01, 04	40.0	–	34.0	–	34.0
Hercules Tyres Manufacturing Nigeria Limited	Plastics & Rubber	FY00	1.3	–	1.3	–	1.3
Hygeia Nigeria Limited	Health Care	FY00	0.6	–	–	0.2	0.2
Ikeja Hotel Limited	Accommodation & Tourism Services	FY81, 85, 88	12.6	–	–	1.5	1.5
Investment Banking and Trust Company Limited	Finance & Insurance	FY01	20.0	–	20.0	–	20.0
Mid-East Nigeria Limited	Nonmetallic Mineral Product Manufacturing	FY96	0.1	–	0.1	–	0.1
The Moorhouse Company Limited	Accommodation & Tourism Services	FY98	1.4	–	0.6	–	0.6
Niger Delta Contractor Revolving Credit Facility	Finance & Insurance	FY02	15.0	–	15.0	–	15.0
Oha Motors (Nigeria) Limited	Transportation & Warehousing	FY01	0.9	–	0.8	–	0.8
Radmed Diagnostic Center Limited	Health Care	FY98	0.3	–	0.1	–	0.1
Safety Center International Limited	Education Services	FY01	0.6	–	0.5	0.1	0.6
United Bank for Africa (plc)	Finance & Insurance	FY02, 04	10.0	–	10.0	–	10.0
UPDC Hotels Ltd	Accommodation & Tourism Services	FY04	11.0	–	11.0	–	11.0
Vinfessen Industries Limited	Plastics & Rubber	FY96	1.0	–	1.0	–	1.0
					158.8	10.8	169.6
Rwanda							
Société Rwandaise des Allumettes (SORWAL), S.A.R.L.	Industrial & Consumer Products	FY88	1.2	–	1.0	0.2	1.2
					1.0	0.2	1.2
Senegal							
African Seafood, S.A.	Food & Beverages	FY86	2.4	–	1.5	–	1.5
Banque de L'Habitat du Sénégal S.A.	Finance & Insurance	FY80	0.4	–	–	0.5	0.5
Ciments du Sahel S.A.	Nonmetallic Mineral Product Manufacturing	FY00	17.5	–	17.6	2.3	19.8
Groupe Scolaire Fanaicha	Education Services	FY99	0.3	–	0.4	–	0.4
GTi Dakar LLC	Utilities	FY98	12.3	11.6	8.7	1.7	10.3
Royal Saly S.A.	Accommodation & Tourism Services	FY02	1.0	–	1.4	–	1.4
Société d'Exploitation des Ressources Thonières	Food & Beverages	FY96, 97, 99	1.4	–	–	0.4	0.4
					29.5	4.8	34.3

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)			
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity	
SUB-SAHARAN AFRICA								
Seychelles								
Acajoux Hotel	Accommodation & Tourism Services	FY95	1.0	–	0.1	–	0.1	
Coral Strand Hotel	Accommodation & Tourism Services	FY96	3.6	–	0.8	–	0.8	
Seychelles International Mercantile Banking Corporation Limited	Finance & Insurance	FY99	10.0	–	1.0	–	1.0	
					1.9	–	1.9	
Sierra Leone								
Celstel Sierra Leone	Information	FY00	4.0	–	2.3	–	2.3	
					2.3	–	2.3	
South Africa								
AEF Bulwer Timber Ltd.	Industrial & Consumer Products	FY99	–	–	–	0.2	0.2	
African Bank Limited	Finance & Insurance	FY02, 04	16.6	–	32.0	–	32.0	
African Life Assurance Company Limited	Finance & Insurance	FY95, 96, 99	21.5	–	–	17.8	17.8	
The Biotech Venture Partners Fund	Collective Investment Vehicles	FY02	1.8	–	–	2.6	2.6	
Carosa Farm (PTY) Limited	Agriculture & Forestry	FY97	0.6	–	0.1	0.1	0.2	
Cheiron Health Technologies (Pty) Ltd	Professional, Scientific, & Technical Services	FY00	1.3	–	0.2	0.6	0.8	
Dargle Timber (Pty) Limited/Bulwer Timber (Pty) Limited	Industrial & Consumer Products	FY99	0.6	–	0.4	–	0.4	
Decentralised Banking Solutions Consult (Pty) Limited	Information	FY00	0.8	–	–	0.8	0.8	
Edu-Loan (Pty) Ltd.	Finance & Insurance	FY02	1.9	–	2.5	–	2.5	
Eerste River Medical Center	Health Care	FY98	1.0	–	–	1.0	1.0	
Foxtrot Meat Processors CC	Food & Beverages	FY99	0.5	–	0.4	–	0.4	
Hernic Ferrochrome Pty Limited	Oil, Gas, & Mining	FY04	30.4	–	26.9	4.7	31.6	
Mvelaphanda Gold (Pty) Limited	Oil, Gas, & Mining	FY04	27.7	–	29.6	0.0	29.6	
New Africa Mining Fund	Collective Investment Vehicles	FY03	5.0	–	–	5.0	5.0	
Printability	Pulp & Paper	FY01	6.9	–	6.2	3.9	10.0	
Rubico Holding SA (Pty) Ltd.	Information	FY01, 02	6.3	–	1.2	+	1.2	
South Africa Capital Growth Fund, Ltd.	Collective Investment Vehicles	FY96	20.0	–	–	+	+	
South Africa Franchise Equity Fund Limited	Collective Investment Vehicles	FY95	2.8	–	–	1.2	1.2	
South Africa Home Loans	Finance & Insurance	FY00, 01, 02, 03, 04	11.2	–	2.4	7.0	9.4	
South Africa Private Equity Fund III, L.P.	Collective Investment Vehicles	FY99	35.0	–	–	27.2	27.2	
Spier Estate Hotel	Accommodation & Tourism Services	FY02	12.0	–	17.1	1.9	18.9	
Tusk Project Management (Pty) Ltd	Professional, Scientific, & Technical Services	FY01	1.8	–	1.8	0.1	1.9	
					120.8	74.1	194.8	
Sudan								
Cotton Textile Mills, Ltd	Textiles, Apparel, & Leather	FY76	8.7	–	8.7	–	8.7	
Gezira Managil Textile Company Limited	Textiles, Apparel, & Leather	FY78	6.5	–	6.6	–	6.6	
					15.3	–	15.3	
Swaziland								
Natex Swaziland Limited	Textiles, Apparel, & Leather	FY85, 88, 93	13.9	–	–	0.0	0.0	
The Royal Swaziland Sugar Corporation Limited	Food & Beverages	FY78, 86	9.7	–	–	0.5	0.5	
Swazi Paper Mills Ltd.	Pulp & Paper	FY95, 02	8.8	–	5.7	–	5.7	
Swazi Wattle Industries (Pty) Ltd	Chemicals	FY01	1.1	–	0.9	0.2	1.1	
Swaziland Industrial Development Company Limited	Finance & Insurance	FY87, 93	3.6	–	–	1.0	1.0	
					6.6	1.8	8.4	

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
SUB-SAHARAN AFRICA							
Tanzania, United Republic of							
2000 Industries Limited	Food & Beverages	FY02	1.6	–	1.5	–	1.5
Aquva Ginners Tanzania Ltd	Agriculture & Forestry	FY97	0.8	–	0.7	–	0.7
Boundary Hill Lodge Limited	Accommodation & Tourism Services	FY01	0.2	–	0.2	–	0.2
Exim Bank of Tanzania	Finance & Insurance	FY02	3.5	–	3.5	–	3.5
Indian Ocean Hotel Limited	Accommodation & Tourism Services	FY00	2.5	–	2.5	–	2.5
International House Property Limited	Construction & Real Estate	FY97	2.3	–	0.4	0.6	1.0
Maji Masafi Limited	Food & Beverages	FY98	1.1	–	0.2	–	0.2
Moshi Leather Industries Ltd, Tanzania	Textiles, Apparel, & Leather	FY95	0.2	–	–	0.2	0.2
National Bank of Commerce (NBC)	Finance & Insurance	FY01	10.0	–	–	10.0	10.0
Tanzania Breweries Limited	Food & Beverages	FY95	6.0	–	–	6.0	6.0
Tourism Promotion Services (Tanzania) Limited	Accommodation & Tourism Services	FY94	8.9	–	5.4	0.9	6.3
Tourism Promotion Services, (Zanzibar) Limited	Accommodation & Tourism Services	FY95, 99	1.4	–	0.5	0.2	0.7
Zanzibar Safari Club Limited	Accommodation & Tourism Services	FY00	0.7	–	0.5	–	0.5
					15.4	17.9	33.3
Togo							
West African Cement	Nonmetallic Mineral Product Manufacturing	FY00	5.9	–	2.0	1.2	3.3
					2.0	1.2	3.3
Uganda							
Agro Management Limited	Chemicals	FY96	1.0	–	0.6	0.4	1.0
CelTel Limited (Uganda)	Information	FY95, 01	10.3	–	0.5	–	0.5
Clovergem Fish and Foods Limited	Food & Beverages	FY93	1.0	–	0.8	–	0.8
Conrad Plaza Limited	Construction & Real Estate	FY97	1.5	–	0.6	–	0.6
Development Finance Company of Uganda Limited	Finance & Insurance	FY85, 93, 95	1.0	–	–	1.3	1.3
Executive Investments Limited	Construction & Real Estate	FY98	1.0	–	0.5	–	0.5
Gomba Fishing Industries Limited	Agriculture & Forestry	FY99	1.4	–	0.5	–	0.5
Ladoto Ginners Limited	Agriculture & Forestry	FY00	0.8	–	0.8	–	0.8
Mosa Court Apartments Limited	Construction & Real Estate	FY98	0.8	–	0.1	–	0.1
Sugar Corporation of Uganda Limited	Food & Beverages	FY84	10.4	–	1.7	–	1.7
Tilda (Uganda) Limited	Agriculture & Forestry	FY99	1.9	–	1.0	–	1.0
White Nile Dairies (Uganda) Limited	Food & Beverages	FY99	0.3	–	0.1	–	0.1
					7.3	1.7	9.0
Zambia							
Africa Plantations Company Limited and African Highlands Plantations Company Limited	Agriculture & Forestry	FY00	2.5	–	1.0	–	1.0
Amaka Cotton Ginners Limited	Agriculture & Forestry	FY99	1.3	–	1.3	–	1.3
Celtel Zambia Limited	Information	FY99, 00, 04	9.1	–	3.9	1.3	5.2
Chingola Hotel	Accommodation & Tourism Services	FY02	1.0	–	0.8	–	0.8
Drilltech Engineering Limited	Oil, Gas, & Mining	FY99	0.2	–	0.1	0.2	0.3
Esquire Roses Farm Limited	Agriculture & Forestry	FY00	0.5	–	0.2	–	0.2
JY Estates Limited	Agriculture & Forestry	FY98	0.9	–	0.9	–	0.9
Marasa Holdings Limited	Accommodation & Tourism Services	FY01	4.6	–	3.9	–	3.9
Michelangelo Executive Lodge Limited	Accommodation & Tourism Services	FY02	0.2	–	0.2	–	0.2
National Insurance Company (Zambia) Limited	Finance & Insurance	FY99	0.3	–	–	0.1	0.1
Zambia Bata Shoe Company Limited	Textiles, Apparel, & Leather	FY72, 73	1.1	1.1	–	0.2	0.2
					12.1	1.7	13.9

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
SUB-SAHARAN AFRICA							
Zimbabwe							
Agflora (PVT) Limited	Agriculture & Forestry	FY97	0.2	–	0.2	–	0.2
Bell Medical Centers Limited	Health Care	FY00	0.8	–	–	0.8	0.8
Belvedere Nursing Home (PVT) Ltd.	Health Care	FY99	0.2	–	–	0.2	0.2
Commercial Bank of Zimbabwe Limited	Finance & Insurance	FY98	26.8	–	10.0	–	10.0
Deraswiss Zimbabwe (Pvt) Ltd.	Textiles, Apparel, & Leather	FY00	1.0	–	1.2	–	1.2
Hy-Veld Holdings (Pvt) Limited and Extraction Incorporated (Pvt) Limited	Food & Beverages	FY99	1.3	–	1.0	–	1.0
Isfar (Pvt) Limited	Textiles, Apparel, & Leather	FY97	0.1	–	0.1	–	0.1
Itachi Plastics (PVT) Limited	Plastics & Rubber	FY96	0.4	–	0.3	0.1	0.3
Lowveld Leather (PVT) Limited	Textiles, Apparel, & Leather	FY97	0.5	–	0.3	0.2	0.5
Shagelok Chemicals (Pvt) Ltd.	Chemicals	FY97	1.1	–	0.9	0.2	1.0
Stone One Holdings Limited, Zimbabwe	Oil, Gas, & Mining	FY96	1.5	–	1.4	–	1.4
Trinidad Industries (Pty) Ltd.	Chemicals	FY97	1.5	–	0.1	0.6	0.6
UDC Limited	Finance & Insurance	FY85, 87, 89, 96, 00	14.6	–	0.6	–	0.6
Victoria Falls Safari Lodge Hotel (PVT.) Ltd	Accommodation & Tourism Services	FY94	2.7	–	–	0.2	0.2
Zambezi Fund	Collective Investment Vehicles	FY97	2.5	–	–	0.5	0.5
					16.0	2.8	18.8
Regional Investment							
Africa Banking Corp	Finance & Insurance	FY90, 92, 02	3.0	–	–	3.0	3.0
The Africa Emerging Markets Funds	Collective Investment Vehicles	FY94	7.5	–	–	7.5	7.5
Africa International Financial Holdings, LLC	Collective Investment Vehicles	FY03	20.0	–	–	20.0	20.0
Africa Media Group Limited	Information	FY02, 04	5.2	–	–	+	+
Africa Microfinance Ltd.	Collective Investment Vehicles	FY02	2.0	–	–	2.0	2.0
The AIG African Infrastructure Fund L.L.C.	Collective Investment Vehicles	FY00	74.8	–	–	72.5	72.5
AIG African Infrastructure Management LLC	Collective Investment Vehicles	FY00	0.2	–	–	0.2	0.2
Aureos East Africa Fund, LLC	Collective Investment Vehicles	FY03	4.0	–	–	4.0	4.0
Aureos Southern Africa Fund, LLC	Collective Investment Vehicles	FY03	6.0	–	–	6.0	6.0
CelTel International BV.	Information	FY00, 02	30.0	–	–	30.0	30.0
Coca Cola SABCO (Pty) Ltd.	Food & Beverages	FY02	20.0	–	10.0	10.0	20.0
Ecobank Transnational Incorporated	Finance & Insurance	FY99	7.5	–	0.1	–	0.1
Energy Africa Limited	Oil, Gas, & Mining	FY96	–	–	–	38.0	38.0
Framlington Asset Management West Africa SA	Collective Investment Vehicles	FY99	0.0	–	–	0.0	0.0
Industrial Promotion Services (Kenya) Limited	Collective Investment Vehicles	FY82, 04	5.8	–	–	5.7	5.7
Mobile Telephone Networks Nigeria Communications Limited	Information	FY04	100.0	–	85.0	15.0	100.0
Osprey Oil and Gas Limited	Oil, Gas, & Mining	FY03	0.3	–	–	0.3	0.3
Pan African Investment Partners Ltd.	Collective Investment Vehicles	FY04	15.0	–	–	15.0	15.0
West Africa Growth Fund	Collective Investment Vehicles	FY97	6.4	–	–	3.9	3.9
West Africa Trade Enhancement Facility	Finance & Insurance	FY03	–	–	–	–	–
					95.1	233.1	328.1
Total equity and loans					1,034.7	453.7	1,488.4
Total structured finance (including guarantees) and risk management products							107.5
Total IFC portfolio for Sub-Saharan Africa							1,595.9

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
EAST ASIA AND THE PACIFIC							
Cambodia							
ACLEDA	Finance & Insurance	FY00, 04	7.6	–	6.0	1.6	7.6
Princiére Resorts Limited	Accommodation & Tourism Services	FY03	1.2	–	1.1	–	1.1
SEF Hagar Soya	Food & Beverages	FY03	0.5	–	–	0.5	0.5
Société Concessionnaire de l'Aéroport	Transportation & Warehousing	FY04	10.0	–	10.0	–	10.0
					17.1	2.1	19.2
China							
Anjia Group Holdings	Finance & Insurance	FY04	2.0	–	–	2.0	2.0
Asian Strategic Investments Corporation Group	Industrial & Consumer Products	FY04	10.0	–	–	10.0	10.0
ASIMCO International Casting (Shanxi) Co., Ltd	Industrial & Consumer Products	FY00	19.0	–	15.4	–	15.4
Bank of Shanghai	Finance & Insurance	FY00, 02	50.3	–	–	50.3	50.3
CDH China Fund, L.P.	Collective Investment Vehicles	FY02	20.0	–	–	15.0	15.0
CSMC Technologies Corporation	Industrial & Consumer Products	FY04	12.0	–	–	12.0	12.0
CSRC China Corporation	Chemicals	FY02	11.0	–	8.3	2.0	10.3
CUNA Mutual Group	Finance & Insurance	FY04	12.0	–	–	12.0	12.0
Changjiang BNP Paribas Peregrine Securities Co., Ltd.	Finance & Insurance	FY03	11.6	–	–	11.6	11.6
Chengdu Huarong Chemical Company Limited	Chemicals	FY99	10.6	8.6	5.6	3.2	8.8
Chengxin International Credit Ratings Limited	Finance & Insurance	FY99	0.4	–	–	0.2	0.2
China II Ltd.	Finance & Insurance	FY04	28.0	–	28.0	–	28.0
China Dynamic Growth Fund, L.P.	Collective Investment Vehicles	FY94	12.4	–	–	7.9	7.9
China Green Energy Limited	Utilities	FY04	20.0	–	20.0	–	20.0
China Huarong Asset Management Corporation	Finance & Insurance	FY02	34.5	–	9.0	2.5	11.5
China Minsheng Banking Corp., Ltd.	Finance & Insurance	FY03	23.5	–	–	23.5	23.5
China Re Life	Finance & Insurance	FY04	15.3	–	–	15.4	15.4
China Walden Management Limited	Collective Investment Vehicles	FY94	0.0	–	–	0.0	0.0
China Walden Ventures Investment Limited	Collective Investment Vehicles	FY94	7.5	–	–	0.0	0.0
Dupont Suzhou Polyester Co. Ltd.	Textiles, Apparel, & Leather	FY96	29.1	52.0	6.2	+	6.2
Global Infotech Holdings, Inc.	Information	FY03	3.5	–	–	3.5	3.5
Guangxi Fenglin Forestry Development Co. Ltd.	Industrial & Consumer Products	FY04	21.0	18.0	15.0	6.0	21.0
Industrial Bank	Finance & Insurance	FY04	52.2	–	–	52.2	52.2
Interstate Energy Corporation Pte, Ltd.	Utilities	FY02	20.0	–	20.0	–	20.0
Jiangxi Chenming Paper Co. Ltd.	Pulp & Paper	FY04	12.9	–	–	12.9	12.9
Jilin Huazheng Agribusiness Development Co., Ltd.	Food & Beverages	FY03	15.0	7.0	15.0	–	15.0
Nanjing City Commercial Bank	Finance & Insurance	FY02	26.6	–	–	26.6	26.6
Nanjing Kumho Tire Co., Ltd.	Plastics & Rubber	FY96, 04	53.7	38.8	34.0	6.0	40.0
New China Life Insurance Company	Finance & Insurance	FY01	30.7	–	–	30.7	30.7
Newbridge Investment Partners, L.P.	Collective Investment Vehicles	FY95	6.7	–	–	2.0	2.0
Ningxia Darong Chemicals & Metallurgy Co. Ltd.	Chemicals	FY04	11.5	8.0	10.0	1.5	11.5
Orient Finance Company	Finance & Insurance	FY97	10.0	20.0	5.7	–	5.7
Peak Pacific Investment Company Ltd.	Utilities	FY02	25.0	–	25.0	–	25.0
Plantation Timber Products Holdings Limited	Industrial & Consumer Products	FY00	1.5	–	–	2.5	2.5
SEAF Sichuan SME Investment Fund LLC	Collective Investment Vehicles	FY01	4.5	–	–	4.5	4.5
SYWG BNP Paribas Asset Management Co. Ltd.	Finance & Insurance	FY03	1.9	–	–	1.9	1.9
Scana Leshan Machinery Co., Ltd.	Primary Metals	FY99	5.9	–	3.6	1.4	5.0
Shanghai International Banking & Finance Institute	Education Services	FY04	0.1	–	–	0.1	0.1
Shanghai Krupp Stainless Co., Ltd.	Primary Metals	FY00	30.0	68.8	26.3	–	26.3

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			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity	
EAST ASIA AND THE PACIFIC								
China (continued)								
Shanghai Midway Infrastructure (Holdings), Ltd.	Transportation & Warehousing	FY99	–	–	–	16.0	16.0	
Shanxi Antai Group Corporation	Primary Metals	FY04	40.0	–	40.0	–	40.0	
Shenzhen China Bicycles Company (Holdings) Limited	Industrial & Consumer Products	FY88, 92, 94	20.9	–	4.5	–	4.5	
Shenzhen Tai–Yang PCCP, Company Limited	Nonmetallic Mineral Product Manufacturing	FY93	5.0	–	3.8	+	3.8	
Sino Gold Limited	Oil, Gas, & Mining	FY03	5.0	–	–	4.0	4.0	
Sino–Forest Corporation	Industrial & Consumer Products	FY02	25.0	–	21.7	–	21.7	
Southern Aluminum Industry (China) Co., Ltd.	Primary Metals	FY04	12.0	–	12.0	–	12.0	
Suzhou Huasu Plastics Co., Ltd.	Chemicals	FY97	24.5	22.2	–	2.5	2.5	
Weihai Weidongri Comprehensive Foodstuff Co., Ltd.	Food & Beverages	FY96	4.9	0.9	0.7	–	0.7	
Wumart Stores	Wholesale & Retail Trade	FY04	6.5	–	–	6.5	6.5	
Xi'an City Commercial Bank	Finance & Insurance	FY03	19.9	–	–	19.9	19.9	
Xiniao Gas Holdings Limited	Utilities	FY04	35.0	–	25.0	10.0	35.0	
Yangtze Special Opportunities Fund, L.P.	Collective Investment Vehicles	FY04	17.3	–	–	17.3	17.3	
Yangtze Special Situations Fund L.P.	Collective Investment Vehicles	FY04	1.0	–	–	1.0	1.0	
Yantai Mitsubishi Cement Company Limited	Nonmetallic Mineral Product Manufacturing	FY93	30.7	–	4.7	–	4.7	
Zhong Chen Energy Storage Co. Ltd.	Transportation & Warehousing	FY04	5.0	–	–	5.0	5.0	
Zibo Wan Jie Tumor Hospital	Health Care	FY02	15.0	–	13.6	–	13.6	
						373.0	401.6	774.6
Fiji								
Hillview Limited	Accommodation & Tourism Services	FY99	3.9	–	5.5	–	5.5	
						5.5	–	5.5
Indonesia								
P.T. AdeS Alfindo Putrasetia	Food & Beverages	FY98	14.0	19.7	–	0.1	0.1	
P.T. Agro Muko	Food & Beverages	FY91	12.7	–	–	2.2	2.2	
P.T. Astra Otoparts Tbk.	Industrial & Consumer Products	FY93	–	–	–	1.1	1.1	
P.T. Bakrie Pipe Industries	Primary Metals	FY95	37.3	–	33.2	–	33.2	
P.T. Berlian Laju Tanker	Transportation & Warehousing	FY98	28.2	25.2	6.0	15.2	21.1	
P.T. Bina Danatama Finance Tbk.	Finance & Insurance	FY93, 96	20.0	35.0	4.5	1.8	6.3	
P.T. Gawi Makmur Kalimantan	Food & Beverages	FY03	11.5	10.0	11.5	–	11.5	
P.T. Indorama Synthetics Tbk.	Textiles, Apparel, & Leather	FY90, 91, 95, 99, 01, 03	98.8	67.5	3.3	11.8	15.1	
P.T. Kia Keramik Mas	Nonmetallic Mineral Product Manufacturing	FY92, 94, 96	31.1	63.5	1.9	–	1.9	
P.T. Nusantara Tropical Fruit	Agriculture & Forestry	FY93	8.6	6.7	7.6	–	7.6	
P.T. South Pacific Viscose	Chemicals	FY93, 96, 04	54.5	60.0	24.8	–	24.8	
PT Alumindo Light Metal Industry Tbk.	Primary Metals	FY97	15.0	20.0	8.7	–	8.7	
PT Astra Graphia Tbk.	Professional, Scientific, & Technical Services	FY93	2.5	–	–	2.0	2.0	
PT Astra International, Tbk.	Industrial & Consumer Products	FY90, 91, 94, 03	36.9	–	–	5.3	5.3	
PT Asuransi Jiwa Manulife Indonesia	Finance & Insurance	FY88	0.3	–	–	0.3	0.3	
PT Bank Buana Indonesia Tbk	Finance & Insurance	FY03	15.4	–	–	12.2	12.2	
PT Ecogreen Oleochemicals	Chemicals	FY04	30.0	–	30.0	–	30.0	
PT Grahawita Santika	Accommodation & Tourism Services	FY96	11.8	–	5.0	–	5.0	
PT Kalimantan Sanggar Pusaka (KSP) and Subsidiaries	Food & Beverages	FY97	35.0	6.0	20.0	15.0	35.0	
PT KDLC BancBali Finance	Finance & Insurance	FY94	16.2	–	–	+	0.0	
PT KIA Serpih Mas	Nonmetallic Mineral Product Manufacturing	FY95	21.2	55.0	4.5	–	4.5	
PT Megaplast Jayacitra	Industrial & Consumer Products	FY99	11.3	–	5.3	2.5	7.8	
PT Prakrsa Alam Segar	Food & Beverages	FY04	35.0	–	35.0	–	35.0	
PT Sahabat Mewah Dan Makmur	Agriculture & Forestry	FY03	12.0	–	12.0	–	12.0	

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
EAST ASIA AND THE PACIFIC							
Indonesia (continued)							
PT Samudera Indonesia Tbk.	Transportation & Warehousing	FY93	17.0	3.0	–	5.0	5.0
PT Sayap Mas Utama	Chemicals	FY98	10.0	20.0	4.2	–	4.2
PT Sigma Cipta Caraka	Information	FY01	3.0	–	–	3.0	3.0
PT Sunson Textile Manufacturer Tbk.	Textiles, Apparel, & Leather	FY02	12.4	8.2	12.4	–	12.4
PT Wings Surya	Chemicals	FY98	8.7	21.3	3.6	–	3.6
PT. Asia Wisata Promosindo-IBIS	Accommodation & Tourism Services	FY91	–	–	2.0	–	2.0
PT. Bank NISP Tbk.	Finance & Insurance	FY98, 01, 02, 04	53.6	–	35.0	13.6	48.6
PT. Makro Indonesia	Wholesale & Retail Trade	FY93, 00	1.3	–	–	3.9	3.9
Verdaine Investment Limited	Agriculture & Forestry	FY03	14.0	–	14.0	–	14.0
					284.5	94.9	379.4
Korea, Republic of							
Asset Korea Capital Management Co. Ltd.	Collective Investment Vehicles	FY99, 02	0.9	–	–	0.9	0.9
Cheil Jedang Investment Trust & Securities	Finance & Insurance	FY01	45.7	–	17.4	30.2	47.6
Dae Chang Industrial Company Limited	Primary Metals	FY99	22.3	9.8	10.9	7.1	18.0
Halim & Co., Ltd.	Food & Beverages	FY99	20.0	–	14.0	5.1	19.1
Hana Bank	Finance & Insurance	FY71, 74, 76, 79, 80, 82, 89, 91, 94, 97, 98, 99, 03	143.6	65.0	–	21.1	21.1
Iljin Electric Co., Ltd.	Industrial & Consumer Products	FY99	15.0	–	4.5	–	4.5
KOMOCO MBS 2001–1	Finance & Insurance	FY01	–	–	15.6	–	15.6
Korea Growth and Restructuring Fund, L.P.	Collective Investment Vehicles	FY00	35.0	–	–	33.8	33.8
Korea Mortgage Corporation	Finance & Insurance	FY01	98.0	–	29.5	8.8	38.3
Samgwang Gohachem Co., Ltd.	Chemicals	FY85	0.1	–	–	0.1	0.1
Shinmoorim Paper Manufacturing Company, Limited	Pulp & Paper	FY99, 00	41.4	8.0	22.2	9.2	31.4
					114.1	116.4	230.5
Lao People's Democratic Republic							
Belmont Hotel Investments (Laos) Ltd.	Accommodation & Tourism Services	FY98, 01	1.2	–	0.9	–	0.9
Burapha Agro-forestry Company Ltd.	Industrial & Consumer Products	FY99	0.8	–	+	–	+
Endeavour Embroidery Co. Ltd.	Textiles, Apparel, & Leather	FY99	0.2	–	0.1	–	0.1
Villa Santi	Accommodation & Tourism Services	FY01	1.2	–	1.2	–	1.2
					2.2	–	2.2
Mongolia							
Agricultural Bank of Mongolia	Finance & Insurance	FY04	3.0	–	1.8	1.2	3.0
G&M Industrial Co. Ltd.	Textiles, Apparel, & Leather	FY97	1.3	–	+	–	+
Trade & Development Bank of Mongolia	Finance & Insurance	FY04	5.0	–	3.5	1.5	5.0
XacBank Ltd.	Finance & Insurance	FY02	0.4	–	0.4	–	0.4
					5.7	2.7	8.4
Philippines							
Alaska Milk Corporation	Food & Beverages	FY79	–	–	–	0.6	0.6
All AsiaCapital Growth Venture BVI-I, Ltd.	Collective Investment Vehicles	FY96	4.0	–	–	+	+
Asian Eye Institute	Health Care	FY03	1.0	–	1.0	–	1.0
Asian Hospital Inc.	Health Care	FY01	7.0	–	7.0	–	7.0
Asian Ventures Limited	Collective Investment Vehicles	FY96	0.0	–	–	+	+
Avalon Professional Web Trade Pte. Ltd.	Information	FY01, 02	1.6	–	0.7	1.0	1.7
Banco de Oro Universal Bank	Finance & Insurance	FY02	20.0	–	20.0	–	20.0
Eastwood Cyber One Corporation	Professional, Scientific, & Technical Services	FY02	20.0	–	20.0	–	20.0
Filinvest Alabang Inc.	Wholesale & Retail Trade	FY02	22.0	–	22.0	–	22.0

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
EAST ASIA AND THE PACIFIC							
Philippines (continued)							
H&Q Philippines Holdings BVI, Inc.	Collective Investment Vehicles	FY99	5.8	–	–	5.8	5.8
H&Q Philippines Ventures, Inc.	Collective Investment Vehicles	FY89	2.5	–	–	0.6	0.6
H&Q Philippines Ventures II, Inc.	Collective Investment Vehicles	FY94	2.4	–	–	1.1	1.1
Land Registration Systems, Inc.	Professional, Scientific, & Technical Services	FY04	24.7	–	22.0	2.7	24.7
Manila North Tollways Corporation	Transportation & Warehousing	FY02	46.0	–	46.0	–	46.0
Manila Water Company, Inc.	Utilities	FY03, 04	75.6	–	63.2	15.0	78.2
Mariwasa Manufacturing, Inc.	Nonmetallic Mineral Product Manufacturing	FY70, 72, 00	15.7	0.5	14.8	–	14.8
Marsman–Drysdale Agribusiness Holdings, Inc.	Food & Beverages	FY99	15.0	8.8	10.0	–	10.0
Micro Enterprise Bank, A Thrift Bank Inc.	Finance & Insurance	FY01	0.1	–	–	0.1	0.1
Mirant Pagbilao Corporation	Utilities	FY93	70.0	11.0	18.0	10.0	28.0
Mirant Sual Corporation	Utilities	FY96	47.5	196.0	23.7	17.5	41.2
Northern Mindanao Power Corporation	Utilities	FY93	16.8	21.0	–	4.3	4.3
Pilipinas Shell Petroleum Corporation	Chemicals	FY93	40.3	65.9	–	1.6	1.6
PlantersBank Mortgage Securitization	Finance & Insurance	FY01	23.9	–	–	8.7	8.7
Pryce Gases Incorporated	Professional, Scientific, & Technical Services	FY99	13.0	5.0	13.0	–	13.0
S&R Price	Wholesale & Retail Trade	FY02	12.5	–	12.5	–	12.5
SME.COM	Information	FY00	0.1	–	–	+	+
Software Ventures Int'l., Inc.	Professional, Scientific, & Technical Services	FY03	4.0	–	–	4.0	4.0
STRADCOM Corporation	Transportation & Warehousing	FY01	20.0	–	12.0	8.0	20.0
Union Cement Corporation	Nonmetallic Mineral Product Manufacturing	FY93	23.8	–	–	5.6	5.6
Walden AB Ayala Management Co. Inc.	Collective Investment Vehicles	FY95	0.1	–	–	0.1	0.1
Walden AB Ayala Ventures Co. Inc.	Collective Investment Vehicles	FY95	3.8	–	–	0.6	0.6
					305.8	87.2	393.0
Samoa							
MedCen Samoa Limited	Health Care	FY92	0.5	–	+	–	+
National Bank of Samoa Limited	Finance & Insurance	FY00	0.1	–	0.1	–	0.1
Wilcox Cocoa	Food & Beverages	FY92	0.3	–	0.3	–	0.3
					0.4	–	0.4
Thailand							
AJF Debt Facility 2010	Finance & Insurance	FY04	40.0	–	40.0	–	40.0
Ayudhya Development Leasing Company Limited	Finance & Insurance	FY92, 93, 96, 98	12.4	–	1.8	2.4	4.2
Bangkok Mass Transit System Public Company Limited	Transportation & Warehousing	FY97, 99	99.7	–	89.8	9.8	99.7
Bona Vista School	Education Services	FY04	1.0	–	1.0	–	1.0
Bumrungrad Hospital Public Company Limited–BHPC	Health Care	FY94	–	–	–	0.6	0.6
Central Plaza Hotel Public Company Ltd.	Accommodation & Tourism Services	FY93	13.9	–	–	13.9	13.9
Dhana Siam Finance and Securities Public Company Limited	Finance & Insurance	FY94	30.0	–	2.2	–	2.2
Fabrinet Thailand	Industrial & Consumer Products	FY04	3.0	–	3.0	–	3.0
HMC Polymers Company Limited	Chemicals	FY88, 96	19.0	11.0	–	3.9	3.9
Krung Thai IBJ Leasing Company, Ltd. (KILC)	Finance & Insurance	FY92	0.4	–	–	0.4	0.4
Lombard Thailand Intermediate Fund, LLC.	Collective Investment Vehicles	FY02	37.5	–	–	35.9	35.9
Medan National Plus School	Education Services	FY04	1.8	–	1.8	–	1.8
Siam Asahi Technoglass Co. Ltd.	Industrial & Consumer Products	FY90	7.0	–	–	6.4	6.4

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
EAST ASIA AND THE PACIFIC							
Thailand (continued)							
Star Petroleum Refining Company Limited	Chemicals	FY94	100.0	350.0	61.6	–	61.6
Thai Farmers Bank–Ladprao General Hospital Co. Ltd.	Health Care	FY92	0.3	–	–	0.3	0.3
Thai Petrochemical Industry Public Company Limited	Chemicals	FY97, 02	98.2	383.3	98.9	–	98.9
True Corporation Public Company Limited	Information	FY02	26.5	–	27.5	–	27.5
Tuntex Petrochemicals (Thailand) Public Co. Ltd.	Chemicals	FY94	24.9	137.5	–	4.9	4.9
United Palm Oil Industry Public Company Limited	Food & Beverages	FY88	–	–	–	1.1	1.1
					327.6	79.6	407.2
Vietnam							
Allianz General Insurance (Vietnam) Co. Ltd.	Finance & Insurance	FY03	1.3	–	–	1.3	1.3
Asia Commercial Bank	Finance & Insurance	FY03	5.0	–	–	5.0	5.0
Dragon Capital Limited	Collective Investment Vehicles	FY03	2.0	–	–	2.0	2.0
Franco–Vietnamese Hospital	Health Care	FY02	8.0	–	8.0	–	8.0
Glass Egg Digital Media	Information	FY03	1.8	–	–	1.8	1.8
Global CyberSoft, Inc.	Information	FY02	1.3	–	–	1.3	1.3
Nghi Son Cement Corporation	Nonmetallic Mineral Product Manufacturing	FY99	+	+	14.9	–	14.9
RMIT International University Vietnam (RIUV)	Education Services	FY02	7.3	–	7.3	–	7.3
Saigon Thuong Tin Commercial Joint Stock Bank	Finance & Insurance	FY03, 04	6.2	–	–	6.1	6.1
San Miguel Haiphong Glass Company	Nonmetallic Mineral Product Manufacturing	FY97	10.0	4.5	5.0	–	5.0
Vietnam Enterprise Investment Limited	Collective Investment Vehicles	FY02, 03	20.0	–	10.0	8.0	18.0
Vietnam International Leasing Company Limited	Finance & Insurance	FY97	0.8	–	–	0.8	0.8
Vinh Phat Company Limited	Textiles, Apparel, & Leather	FY99	0.2	–	0.2	–	0.2
					45.3	26.2	71.5
Regional Investment							
AIF Capital Limited	Collective Investment Vehicles	FY95, 98	0.1	–	–	0.1	0.1
The Asian Infrastructure Fund	Collective Investment Vehicles	FY95	50.0	–	–	36.6	36.6
Avenue Asia Special Situations Fund III, L.P.	Collective Investment Vehicles	FY04	40.0	–	–	39.9	39.9
Kula Fund Limited	Collective Investment Vehicles	FY98	3.0	–	–	1.5	1.5
SMELoan	Finance & Insurance	FY02	16.0	–	6.6	5.0	11.6
Vital Solutions Pte. Ltd.	Information	FY01	1.0	–	–	1.0	1.0
					6.6	84.1	90.7
Total equity and loans					1,487.9	894.7	2,382.6
Total structured finance (including guarantees) and risk management products							413.1
Total IFC portfolio for East Asia and the Pacific							2,795.7

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC' (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
SOUTH ASIA							
Bangladesh							
BRAC Bank	Finance & Insurance	FY04	1.6	–	–	1.6	1.6
DeltaBRAC Housing Finance Corporation	Finance & Insurance	FY98	3.0	–	2.3	0.7	3.0
Dynamic Textile Industries Limited	Textiles, Apparel, & Leather	FY92	2.5	2.0	1.9	–	1.9
GrameenPhone Limited	Information	FY00	18.2	–	6.7	–	6.7
GrameenPhone Limited	Information	FY04	30.0	–	30.0	–	30.0
HeidelbergCement Bangladesh Limited	Nonmetallic Mineral Product Manufacturing	FY01	10.0	–	8.6	–	8.6
Industrial Development Leasing Company of Bangladesh Limited	Finance & Insurance	FY85, 96	1.8	–	–	0.1	0.1
Industrial Promotion and Development Company of Bangladesh Limited	Finance & Insurance	FY80, 99	11.1	–	5.6	–	5.6
Khulna Power Company Limited	Utilities	FY99	22.5	21.6	13.9	–	13.9
Lafarge Surma Cement Limited	Nonmetallic Mineral Product Manufacturing	FY02	45.0	15.0	35.0	10.0	45.0
R.A.K. Ceramics (Bangladesh) Pvt. Ltd.	Nonmetallic Mineral Product Manufacturing	FY03	12.0	–	12.0	–	12.0
					115.9	12.4	128.4
Bhutan							
Bhutan Resorts Corporation Limited	Accommodation & Tourism Services	FY04	10.0	–	10.0	–	10.0
					10.0	–	10.0
India							
Alok Industries Limited	Textiles, Apparel, & Leather	FY03	17.5	–	17.5	–	17.5
Ambuj Cement Rajasthan Ltd.	Nonmetallic Mineral Product Manufacturing	FY94	19.4	17.0	–	4.9	4.9
The AMP-IndAsia India Fund LLC	Collective Investment Vehicles	FY01	15.0	–	–	15.0	15.0
Apollo Tyres Limited	Plastics & Rubber	FY03	20.6	15.0	21.3	–	21.3
Arvind Mills Limited	Textiles, Apparel, & Leather	FY92	22.1	–	–	5.7	5.7
Ballarpur Industries Limited	Pulp & Paper	FY01, 04	15.0	–	15.0	–	15.0
Balrampur Chini Mills Ltd.	Food & Beverages	FY03	14.9	–	15.2	–	15.2
Bharti Tele-Ventures Limited (BTVL)	Information	FY01	20.0	–	–	10.0	10.0
Bhartiya Samruddhi Finance Limited	Finance & Insurance	FY01	1.0	–	–	1.0	1.0
BHW-Birla Home Finance Limited	Finance & Insurance	FY04	21.2	–	20.9	–	20.9
Bihar Sponge Iron Limited	Primary Metals	FY85, 91	9.6	–	14.0	0.7	14.7
Cairn Energy PLC	Oil, Gas, & Mining	FY04	40.0	–	40.0	–	40.0
CEAT Capital Financial Services Limited	Finance & Insurance	FY97	20.0	–	19.6	–	19.6
Centurion Bank Ltd.	Finance & Insurance	FY95, 97	18.9	–	–	0.8	0.8
CESC Limited	Utilities	FY91, 93	51.5	67.0	27.7	–	27.7
CMS Computers	Information	FY04	20.0	–	10.0	10.0	20.0
Continental Carbon India Limited	Chemicals	FY01, 04	9.0	11.5	9.0	–	9.0
Cosmo Films Limited	Plastics & Rubber	FY03	10.0	–	8.8	–	8.8
Crompton Greaves Ltd.	Industrial & Consumer Products	FY04	15.0	–	15.0	–	15.0
Dewan Housing Finance Corporation Ltd.	Finance & Insurance	FY03	12.0	–	12.3	–	12.3
DQ Entertainment Limited	Information	FY03	3.0	–	1.5	1.5	3.0
Eurolight Electricals Pvt. Ltd.	Industrial & Consumer Products	FY98	0.0	–	–	0.0	0.0
GE Capital Transportation Financial Services Ltd.	Finance & Insurance	FY95	19.4	–	–	4.4	4.4
Global Trade Finance (Pvt.) Limited	Finance & Insurance	FY01	2.5	–	–	2.4	2.4
Global Trust Bank Limited	Finance & Insurance	FY94, 98, 00, 01	16.0	–	5.0	1.4	6.4
Gujarat Ambuja Cements Limited	Nonmetallic Mineral Product Manufacturing	FY94	25.8	–	–	4.9	4.9
GVK Industries Limited	Utilities	FY96	37.5	45.5	–	7.5	7.5
Henkel SPIC India Ltd	Chemicals	FY95, 00	4.7	–	–	4.7	4.7
Hole-in-the-Wall Education Limited	Education Services	FY02	1.6	–	–	1.6	1.6
Housing Development Finance Corporation Limited	Finance & Insurance	FY78, 87, 91, 93, 01, 03	147.8	100.0	100.0	–	100.0
IL&FS Venture Corporation Limited	Collective Investment Vehicles	FY93, 95	1.0	–	–	1.0	1.0

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
SOUTH ASIA							
India (continued)							
India Auto Ancillary Fund	Collective Investment Vehicles	FY99	2.3	–	–	1.5	1.5
The India Direct Fund, L.P.	Collective Investment Vehicles	FY96	7.5	–	–	6.9	6.9
India Lease Development Limited	Finance & Insurance	FY85, 90, 95	4.6	–	–	0.9	0.9
Indian Infrastructure Equipment Limited	Finance & Insurance	FY02	3.2	–	–	3.1	3.1
Indian Seamless Metal Tubes Limited	Primary Metals	FY01	10.5	–	10.5	–	10.5
Indo Rama Synthetics (India) Ltd.	Textiles, Apparel, & Leather	FY94, 96	56.8	–	7.9	–	7.9
Indo Rama Textiles Ltd	Textiles, Apparel, & Leather	FY92	–	–	–	0.7	0.7
Indus Investments Mauritius Limited	Collective Investment Vehicles	FY96	+	–	–	+	+
Indus Venture Capital Fund I	Collective Investment Vehicles	FY92	1.2	–	–	0.6	0.6
Indus Venture Investments Limited	Collective Investment Vehicles	FY96	5.0	–	–	1.9	1.9
Indus Venture Management Limited	Collective Investment Vehicles	FY92	–	–	–	0.0	0.0
Information Technology Fund	Collective Investment Vehicles	FY94	0.6	–	–	0.6	0.6
Infrastructure Development Finance Company Limited	Finance & Insurance	FY98	15.5	–	–	15.5	15.5
Infrastructure Leasing and Financial Services Limited	Finance & Insurance	FY91, 93, 95, 99	48.0	–	–	8.0	8.0
Ispat Industries Limited	Primary Metals	FY92, 95, 97	63.8	–	30.4	–	30.4
Jet Airways (India) Private Limited	Transportation & Warehousing	FY01	15.0	–	–	15.0	15.0
Larsen & Toubro	Construction & Real Estate	FY03	50.0	–	50.0	–	50.0
Mahindra & Mahindra Financial Services Limited	Finance & Insurance	FY02	17.2	–	18.3	–	18.3
Mahindra & Mahindra Limited	Industrial & Consumer Products	FY81, 90, 93	28.8	–	–	0.3	0.3
Mahindra Infrastructure Developers Limited	Utilities	FY01	10.0	–	–	10.0	10.0
Mahindra Shubhlabh Services Limited	Agriculture & Forestry	FY03	2.2	–	–	2.3	2.3
Max Healthcare	Health Care	FY04	19.6	–	19.6	–	19.6
Moser Baer India Limited	Industrial & Consumer Products	FY96, 99, 00	71.3	–	32.5	16.3	48.8
NewPath Ventures LLC	Collective Investment Vehicles	FY03, 04	13.0	–	–	13.0	13.0
Nicco-Uco Financial Services Limited	Finance & Insurance	FY93, 96, 97, 98	6.5	–	1.9	0.5	2.4
Niko Resources Ltd.	Oil, Gas, & Mining	FY03	30.0	–	30.0	–	30.0
Orchid Chemicals & Pharmaceuticals Limited	Chemicals	FY01	20.0	–	–	4.7	4.7
Owens Corning (India) Limited	Nonmetallic Mineral Product Manufacturing	FY97	25.0	–	11.6	–	11.6
Oxides and Specialties Limited	Chemicals	FY91	0.3	–	–	0.0	+
Powerlinks Transmission Limited	Utilities	FY04	74.6	–	74.0	–	74.0
Prism Cement Ltd.	Nonmetallic Mineral Product Manufacturing	FY95	20.0	15.0	11.3	5.0	16.3
Rain Calcining Limited	Chemicals	FY96	24.7	–	–	3.8	3.8
RAK Ceramics India Pvt. Ltd.	Nonmetallic Mineral Product Manufacturing	FY04	20.0	–	20.0	–	20.0
South Asian Regional Apex Fund	Collective Investment Vehicles	FY96	7.3	–	–	5.9	5.9
Spryanze, Inc.	Information	FY01, 03	3.0	–	–	3.0	3.0
SREI International Finance Limited	Finance & Insurance	FY98, 00	33.0	–	16.0	3.0	19.0
Steuerung Anlage Pvt. Ltd.	Industrial & Consumer Products	FY98	0.1	–	–	0.1	0.1
Sundaram Finance Limited	Finance & Insurance	FY86, 93, 94, 95, 04	47.5	–	43.5	–	43.5
Sundaram Home Finance Limited	Finance & Insurance	FY00, 02	12.5	–	10.9	2.2	13.1
Switching Technologies Guenther Limited	Industrial & Consumer Products	FY87	–	–	0.3	–	0.3
Tata Motors Limited	Industrial & Consumer Products	FY03	50.0	–	50.0	–	50.0
TCW/ICICI Private Equity Fund, L.L.C.	Collective Investment Vehicles	FY98	10.0	–	–	3.9	3.9
The Technology Development and Information Company of India Limited	Collective Investment Vehicles	FY91	2.8	–	–	0.0	0.0
UCAL Fuel System	Industrial & Consumer Products	FY90	0.6	–	–	0.0	0.0
United Phosphorus Limited	Chemicals	FY04	17.5	–	17.5	–	17.5
United Riceland Limited	Food & Beverages	FY96	10.0	–	8.1	–	8.1
Usha Martin Limited	Primary Metals	FY03	24.6	–	21.0	3.6	24.6
Vysya Bank	Finance & Insurance	FY01	7.3	–	–	3.7	3.7

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
SOUTH ASIA							
India (continued)							
Walden Nikko India Management Co. Ltd.	Collective Investment Vehicles	FY98	0.0	–	–	0.0	0.0
Walden-Nikko India Ventures Co., L.D.C.	Collective Investment Vehicles	FY98	2.4	–	–	2.0	2.0
Webdunia	Information	FY02	2.0	–	–	2.0	2.0
WTI Advance Technology Limited	Professional, Scientific, & Technical Services	FY88	0.2	–	–	0.2	0.2
					838.0	217.6	1,055.6
Maldives							
Maldives Finance Leasing Company Limited	Finance & Insurance	FY02	4.3	–	3.0	1.3	4.3
Taj Maldives (Pvt.) Ltd	Accommodation & Tourism Services	FY04	8.5	8.5	8.5	–	8.5
Villa Shipping and Trading Company Private Limited	Accommodation & Tourism Services	FY96, 03	21.0	–	15.0	–	15.0
					26.5	1.3	27.8
Nepal							
Bhote Koshi Power Company Private Limited	Utilities	FY98	23.9	32.9	16.5	2.9	19.5
Himal Power Limited	Utilities	FY96	32.0	–	25.6	–	25.6
International Leasing and Finance Co., Ltd.	Finance & Insurance	FY01	0.3	–	–	0.3	0.3
Jomsom Mountain Resort (Pvt.), Ltd.	Accommodation & Tourism Services	FY98	4.0	–	4.0	–	4.0
					46.1	3.2	49.4
Sri Lanka							
Asia Power (Private) Limited	Utilities	FY97	11.0	8.8	5.3	2.3	7.5
Commercial Bank of Ceylon	Finance & Insurance	FY03, 04	12.9	–	–	12.8	12.8
Fitch Ratings Lanka Limited	Finance & Insurance	FY00	0.1	–	–	0.1	0.1
Lanka Hospital Corporation Private Limited	Health Care	FY01	1.1	–	–	–	–
Mercantile Leasing Limited	Finance & Insurance	FY99	1.8	–	–	–	–
MTN Networks Limited	Information	FY04	50.0	–	50.0	–	50.0
National Development Bank Housing Finance Co.	Finance & Insurance	FY00	1.3	–	–	1.1	1.1
Nations Trust Bank	Finance & Insurance	FY99, 01	1.1	–	–	0.9	0.9
Packages Lanka (Private) Limited	Pulp & Paper	FY97	1.1	–	–	1.1	1.1
South Asia Gateway Terminals (Private) Limited	Transportation & Warehousing	FY00	28.6	–	19.9	3.6	23.5
Suntel Limited	Information	FY01	7.5	–	–	7.5	7.5
Taj Lanka Hotels Limited	Accommodation & Tourism Services	FY81, 82	8.5	10.2	–	0.6	0.6
					75.1	30.0	105.1
Regional Investment							
Asia Opportunity Fund, L.P.	Collective Investment Vehicles	FY99	82.4	–	–	58.8	58.8
Asian Mezzanine Infrastructure Fund	Collective Investment Vehicles	FY97	2.3	–	–	0.8	0.8
Chase Asia Equity Advisors L.D.C.	Collective Investment Vehicles	FY99	+	–	–	+	+
Modern Asia Environmental Holding	Utilities	FY04	15.0	–	15.0	–	15.0
SEAVI Venture Management (Bermuda) Limited	Collective Investment Vehicles	FY92	–	–	–	+	+
					15.0	59.6	74.6
Total equity and loans					1,126.7	324.2	1,450.8
Total structured finance (including guarantees) and risk management products							162.7
Total IFC portfolio for South Asia							1,613.5

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
EUROPE AND CENTRAL ASIA							
Albania							
Anglo Albania Petroleum Limited	Oil, Gas, & Mining	FY98	28.5	–	–	14.1*	14.1
Eurotech Cement, Shpk	Nonmetallic Mineral Product Manufacturing	FY99	1.2	–	0.4	–	0.4
Insurance Institute of Albania	Finance & Insurance	FY04	5.5	–	–	6.1	6.1
National Commercial Bank Sh.A.	Finance & Insurance	FY00	2.0	–	–	2.0	2.0
ProCredit Bank sh.a.	Finance & Insurance	FY00	1.1	–	–	1.0	1.0
Vodafone Albania SH.A	Information	FY04	41.4	8.9	42.6	–	42.6
					43.0	23.3	66.2
Armenia							
ACBA Leasing	Finance & Insurance	FY03	2.3	–	2.0	0.3	2.3
Armeconombank	Finance & Insurance	FY04	2.0	–	2.0	–	2.0
Armenia Hotel Closed Joint Stock Company	Accommodation & Tourism Services	FY01, 04	4.8	–	–	4.8	4.8
					4.0	5.1	9.1
Azerbaijan							
Amerada Hess Corporation	Oil, Gas, & Mining	FY04	1.7	1.7	1.7	–	1.7
Azerbaijan Bank	Finance & Insurance	FY99, 04	1.0	–	–	1.0	1.0
AzeriGazbank	Finance & Insurance	FY98, 03	1.6	–	1.2	–	1.2
Baku Coca-Cola Bottlers Ltd.	Food & Beverages	FY98	12.8	–	1.2	–	1.2
Baku Hotel Company	Accommodation & Tourism Services	FY00	17.5	–	7.3	–	7.3
BP Corporation NA, Inc	Oil, Gas, & Mining	FY04	10.0	10.0	10.0	–	10.0
Microfinance Bank Azerbaijan	Finance & Insurance	FY02	1.8	–	–	1.8	1.8
Rabitabank	Finance & Insurance	FY98, 03	1.6	–	1.2	–	1.2
Statoil	Oil, Gas, & Mining	FY04	8.8	8.8	8.8	–	8.8
Unocal–Union Oil Company of California	Oil, Gas, & Mining	FY04	10.0	10.0	10.0	–	10.0
					41.3	2.8	44.0
Belarus							
Detroit Belarus Brewing Company	Food & Beverages	FY04	10.0	–	7.0	3.0	10.0
Priorbank Joint Stock Company	Finance & Insurance	FY03	14.0	–	14.0	–	14.0
					21.0	3.0	24.0
Bosnia and Herzegovina							
Akova Impex, d.o.o.	Food & Beverages	FY99	2.1	–	1.0	–	1.0
Bosnalijek, d.d. Sarajevo	Chemicals	FY99, 01	4.5	–	1.5	1.8	3.4
Bosnia and Herzegovina–Wood Sector Agency Credit Line	Industrial & Consumer Products	FY98	14.1	–	5.6	–	5.6
Central Profit Banka	Finance & Insurance	FY02, 04	19.1	–	13.1	7.3	20.4
Fabrika Cementa Lukavac	Nonmetallic Mineral Product Manufacturing	FY03	9.8	2.4	12.2	–	12.2
Horizonte Bosnia and Herzegovina Enterprise Fund	Collective Investment Vehicles	FY98	1.9	–	–	1.9	1.9
Konjuh d.d.	Industrial & Consumer Products	FY98	–	–	2.7	–	2.7
Kozara d.d.	Industrial & Consumer Products	FY98	–	–	2.0	–	2.0
Lijanovici d.o.o.	Food & Beverages	FY99	2.5	–	1.3	–	1.3
MDD Lignosper	Industrial & Consumer Products	FY98	2.3	–	2.6	–	2.6
Podgradci d.d.	Industrial & Consumer Products	FY98	–	–	1.3	–	1.3
ProCredit Bank	Finance & Insurance	FY98, 99, 01, 03	4.2	–	3.6	1.2	4.9
Raiffeisen Bank Bosnia	Finance & Insurance	FY03	16.6	–	17.0	–	17.0
Sarajevo Privatization Venture	Collective Investment Vehicles	FY02, 03	11.5	–	13.4	+	13.4

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
EUROPE AND CENTRAL ASIA							
Bosnia and Herzegovina (continued)							
Sarajevska Pivara, d.d.	Food & Beverages	FY98	4.1	–	0.4	–	0.4
Sour Energoinvest	Industrial & Consumer Products	FY85	11.7	–	9.5	–	9.5
Tvornica Kartona I Ambalaze Cazin	Pulp & Paper	FY77	8.0	7.1	4.1	–	4.1
Wood Agency Credit Line Inga o.d.p.	Industrial & Consumer Products	FY98	–	–	2.0	–	2.0
Wood Agency Credit Line Vrbas m.d.p.	Industrial & Consumer Products	FY98	–	–	2.0	–	2.0
					95.2	12.3	107.5
Bulgaria							
Bulbank AD	Finance & Insurance	FY01	17.3	–	–	17.5	17.5
Bulgarian-American Credit Bank A.D.	Finance & Insurance	FY99, 03	10.0	–	5.2	–	5.2
Devnya Cement A.D.	Nonmetallic Mineral Product Manufacturing	FY99	30.0	–	23.2	–	23.2
Doverie Brico	Wholesale & Retail Trade	FY01	4.5	–	5.1	–	5.1
Druzba A.D.	Nonmetallic Mineral Product Manufacturing	FY04	24.3	–	24.3	–	24.3
Epiq Electronic Assembly EOOD	Industrial & Consumer Products	FY01	5.5	–	6.5	–	6.5
Euromerchant Balkan Fund SICAV	Collective Investment Vehicles	FY95	5.0	–	–	4.0	4.0
Florina Bulgaria S.A.	Food & Beverages	FY01	3.8	–	5.0	–	5.0
Kronospan Bulgaria EOOD	Industrial & Consumer Products	FY00, 01	19.7	12.3	20.3	–	20.3
Paper Factory Stambolijski	Pulp & Paper	FY02	25.5	–	22.0	2.0	24.0
Petresco S.A.R.L.	Oil, Gas, & Mining	FY03	17.0	–	17.0	–	17.0
ProCredit Bank AD	Finance & Insurance	FY01, 03, 04	15.7	–	12.2	3.5	15.7
Sofia Hilton	Accommodation & Tourism Services	FY98	13.0	9.5	11.7	–	11.7
Sofia Med	Primary Metals	FY01	11.6	–	16.4	–	16.4
Stomana Industry A.D.	Primary Metals	FY04	21.2	–	22.5	–	22.5
Trakya Glass Bulgaria EAD	Nonmetallic Mineral Product Manufacturing	FY04	42.7	–	35.2	7.5	42.7
Unionbank AD	Finance & Insurance	FY03	5.0	–	5.0	–	5.0
					231.7	34.5	266.3
Croatia							
Belisce d.d.	Pulp & Paper	FY73, 81, 98, 03	60.7	64.1	19.9	6.0	25.9
Brodogradiliste	Industrial & Consumer Products	FY00	12.1	9.0	6.0	0.5	6.5
The CC Partnership L.P.	Collective Investment Vehicles	FY99	5.0	–	–	4.9	4.9
Croatia Banka d.d.	Finance & Insurance	FY02	8.4	–	10.9	–	10.9
Erste & Steiermarkische Bank d.d.	Finance & Insurance	FY00, 03	36.4	–	33.2	–	33.2
Pliva d.d.	Chemicals	FY01	35.0	12.5	10.0	–	10.0
					80.1	11.4	91.5
Cyprus							
Kronospan Holding Limited	Industrial & Consumer Products	FY04	51.1	–	51.1	–	51.1
					51.1	–	51.1
Czech Republic							
CDV-1 Holding Company, L.P.	Finance & Insurance	FY01, 03	17.3	–	–	1.6	1.6
The Czech and Slovak Private Equity Fund, L.P.	Collective Investment Vehicles	FY95	2.5	–	–	2.5	2.5
Hayes Wheels Autokola Nová Hut, a.s.	Industrial & Consumer Products	FY94	16.1	21.5	3.1	–	3.1
Ispat Nova Hut a.s.	Primary Metals	FY97, 98	85.8	161.8	75.9	–	75.9
					79.1	4.1	83.1
Estonia							
Horizon Tselluloosi Ja Paberi Aktsiaselts	Pulp & Paper	FY98, 00	13.1	–	7.7	1.5	9.2
Kreenholmi Valduse AS	Textiles, Apparel, & Leather	FY01, 04	8.4	11.9	11.4	–	11.4
					19.1	1.5	20.6

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
EUROPE AND CENTRAL ASIA							
Georgia							
Bank of Georgia	Finance & Insurance	FY00, 03	7.2	–	6.4	–	6.4
JSC Saatksio Szagadoeba MINA	Nonmetallic Mineral Product Manufacturing	FY99	8.8	–	6.3	2.5	8.8
ProCredit Bank	Finance & Insurance	FY99, 00, 01, 02, 04	12.1	–	10.0	2.2	12.2
TBC Bank	Finance & Insurance	FY98, 00, 02, 04	6.9	–	2.7	0.9	3.6
TbilComBank	Finance & Insurance	FY99	1.0	–	+	–	+
					25.4	5.5	31.0
Hungary							
Axon Vagyonkezelő Organizáció és Befektései	Finance & Insurance	FY99	1.0	–	–	0.9	0.9
First Hungary Fund Limited	Collective Investment Vehicles	FY90	7.5	–	–	2.2	2.2
Honeywell ESCO Hungary	Utilities	FY00	0.4	–	–	0.4	0.4
					–	3.6	3.6
Kazakhstan							
ABN–AMRO Bank Kazakhstan	Finance & Insurance	FY94, 96, 98, 03	15.3	1.0	10.0	4.6	14.6
CASPI Limited	Accommodation & Tourism Services	FY01	2.5	–	2.3	–	2.3
Closed Joint Stock Company “Kazakhstan Construction Company”	Nonmetallic Mineral Product Manufacturing	FY99	0.7	–	0.7	–	0.7
First International Oil Corporation	Oil, Gas, & Mining	FY01	+	–	–	0.0	0.0
Ispat Karmet SME Resource TOO	Collective Investment Vehicles	FY02	3.4	–	3.3	0.1	3.4
Joint Stock Company Ispat Karmet	Primary Metals	FY98, 99	30.7	–	11.4	–	11.4
Kazgermunai	Oil, Gas, & Mining	FY98	41.0	–	18.0	0.7	18.7
Kazkommertsbank	Finance & Insurance	FY97, 00, 03	12.5	–	–	1.0	1.0
LP-Gaz, LLP	Utilities	FY00	1.0	–	0.4	–	0.4
Lukoil Overseas Karachaganak B.V.	Oil, Gas, & Mining	FY03	75.0	75.0	75.0	–	75.0
Nelson Resources Limited	Oil, Gas, & Mining	FY97, 98, 03, 04	7.3	–	–	4.4	4.4
OJSC NefteBank	Finance & Insurance	FY01	2.5	–	2.5	–	2.5
Rambutya Limited Liability Partnership	Wholesale & Retail Trade	FY00, 02	12.9	–	8.3	–	8.3
Sazankurak Joint Stock Company	Oil, Gas, & Mining	FY01	20.0	–	15.8	–	15.8
TuranAlem Bank	Finance & Insurance	FY00, 03	15.0	–	3.4	4.9	8.3
					151.0	15.8	166.8
Kyrgyz Republic							
Akun Ltd.	Food & Beverages	FY02	2.4	–	2.4	–	2.4
Demirbank Kyrgyz International Bank	Finance & Insurance	FY97, 03	0.6	–	–	0.6	0.6
FINCA Microfinance Resource	Finance & Insurance	FY02	1.0	–	–	1.0	1.0
Joint Stock Commercial Bank Kyrgyzstan	Finance & Insurance	FY04	1.5	–	1.5	–	1.5
Joint-Stock Company Investment Export-Import Bank (Inexim)	Finance & Insurance	FY04	1.5	–	1.5	–	1.5
Kyrgyz-Chinese Joint Venture Altyn-Ajydar	Pulp & Paper	FY00	0.3	–	0.2	–	0.2
Kyrgyz Investment & Commercial Bank	Finance & Insurance	FY01	1.4	–	–	1.4	1.4
					5.6	3.0	8.6
Latvia							
Linstow Varner SIA	Wholesale & Retail Trade	FY02	25.0	35.0	26.7	–	26.7
					26.7	–	26.7
Lithuania							
AB Drobe Wool	Textiles, Apparel, & Leather	FY00	6.6	–	5.4	0.5	5.9
Viesbutis Lietuva	Accommodation & Tourism Services	FY02	9.3	9.3	12.2	–	12.2
					17.6	0.5	18.1

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EUROPE AND CENTRAL ASIA							
Macedonia, Former Yugoslav Republic of							
Alkaloid A.D. Skopje	Chemicals	FY00	9.1	–	6.4	–	6.4
Komercijalna Banka A.D. Skopje	Finance & Insurance	FY01	3.1	–	3.3	–	3.3
Macedonian Telecommunications (MT)	Information	FY98	25.0	25.0	–	11.3	11.3
Makedonijaturist A.D.	Accommodation & Tourism Services	FY99	4.4	–	0.9	–	0.9
Masinomont DOO Skopje	Industrial & Consumer Products	FY98	0.8	–	0.4	–	0.4
Nikol-Fert	Primary Metals	FY98	3.8	–	0.5	–	0.5
ProCredit Bank	Finance & Insurance	FY03	1.0	–	–	1.1	1.1
Small Enterprise Assistance Fund— Macedonia Fund L.L.C.	Collective Investment Vehicles	FY00	2.5	–	–	1.3	1.3
Stopanska Banka a.d. Skopje	Finance & Insurance	FY98, 00, 01, 03	12.4	–	–	10.5	10.5
Teteks A.D. Tetovo	Textiles, Apparel, & Leather	FY98, 02	6.8	–	4.9	–	4.9
					16.5	24.3	40.8
Moldova							
FinComBank S.A.	Finance & Insurance	FY03, 04	3.0	–	3.0	–	3.0
INCON JSC, Cupchin JSC, Ungheni JSC, and Floresti JSC	Food & Beverages	FY97	7.4	–	5.2	+	5.2
Micro Enterprise Credit S.A.	Finance & Insurance	FY00	1.0	–	0.9	0.1	1.0
Moldinconbank S.A.	Finance & Insurance	FY01, 04	7.0	–	6.1	–	6.1
RED Chisinau, RED Centru & RED Sud	Utilities	FY02	25.0	–	25.0	–	25.0
Victoriabank	Finance & Insurance	FY02, 04	9.0	–	7.9	–	7.9
Voxtel S.A.	Information	FY99, 00, 01	15.3	21.8	10.3	1.6	11.9
					58.3	1.7	60.0
Poland							
Baltic Malt Sp. z o.o.	Food & Beverages	FY97	8.6	–	0.5	2.0	2.5
Central Poland Fund, L.L.C.	Collective Investment Vehicles	FY98	1.6	–	–	1.6	1.6
Global Hotels Development Group Poland S.A.	Accommodation & Tourism Services	FY99	10.4	–	9.2	3.2	12.4
Honeywell ESCO Polska	Utilities	FY92	0.2	–	–	0.2	0.2
Intercell S.A.	Pulp & Paper	FY95, 97, 98, 01, 04	64.0	–	48.7	13.6	62.2
Peters Fleischindustrie und Handel Aktiengesellschaft	Food & Beverages	FY94	6.5	–	0.4	–	0.4
Pilkington Polska Sp. z o.o.	Nonmetallic Mineral Product Manufacturing	FY93	42.4	22.1	3.4	–	3.4
The Poland Investment Fund L.P.	Collective Investment Vehicles	FY95	2.5	–	–	1.5	1.5
Schwarz Group	Wholesale & Retail Trade	FY04	48.6	–	48.7	–	48.7
					110.8	22.1	132.9
Romania							
Ambro S.A.	Pulp & Paper	FY00	6.2	–	2.9	–	2.9
Banc Post S.A.	Finance & Insurance	FY99, 02	20.0	–	10.0	–	10.0
Banca Comerciala Romana S. A.	Finance & Insurance	FY03, 04	186.0	–	75.0	111.0	186.0
Banca Romaneasca	Finance & Insurance	FY01	5.9	–	3.9	–	3.9
Banca Transilvania	Finance & Insurance	FY04	24.3	–	24.3	–	24.3
Danube Fund Limited	Collective Investment Vehicles	FY97	2.0	–	–	1.2	1.2
Dunapack Rambox Prodimpe S.R.L.	Pulp & Paper	FY99	3.9	–	0.4	2.0	2.4
ICME	Primary Metals	FY02	8.7	–	11.2	–	11.2
Krupp Bilstein Compa S.A.	Industrial & Consumer Products	FY98	2.8	2.8	0.3	–	0.3
Krupp Compa Arcuri S.A.	Industrial & Consumer Products	FY99	7.4	3.2	2.2	–	2.2
Microfinance Bank (MIRO) S.A.	Finance & Insurance	FY02, 03, 04	12.6	–	10.0	2.6	12.6
Ro-Fin Mortgage Loan Company	Finance & Insurance	FY04	5.0	–	5.0	–	5.0
Romanian-American Enterprise Fund	Finance & Insurance	FY04	3.0	–	3.0	–	3.0
Romlease	Finance & Insurance	FY95, 98, 01	9.8	–	2.7	–	2.7
S.C. Arctic S.A.	Industrial & Consumer Products	FY03	11.0	–	12.2	–	12.2
					163.1	116.8	279.9

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EUROPE AND CENTRAL ASIA							
Russian Federation							
A.O. Mosenergo	Utilities	FY98	20.0	–	12.4	–	12.4
Agro-Industrial Finance Company	Finance & Insurance	FY03	5.5	7.5	5.0	0.5	5.5
Aminex Plc	Oil, Gas, & Mining	FY97, 99	12.6	–	–	5.5	5.5
Baltiskii Leasing ZAO	Finance & Insurance	FY02	2.0	–	0.9	–	0.9
Banque Société Générale Vostok	Finance & Insurance	FY04	75.0	–	75.0	–	75.0
Baring Vostok Private Equity Fund, L.P. 2	Collective Investment Vehicles	FY01	15.0	–	–	14.9	14.9
BCEN Eurobank	Finance & Insurance	FY03	100.0	–	100.0	–	100.0
BSGV Leasing	Finance & Insurance	FY04	19.5	–	19.5	–	19.5
Commercial Bank DeltaCredit	Finance & Insurance	FY02, 03	50.0	–	48.8	–	48.8
Delta Lease Far East	Finance & Insurance	FY04	4.0	–	4.0	–	4.0
Egar Technology	Professional, Scientific, & Technical Services	FY02	1.5	–	–	1.5	1.5
Framlington Russian Investment Fund	Collective Investment Vehicles	FY94	8.0	–	–	3.7	3.7
IBS Group Holdings Limited	Information	FY03	12.0	–	12.0	–	12.0
IKEA MOS (Retail and Property) OOO	Wholesale & Retail Trade	FY00	15.0	–	15.0	–	15.0
Independent Network Television Holdings, Ltd.	Information	FY04	10.5	–	7.0	3.5	10.5
Industry & Construction Bank	Finance & Insurance	FY02	10.0	–	10.0	–	10.0
JSC Lebedyansky	Food & Beverages	FY04	35.0	–	35.0	–	35.0
JSC SFAT; JSC RUSWORLD	Transportation & Warehousing	FY04	15.0	–	15.0	–	15.0
JSC Volga-Dnepr Airlines	Transportation & Warehousing	FY02	16.9	13.0	16.9	–	16.9
Moscow Narodny Bank, Ltd.	Finance & Insurance	FY03	100.0	–	100.0	–	100.0
NBD Bank	Finance & Insurance	FY02, 03	9.5	–	9.1	–	9.1
New Medical Center	Health Care	FY01	2.1	–	2.2	–	2.2
OAO Borsky Stekolny Zavod	Nonmetallic Mineral Product Manufacturing	FY98, 03	42.2	–	26.1	15.0	41.1
OAO Siberia Airlines	Transportation & Warehousing	FY04	25.0	–	25.0	–	25.0
Omsukchansk Mining and Geological Company	Oil, Gas, & Mining	FY01	10.0	–	4.6	–	4.6
OOO Kronostar	Industrial & Consumer Products	FY04	49.3	49.3	50.0	–	50.0
OOO Ruscam	Nonmetallic Mineral Product Manufacturing	FY02, 03, 04	40.5	–	39.5	–	39.5
OOO Stora Enso Packaging BB	Pulp & Paper	FY00, 02	14.5	–	8.7	–	8.7
OOO Swedwood Tichvin	Industrial & Consumer Products	FY02	5.6	–	7.2	–	7.2
Open Joint Stock Company Commercial Bank "Center-invest"	Finance & Insurance	FY02	2.0	–	0.8	–	0.8
Pilkington Float Glass Russia	Nonmetallic Mineral Product Manufacturing	FY04	53.7	–	51.7	–	51.7
Probusiness Bank	Finance & Insurance	FY02	5.0	–	5.0	–	5.0
Ramenka Ltd.	Wholesale & Retail Trade	FY99, 01, 03	100.5	30.0	76.5	–	76.5
Ru-Net Holdings	Professional, Scientific, & Technical Services	FY03	6.0	–	3.0	3.0	6.0
Russian Standard Bank	Finance & Insurance	FY02, 04	50.0	–	39.9	10.0	49.9
The Russian Technology Fund, L.P.	Collective Investment Vehicles	FY96	1.0	–	–	0.9	0.9
Sector Investment Holding Company Limited	Collective Investment Vehicles	FY96	–	–	–	1.1	1.1
Severstaltrans; Balttranservis; Sevtekhnotrans	Transportation & Warehousing	FY04	40.0	–	40.0	–	40.0
Small Business Credit Bank (KMB Bank)	Finance & Insurance	FY02	7.0	–	7.0	–	7.0
Sonic Duo	Information	FY02	30.0	10.0	30.0	–	30.0
Stavropolsky Broiler	Agriculture & Forestry	FY03	15.0	–	15.0	–	15.0
Sveza Holding	Industrial & Consumer Products	FY04	40.5	–	40.5	–	40.5
UralTransBank	Finance & Insurance	FY03	10.0	–	10.0	–	10.0
ZAO Deutsche Leasing Vostok	Finance & Insurance	FY00	0.6	–	–	0.6	0.6
ZAO Europlan	Finance & Insurance	FY02	10.0	–	8.6	–	8.6
ZAO Kulon Development, ZAO Kulon Estate	Transportation & Warehousing	FY04	7.5	–	7.5	–	7.5
ZAO Raiffeisenbank Austria	Finance & Insurance	FY03	80.0	–	78.9	–	78.9
					1,063.2	60.2	1,123.4

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			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
EUROPE AND CENTRAL ASIA							
Serbia and Montenegro							
Institut Za Fizikalnu Medicinu I Rehabilitaciju ("Dr. Simo Milosevic") Igalo	Health Care	FY82, 88	22.0	–	10.5	–	10.5
Investiciona Banka Titograd- Udruzena Banka	Accommodation & Tourism Services	FY80	21.0	–	2.0	–	2.0
Jugobanka-Udruzena Banka Beograd	Finance & Insurance	FY86	23.0	9.8	+	–	+
Loan to Eight Banks for Small-Scale Enterprises	Finance & Insurance	FY80	26.0	5.7	+	–	+
ProCredit Bank a.d	Finance & Insurance	FY02, 03	14.0	–	12.8	2.0	14.8
ProCredit Bank Kosovo	Finance & Insurance	FY02	1.1	–	–	1.1	1.1
Radoje Dakic	Industrial & Consumer Products	FY80	18.7	–	1.2	–	1.2
Raiffeisenbank Jugoslavija a.d.	Finance & Insurance	FY02	2.3	–	–	2.4	2.4
Tigar Rubber Products Company A.D.	Plastics & Rubber	FY02	17.6	–	19.5	4.1	23.6
Vojvodjanska Banka—Udruzena Banka	Finance & Insurance	FY87, 89	54.6	29.5	49.8	–	49.8
					95.7	9.6	105.3
Slovakia							
Raiffeisen International Bank—Holding AG	Finance & Insurance	FY04	120.8	–	60.0	60.8	120.8
Raiffeisen Zentralbank Osterreich—RZB (Originally GZB)	Finance & Insurance	FY04	120.8	–	60.0	60.8	120.8
					120.0	121.6	241.6
Slovenia							
Poteza Adriatic Fund B.V.	Collective Investment Vehicles	FY04	13.7	–	–	13.7	13.7
The Slovenian Development Capital Fund Limited	Collective Investment Vehicles	FY95	4.6	–	–	0.0	0.0
					–	13.7	13.7
Tajikistan							
Giavoni	Textiles, Apparel, & Leather	FY03	3.0	–	–	3.0	3.0
Holland-Tajik Joint Venture M & P	Wholesale & Retail Trade	FY00	0.4	–	0.2	–	0.2
Open Joint Stock Company Pamir Energy Company	Utilities	FY03	8.0	–	4.5	3.5	8.0
SugdAgroServ	Agriculture & Forestry	FY02, 04	0.8	–	0.8	–	0.8
Telecom Technology Ltd.	Information	FY02	0.4	–	0.3	–	0.3
					5.7	6.5	12.2
Turkey							
Akbank	Finance & Insurance	FY03	55.0	100.0	55.0	–	55.0
Alternatif Bank, A.S.	Finance & Insurance	FY99, 00	12.0	15.0	0.8	–	0.8
Arçelik, A.S.	Industrial & Consumer Products	FY96, 01, 03	94.6	89.7	74.1	–	74.1
Arçelik-LG Klima Sanayi ve Ticaret A.S.	Industrial & Consumer Products	FY00	15.3	10.2	11.7	–	11.7
Assan Demir ve Sac Sanayii A.S.	Primary Metals	FY94, 97, 02	55.3	10.0	25.5	–	25.5
Atilim University	Education Services	FY02	6.5	–	6.5	–	6.5
Banvit Bandirma Vitaminli Yem Sanayi A.S.	Agriculture & Forestry	FY01	25.0	–	11.7	5.0	16.7
Bayindirbank A.S.	Finance & Insurance	FY94, 97, 00	30.0	60.0	4.5	–	4.5
Beko Elektronik A.S.	Industrial & Consumer Products	FY03	25.0	25.1	30.8	–	30.8
Borçelik Çelik Sanayii ve Ticaret A.S.	Primary Metals	FY95, 96, 97	47.1	–	10.0	9.7	19.7
Borusan Holding A.S.	Primary Metals	FY04	40.0	–	40.0	–	40.0
CBS Holding A.S.	Chemicals	FY94	15.5	–	3.6	–	3.6
Eczacibasi Karo Seramik	Construction & Real Estate	FY02	9.9	–	12.9	–	12.9
Ege Liman Isletmeleri A.S.	Transportation & Warehousing	FY04	10.0	8.0	10.0	–	10.0
Entek Elektrik Uretimi A.S.	Utilities	FY98	25.0	26.5	19.8	–	19.8
Finansbank, A.S.	Finance & Insurance	FY92, 00	20.0	55.6	4.4	–	4.4
Garanti Finansal Kiralama A.S.	Finance & Insurance	FY95, 98, 00, 04	29.3	43.4	10.0	–	10.0
Gümüssuyu Hali ve Yer Kaplamalari Sanayi ve Ticaret A.S.	Textiles, Apparel, & Leather	FY99	7.0	–	7.4	–	7.4

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
EUROPE AND CENTRAL ASIA							
Turkey (continued)							
Gunkol/TEBA	Industrial & Consumer Products	FY02	10.2	–	6.4	6.2	12.6
Indorama Iplik Sanayi ve Ticaret A.S.	Textiles, Apparel, & Leather	FY99	10.7	–	5.6	–	5.6
Ipek Kagit Sanayii ve Ticaret A.S.	Pulp & Paper	FY98, 00, 02	45.0	33.0	35.0	–	35.0
Istanbul Bilgi University	Education Services	FY01	12.0	–	10.0	–	10.0
Kepez Elektrik, T.A.S.	Utilities	FY91	20.2	–	3.2	–	3.2
Kiris Otelcilik ve Turizm A.S.	Accommodation & Tourism Services	FY89, 90	23.8	–	26.8	–	26.8
Koc Finansal Kiralama A.S.	Finance & Insurance	FY97, 04	45.0	–	30.0	–	30.0
Kula Mensucat Fabrikasi A.S.	Textiles, Apparel, & Leather	FY91	20.1	–	5.1	–	5.1
Medya Holding A.S.	Information	FY93, 96	28.6	–	5.0	–	5.0
MESA Health and Education Institutions—Management, Inc. & MESA Housing Industries, Inc.	Health Care	FY04	11.0	–	11.0	–	11.0
Meteksan Sistem ve Bilgisayar Teknolojileri A.S.	Professional, Scientific, & Technical Services	FY04	8.5	–	8.5	–	8.5
Milli Reasurans T.A.S.	Finance & Insurance	FY02	50.0	–	50.0	–	50.0
Modern Karton Sanayii ve Ticaret A.S.	Pulp & Paper	FY98, 02	30.0	10.0	19.1	–	19.1
Nasco Nasreddin Holding A.S.	Textiles, Apparel, & Leather	FY92	17.5	5.0	10.2	–	10.2
Opet Petrolcülük A.S.	Chemicals	FY04	25.0	40.0	25.0	–	25.0
Oyak Bank A.S.	Finance & Insurance	FY98, 04	65.0	25.0	50.0	–	50.0
Pasabahçe-Schott Cam Sanayi ve Ticaret A.S.	Nonmetallic Mineral Product Manufacturing	FY99, 02	23.6	16.1	5.6	–	5.6
Pinar Entegre Et ve Yem Sanayii A.S.	Food & Beverages	FY84, 94, 98	21.9	–	4.7	–	4.7
Pinar Süt Mamülleri Sanayii A.S.	Food & Beverages	FY94, 00	22.5	–	13.8	–	13.8
Sakosa Sabancı-Kosa Endstriyel Iplik Ve Kord Bezi Sanayi ve Ticaret A.S.	Textiles, Apparel, & Leather	FY99	24.8	24.3	19.3	–	19.3
Silkar Turizm Yatırım ve İşletmeleri A.S.	Accommodation & Tourism Services	FY86, 90	18.6	9.5	2.4	–	2.4
Söktas Pamuk ve Tarım Ürünlerini Değerlendirme Ticaret ve Sanayi A.S.	Textiles, Apparel, & Leather	FY98, 02	17.0	–	7.7	–	7.7
TEB Finansal Kiralama A.S.	Finance & Insurance	FY99	5.0	–	1.1	–	1.1
Trakya Cam Sanayii A.S.	Nonmetallic Mineral Product Manufacturing	FY79, 83, 84, 89, 91, 96, 99	67.7	31.0	–	1.8	1.8
Türk Ekonomi Bankası A.S.	Finance & Insurance	FY95, 99, 03	62.5	32.5	33.9	–	33.9
Turkish Private Equity Fund I L.P.	Collective Investment Vehicles	FY02	10.0	–	–	10.0	10.0
Türkiye Sise ve Cam Fabrikaları, A.S.	Nonmetallic Mineral Product Manufacturing	FY93, 97, 02, 03	137.0	88.5	88.8	–	88.8
Unye Cimento Sanayi ve Ticaret A.S.	Nonmetallic Mineral Product Manufacturing	FY00	22.5	–	10.3	–	10.3
Uzel Makina Sanayii A.S.	Industrial & Consumer Products	FY99	11.4	8.5	9.5	–	9.5
Viking Kagit ve Seluloz, A.S.	Pulp & Paper	FY70, 71, 82, 83, 98	15.3	–	8.4	–	8.4
Yalova Elyaf Acrylic Fibre	Textiles, Apparel, & Leather	FY96	15.0	8.0	2.5	–	2.5
Yeditepe Beynelmilel Otelcilik Turizm ve Ticaret A.S. (Conrad Istanbul Hotel)	Accommodation & Tourism Services	FY90, 94, 02	31.8	27.5	9.8	–	9.8
					857.7	32.7	890.4
Ukraine							
CJSC Mironovsky Khleboproduct	Agriculture & Forestry	FY04	30.0	–	30.0	–	30.0
First Lease	Finance & Insurance	FY04	2.0	–	2.0	–	2.0
First Ukrainian International Bank	Finance & Insurance	FY98	5.0	–	–	5.0	5.0
Joint Stock Commercial Bank HVB Bank Ukraine	Finance & Insurance	FY98, 03, 04	2.8	–	–	2.8	2.8
Microfinance Bank of Ukraine	Finance & Insurance	FY01, 04	14.7	–	12.0	2.7	14.7
Nova Liniya	Wholesale & Retail Trade	FY04	5.0	–	5.0	–	5.0
Sandora Limited Liability Company	Food & Beverages	FY04	10.0	–	10.0	–	10.0
Ukraine Venture Capital Fund II	Collective Investment Vehicles	FY94, 97	3.2	–	–	1.7	1.7
					59.0	12.2	71.2

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			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
EUROPE AND CENTRAL ASIA							
Uzbekistan							
ABN AMRO Bank Uzbekistan	Finance & Insurance	FY96	1.0	–	–	1.0	1.0
Asaka Bank	Finance & Insurance	FY00, 03	15.0	–	11.0	–	11.0
Fayz Holding Joint Stock Company of the Open Type	Industrial & Consumer Products	FY98	2.4	–	0.4	0.5	0.9
Hamkorbank, Joint Stock Commercial Bank	Finance & Insurance	FY01	1.0	–	1.0	–	1.0
National Bank of Uzbekistan	Finance & Insurance	FY00	15.0	–	13.6	–	13.6
Osiyo Granite Ltd.	Nonmetallic Mineral Product Manufacturing	FY01	1.7	–	1.5	–	1.5
Parvina Bank, Private Closed Joint Stock Commercial Bank	Finance & Insurance	FY01	1.0	–	1.0	–	1.0
Uzbek Leasing International A.O.	Finance & Insurance	FY96, 01, 03	3.4	–	2.4	0.9	3.3
Uzdutch Cheese Ltd.	Food & Beverages	FY00	0.6	–	0.5	–	0.5
					31.4	2.4	33.8
Regional Investment							
ABC Medcover Holdings B.V.	Health Care	FY99	7.0	–	2.0	–	2.0
Advent Central and Eastern Europe II L.P.	Collective Investment Vehicles	FY98	15.0	–	–	14.2	14.2
Advent Central and Eastern Europe III L.P.	Collective Investment Vehicles	FY04	15.1	–	–	15.2	15.2
Advent Central Europe Management L.P.	Collective Investment Vehicles	FY95	0.0	–	–	0.0	+
Advent Private Equity Fund— Central Europe L.P.	Collective Investment Vehicles	FY95	10.0	–	–	4.8	4.8
AlG Emerging Europe Infrastructure Fund L.P. and Emerging Europe Infrastructure Fund C.V.	Collective Investment Vehicles	FY00	30.0	–	–	30.0	30.0
Alliance ScanEast Fund, L.P.	Collective Investment Vehicles	FY94	4.9	–	–	1.0	1.0
Baltic American Enterprise Fund	Finance & Insurance	FY03	50.0	–	50.0	–	50.0
Bancroft II, L.P.	Collective Investment Vehicles	FY03	19.8	–	–	24.2	24.2
Black Sea Fund L.P.	Collective Investment Vehicles	FY99, 02	14.5	–	–	12.7	12.7
Central and Eastern Europe Growth Fund, L.L.C.	Collective Investment Vehicles	FY01	3.3	–	–	3.2	3.2
Central Asia Small Enterprise Fund LLC	Collective Investment Vehicles	FY03	2.5	–	–	2.5	2.5
Central Europe Telecom Investments Ltd.	Collective Investment Vehicles	FY94	9.7	–	–	0.0	0.0
Euromedic Diagnostics B.V. & International Hemodialysis Centers B.V.	Health Care	FY02, 04	25.6	–	28.7	–	28.7
European Renaissance Capital, L.P.	Collective Investment Vehicles	FY94	5.0	–	–	3.6	3.6
Hanseatic Capital, LLC	Finance & Insurance	FY03	7.4	–	9.1	–	9.1
MFI Facility—Central Asia	Finance & Insurance	FY03	45.0	–	45.0	–	45.0
New Europe-East Investment Fund	Collective Investment Vehicles	FY93	10.0	–	–	+	+
NIS Restructuring Facility, L. P.	Collective Investment Vehicles	FY00	10.0	–	–	8.7	8.7
The Romania & Moldova Direct Fund, L.P.	Collective Investment Vehicles	FY99	4.0	–	–	1.1	1.1
SEAF Trans-Balkan Fund LLC	Collective Investment Vehicles	FY01	4.8	–	–	4.6	4.6
					134.8	125.8	260.6
Total equity and loans					3,608.1	675.8	4,283.9
Total structured finance (including guarantees) and risk management products							114.0
Total IFC portfolio for Europe and Central Asia							4,397.9

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
LATIN AMERICA AND THE CARIBBEAN							
Argentina							
Aceitera General Deheza S.A.	Food & Beverages	FY95, 02, 04	105.0	30.0	80.0	–	80.0
Acindar Industria Argentina de Aceros, S.A.	Primary Metals	FY60, 95, 97, 99	119.4	65.7	42.8	–	42.8
Aguas Argentinas S.A.	Utilities	FY95, 96	85.0	307.5	46.6	7.0	53.6
Aguas Provinciales de Santa Fe S.A.	Utilities	FY01	20.0	20.5	20.0	–	20.0
Alpargatas, S.A.I.C.	Textiles, Apparel, & Leather	FY77, 84, 86, 88, 94, 97	76.3	77.0	–	+	+
American Plast, S.A.	Plastics & Rubber	FY99	10.0	–	3.0	–	3.0
Asociación Unión Tamberos Cooperativa Limitada (AUTCL)	Food & Beverages	FY99	6.0	–	3.6	–	3.6
Banco de Crédito y Securitización, S.A.	Finance & Insurance	FY00	59.1	–	8.3	12.5	20.8
Banco de Galicia y Buenos Aires, S.A.	Finance & Insurance	FY97, 99, 00, 04	87.5	245.0	68.8	–	68.8
Banco del Suquia	Finance & Insurance	FY98, 99, 03	45.0	25.0	10.5	–	10.5
Banco General de Negocios S.A.	Finance & Insurance	FY94, 99	48.0	–	33.0	–	33.0
Banco Hipotecario S.A.	Finance & Insurance	FY00	25.0	102.5	25.0	–	25.0
Banco Macro Bansud S.A.	Finance & Insurance	FY97	4.9	–	0.8	–	0.8
Bunge Argentina S.A.	Food & Beverages	FY97	20.0	–	10.4	–	10.4
CCBA S.A. (Brahma Argentina)	Food & Beverages	FY96	18.5	33.0	9.2	–	9.2
Cefas S.A.	Oil, Gas, & Mining	FY00	11.0	–	7.3	–	7.3
Cerámica Zanón S.A.C.I.y M.	Nonmetallic Mineral Product Manufacturing	FY96	20.0	–	6.0	–	6.0
Chevron San Jorge SRL (Neuquen Basin, Huantraico)	Oil, Gas, & Mining	FY92, 93, 97, 99	73.4	35.0	–	58.4*	58.4
Compañía Elaboradora de Productos Alimenticios S.A. (CEPA)	Food & Beverages	FY95	15.0	6.0	6.0	–	6.0
Compañías Asociadas Petroleras S.A.	Oil, Gas, & Mining	FY97	17.0	33.0	8.3	–	8.3
Concesiones y Construcciones de Infraestructura S.A.	Transportation & Warehousing	FY00	26.0	–	6.0	20.0	26.0
Correo Argentino S.A.	Transportation & Warehousing	FY99	75.0	–	57.4	6.8	64.2
Empresa Distribuidora y Comercializadora del Norte S.A. (EDENOR)	Utilities	FY94	45.0	128.0	17.8	–	17.8
Faplac S.A.	Industrial & Consumer Products	FY00	15.0	–	14.2	–	14.2
FRIAR S.A.	Food & Beverages	FY98	12.5	7.0	5.7	–	5.7
Frigorífico Rioplatense S.A.I.C.I.F.	Food & Beverages	FY92	13.0	4.0	3.0	+	3.0
FV S.A.	Industrial & Consumer Products	FY99	16.0	–	9.3	–	9.3
Grunbaum, Rico y Daucourt S.A.I.C.	Textiles, Apparel, & Leather	FY96	10.0	5.0	4.5	–	4.5
Grupo Financiero Galicia S.A.	Finance & Insurance	FY99	–	–	–	3.1	3.1
Hospital Privado Centro Médico de Córdoba S.A.	Health Care	FY99	9.6	–	8.5	–	8.5
Juan Minetti, S.A.	Nonmetallic Mineral Product Manufacturing	FY78, 81, 86, 87, 93, 94, 96, 99	101.8	197.5	14.3	–	14.3
Jumbo Argentina S.A.	Wholesale & Retail Trade	FY04	40.0	–	–	40.0	40.0
Maltería Pampa, S.A.	Food & Beverages	FY93, 96	19.0	12.0	2.0	–	2.0
Milkaut S.A.	Food & Beverages	FY97, 98	20.0	5.0	16.0	5.0	21.1
Molinos Rio de la Plata S.A.	Food & Beverages	FY93, 94, 03	32.3	30.0	30.0	5.5	35.5
Nahuelsat S.A.	Information	FY95	35.0	–	5.7	–	5.7
Nuevo Central Argentino S.A.	Transportation & Warehousing	FY93	13.0	15.0	–	3.0	3.0
Patagonia Fund, L.P.	Collective Investment Vehicles	FY98	20.0	–	–	15.0	15.0
Patagonia Mint S.A.	Food & Beverages	FY98	6.0	–	2.8	–	2.8
S.A. San Miguel A.G.I.C.I. y F.	Agriculture & Forestry	FY99	12.2	–	7.0	–	7.0
SanCor Cooperativas Unidas Ltda.	Food & Beverages	FY95	40.0	30.0	28.8	–	28.8
Sideco Americana S.A.	Transportation & Warehousing	FY95	–	–	–	15.0	15.0
Socma Americana S.A.	Transportation & Warehousing	FY95	40.0	60.0	6.3	–	6.3
T6 Industrial S.A.	Food & Beverages	FY98	15.0	30.0	10.6	–	10.6
Terminal 6, S.A.	Transportation & Warehousing	FY87, 90, 91, 96, 98	33.0	19.5	6.2	–	6.2
Terminales Portuarias Argentinas S.A.	Transportation & Warehousing	FY96	12.0	–	2.5	–	2.5
The Tower Fund, L.P.	Collective Investment Vehicles	FY95	25.0	–	–	19.8	19.8

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
LATIN AMERICA AND THE CARIBBEAN							
Argentina (continued)							
The Tower Investment Management Company	Collective Investment Vehicles	FY95	0.2	–	–	0.0	0.0
Transportadora de Gas del Norte S.A.	Transportation & Warehousing	FY97	45.0	210.0	38.2	–	38.2
Universidad del Salvador	Education Services	FY01	10.0	–	10.0	–	10.0
Vicentin S.A.I.C.	Food & Beverages	FY97, 03	55.0	40.0	43.8	–	43.8
Yacylec S.A.	Utilities	FY94	20.0	45.0	1.5	5.0	6.5
					741.3	216.1	957.5
Belize							
Asociación Unión Tamberos Cooperativa Limitada (AUTCL)	Agriculture & Forestry	FY98	5.5	–	4.3	–	4.3
					4.3	–	4.3
Bolivia							
Aguas del Illimani S.A.	Utilities	FY00	7.1	–	4.9	1.0	5.9
Banco Bisa S.A.	Finance & Insurance	FY76, 88, 91, 92, 95, 98	28.7	–	1.0	3.2	4.2
Banco Mercantil S.A.	Finance & Insurance	FY96	10.0	–	2.9	–	2.9
Banco Sol	Finance & Insurance	FY04	6.0	–	6.0	–	6.0
Caja Los Andes S.A.	Finance & Insurance	FY99, 01, 03	10.0	–	8.2	–	8.2
CB Transporte e Infraestructura S.A. (CBTI)	Transportation & Warehousing	FY99	2.0	–	0.8	–	0.8
Central Aguirre Portuaria, S.A.	Transportation & Warehousing	FY92, 02	4.7	–	2.1	0.4	2.4
Compañía Boliviana de Gas Natural Comprimido S.A. (GENEX)	Chemicals	FY93	2.3	–	0.3	–	0.3
Compañía Minera del Sur, S.A.	Oil, Gas, & Mining	FY90, 94, 96, 00	40.6	5.0	3.8	–	3.8
Electropaz S.A.	Utilities	FY00	25.0	–	19.9	–	19.9
F.I.E. Fondo Financiero Privado	Finance & Insurance	FY03	2.5	–	2.5	–	2.5
Minera S.A.	Oil, Gas, & Mining	FY87, 90	–	–	–	3.4	3.4
PRODEM	Finance & Insurance	FY04	3.0	–	3.0	–	3.0
Telefónica Celular de Bolivia S.A.	Information	FY97, 01	26.7	23.3	10.6	–	10.6
Transportadora de Electricidad S.A.	Utilities	FY03	30.0	–	30.0	–	30.0
Transportes Ferroviarios S.A.	Transportation & Warehousing	FY99	–	–	–	4.4	4.4
Trenes Continentales S.A.	Transportation & Warehousing	FY99	–	–	–	2.9	2.9
					95.8	15.3	111.1
Brazil							
Algar Telecom S.A.	Information	FY97	43.2	–	13.5	18.2	31.7
Amaggi Exportação e Importação Limitada	Food & Beverages	FY03	30.0	–	30.0	–	30.0
Andrade Gutierrez Concessoes S.A.	Utilities	FY02	30.0	–	15.0	15.0	30.0
Andrade Gutierrez S.A.	Collective Investment Vehicles	FY03	40.0	20.0	40.0	–	40.0
Apolo Produtos de Aço SA	Primary Metals	FY02	8.0	–	8.0	–	8.0
Bahía Sul S.A.	Pulp & Paper	FY90, 91, 93	61.0	60.0	–	2.6	2.6
Banco Bradesco, S.A.	Finance & Insurance	FY97, 03	26.8	85.2	1.7	–	1.7
Banco Itaú–BBA S.A.	Finance & Insurance	FY01, 02, 03	130.0	60.0	118.6	–	118.6
Bulk Services Corporation	Transportation & Warehousing	FY98	14.0	7.5	5.8	–	5.8
Bunge Alimentos S.A.	Food & Beverages	FY93, 96	90.0	130.0	–	3.4	3.4
Chapeco Companhia Industrial de Alimentos (CHAPECO)	Food & Beverages	FY94, 96	43.9	5.3	11.8	–	11.8
Comgas	Utilities	FY04	45.0	–	45.0	–	45.0
Companhia de Tecidos Norte de Minas (Coteminas)	Textiles, Apparel, & Leather	FY93, 98, 00	25.5	20.0	6.6	7.7	14.3
Companhia Petroquímica do Sul S.A.	Chemicals	FY98	40.0	180.0	12.5	–	12.5
Concessionária do Sistema Anhanguera Bandeirantes S.A.	Transportation & Warehousing	FY00	29.2	25.9	24.4	–	24.4
Construtora Norberto Odebrecht	Construction & Real Estate	FY02, 04	105.0	165.0	71.7	–	71.7

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
LATIN AMERICA AND THE CARIBBEAN							
Brazil (continued)							
CPFL Energia S.A.	Utilities	FY03	40.0	–	40.0	–	40.0
CRP–Caderi Capital de Risco S.A.	Collective Investment Vehicles	FY95	0.8	–	–	0.3	0.3
Dendo do para S.A. Agricultura, Indústria e Comércio de Oleaginosas	Food & Beverages	FY80, 94	5.3	–	–	1.1	1.1
Dixie Toga S.A.	Plastics & Rubber	FY98	15.0	–	–	15.0	15.0
Duratex S.A.	Industrial & Consumer Products	FY88, 97	29.4	78.0	7.3	–	7.3
El Paso Rio Claro Limitada	Utilities	FY03	75.0	50.0	62.0	–	62.0
Empesca S.A. Construções Navais, Pesca e Exportação	Food & Beverages	FY98	15.0	–	15.0	–	15.0
Empresa de Desenvolvimento de Recursos Minerais (CODEMIN) S.A.	Oil, Gas, & Mining	FY73, 78	9.3	54.0	–	4.3	4.3
Escol@24Horas	Education Services	FY01, 02	3.5	–	–	3.5	3.5
Fertilizantes Fosfatado S.A.	Chemicals	FY99	20.0	45.0	6.1	–	6.1
Fras-le, S.A.	Industrial & Consumer Products	FY99	20.0	–	6.7	10.0	16.7
Gavea Hotelaria e Turismo S.A.	Accommodation & Tourism Services	FY94	16.8	–	7.4	–	7.4
Grupo Peixoto de Castro Participações S.A.	Chemicals	FY02	9.0	–	9.0	–	9.0
Icatu Equity Partners L.P.	Collective Investment Vehicles	FY98	14.0	–	–	14.0	14.0
Indústrias Ardeb S.A.	Industrial & Consumer Products	FY98	27.0	20.0	20.0	7.0	27.0
Innova SA	Chemicals	FY00	25.0	60.0	13.8	5.0	18.8
Ipiranga Petroquímica S.A.	Chemicals	FY80, 87, 98	61.3	178.0	23.6	6.3	29.9
Itaberaba Participações S.A.	Health Care	FY00	5.3	–	–	5.3	5.3
Joaquim Oliveira S.A. Participações	Agriculture & Forestry	FY01	15.0	–	14.6	–	14.6
Laboratorio Fleury	Health Care	FY00, 04	35.0	–	33.1	–	33.1
Lojas Americanas S.A.	Wholesale & Retail Trade	FY96	33.0	20.0	4.0	–	4.0
Macedo Alimentos Nordeste S.A.	Food & Beverages	FY93	–	–	2.5	–	2.5
Maximilano Gaidzinski S.A.–Indústria de Azulejos Eliane	Nonmetallic Mineral Product Manufacturing	FY00	45.0	–	36.5	–	36.5
Microinvest S.A. Sociedade de Credito Ao Microempreendedor	Finance & Insurance	FY03	1.3	–	–	1.3	1.3
Minerações Brasileiras Reunidas S.A.	Oil, Gas, & Mining	FY88, 93, 01	75.0	27.0	25.0	–	25.0
Net Serviços de Comunicação S. A.	Information	FY95, 02	4.7	–	–	36.4	36.4
New GP Capital Partner B L.P.	Collective Investment Vehicles	FY94	–	–	–	9.7	9.7
Pará Pigmentos S.A.	Oil, Gas, & Mining	FY95	39.0	33.5	10.8	9.0	19.8
Perdigão S.A. Comércio e Indústria	Food & Beverages	FY88, 96	57.9	20.0	6.6	–	6.6
Petroquímica Triunfo S.A.	Chemicals	FY81, 87	13.7	14.9	–	+	+
Portobello S.A.	Nonmetallic Mineral Product Manufacturing	FY95, 00, 02	39.1	–	15.2	6.1	21.4
Puras do Brasil S.A.	Accommodation & Tourism Services	FY00	5.0	–	3.0	–	3.0
Queiroz Galvao Perfurações S.A.	Oil, Gas, & Mining	FY03, 04	40.0	–	40.0	–	40.0
Randon S.A. Implementos e Participações	Industrial & Consumer Products	FY99	–	–	7.2	–	7.2
Sadia Concórdia S.A. Indústria e Comércio	Food & Beverages	FY94, 95, 97	80.0	222.0	11.7	1.5	13.2
Salutia	Health Care	FY02, 04	2.7	–	–	2.7	2.7
Samarco Mineração S.A.	Oil, Gas, & Mining	FY97	18.0	16.0	7.2	–	7.2
Saraiva S.A. Livreiros Editores	Wholesale & Retail Trade	FY98	18.0	–	4.6	3.0	7.6
Satipel Industrial S.A.	Industrial & Consumer Products	FY03	25.0	–	25.0	–	25.0
Sepetiba Terminal de Contêineres S.A.	Transportation & Warehousing	FY02	32.0	8.0	31.9	–	31.9
Sudamerica en Fiesta, S.A. de C.V.	Accommodation & Tourism Services	FY00	15.0	–	–	15.0	15.0
Synteko Produtos Químicos S.A.	Chemicals	FY02	18.0	–	18.0	–	18.0
São Paulo Alpargatas S.A.	Textiles, Apparel, & Leather	FY87, 97, 03	90.0	–	43.3	–	43.3
Tecon Rio Grande S.A.	Transportation & Warehousing	FY99, 04	20.2	24.1	18.7	–	18.7
Tecon Salvador S.A.	Transportation & Warehousing	FY01, 03	5.0	5.0	3.4	1.6	5.0
Tigre SA Tubos e Conexoes	Plastics & Rubber	FY97	30.0	23.5	3.8	–	3.8
Unibanco–Uniao de Bancos Brasileiros S.A.	Finance & Insurance	FY88, 96, 02, 03, 04	144.8	250.0	62.5	–	62.5

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
LATIN AMERICA AND THE CARIBBEAN							
UP Offshore Apoio Maritimo Ltda.– UP Offshore (Bahamas) Ltd.	Transportation & Warehousing	FY03	21.6	30.0	11.6	10.0	21.6
Usina Hidrelétrica Guilman-Amorim S.A.	Utilities	FY98	30.0	91.0	22.7	–	22.7
Vulcabras do Nordeste S.A.	Textiles, Apparel, & Leather	FY99	20.0	–	8.3	–	8.3
Wiest S.A.	Industrial & Consumer Products	FY99	8.0	–	8.0	–	8.0
					1,094.4	215.1	1,309.5
Chile							
Aguas Nuevo Sur Maule S.A.	Utilities	FY04	33.0	33.0	33.0	–	33.0
Certifica.com	Information	FY01	1.5	–	–	1.5	1.5
Ferrocarril del Pacífico S.A.	Transportation & Warehousing	FY97	20.5	6.0	–	5.6	5.6
Hidroeléctrica Aconcagua S.A.	Utilities	FY92, 93	14.5	6.0	–	6.5	6.5
HQI Transelec Chile S.A.	Utilities	FY03	60.0	–	60.0	–	60.0
Lan Chile S.A.	Transportation & Warehousing	FY03	30.0	–	30.0	–	30.0
Minera Escondida Limitada	Oil, Gas, & Mining	FY89, 93, 99	87.6	–	15.8	7.5	23.3
Moneda Asset Management S.A.	Collective Investment Vehicles	FY94, 96, 97	0.5	–	–	0.5	0.5
Pionero Fondo de Inversión Mobiliaria	Collective Investment Vehicles	FY94	10.0	–	–	3.8	3.8
Proa Fondo de Inversión de Desarrollo de Empresas	Collective Investment Vehicles	FY94, 96	8.3	–	–	6.2	6.2
San Antonio Terminal Internacional S.A.	Transportation & Warehousing	FY01	38.7	65.0	35.0	3.7	38.7
San Vicente Terminal Internacional S.A.	Transportation & Warehousing	FY04	15.0	–	15.0	–	15.0
Sociedad Nacional de Procesamiento de Datos S.A.	Information	FY04	10.0	–	–	10.0	10.0
					188.8	45.1	234.0
Colombia							
Banco Caja Social	Finance & Insurance	FY02	7.0	–	–	7.0	7.0
Bavaria S.A.	Food & Beverages	FY02	100.0	145.0	100.0	–	100.0
Cales y Cementos de Tolúviejo, S.A.	Nonmetallic Mineral Product Manufacturing	FY01	3.3	7.1	3.3	–	3.3
Cartones America, S.A.	Industrial & Consumer Products	FY04	22.0	–	22.0	–	22.0
Cementos del Caribe, S.A.	Nonmetallic Mineral Product Manufacturing	FY75, 01	17.6	13.0	3.4	7.5	10.9
Colombian Home Mortgage Corp. (CHMC)	Finance & Insurance	FY02, 04	12.9	–	4.3	8.8	13.1
Compañía Suramericana de Arrendamiento Operativo S.A.	Finance & Insurance	FY99	5.1	–	–	5.1	5.1
Corporación Financiera del Valle	Finance & Insurance	FY69, 85, 93, 95	51.1	60.0	–	7.4	7.4
Corporación Financiera Nacional y Suramericana, S.A.	Finance & Insurance	FY96, 00	88.9	–	25.0	25.0	50.0
Inversura S. A.	Finance & Insurance	FY02	15.0	–	–	15.0	15.0
Omimex de Colombia, Ltd.	Oil, Gas, & Mining	FY03	35.0	–	35.0	–	35.0
Productora de Derivados de la Sal, S.A. (PRODESAL)	Chemicals	FY87	7.2	–	–	0.6	0.6
Promigas S.A. E.S.P.	Transportation & Warehousing	FY77, 89, 93, 94, 97	38.3	69.5	2.5	1.1	3.6
Promotora de Inversiones de Santander, S.A	Finance & Insurance	FY94, 95	6.4	–	–	0.2	0.2
Protección S. A.	Finance & Insurance	FY02	10.0	–	–	10.0	10.0
Suramericana de Inversiones S.A.	Finance & Insurance	FY02	75.0	–	75.4	–	75.4
					270.9	87.8	358.7

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
LATIN AMERICA AND THE CARIBBEAN							
Costa Rica							
Alterra Partners Costa Rica S.A.	Transportation & Warehousing	FY01	35.0	85.0	34.5	–	34.5
Banco Cuscatlán de Costa Rica	Finance & Insurance	FY03	5.0	–	5.0	–	5.0
Banco Interfín S.A.	Finance & Insurance	FY93, 01, 04	40.0	–	31.3	–	31.3
Consortio Hospitalario Internacional, S.A.	Health Care	FY99	1.2	–	–	1.2	1.2
Corporación Supermercados Unidos S.A.	Wholesale & Retail Trade	FY99	40.0	–	22.6	10.0	32.6
Hidroeléctrica Aguas Zarcas, S.A.	Utilities	FY94	4.0	6.1	1.0	–	1.0
Productos Gutis S.A.	Health Care	FY03	7.0	–	7.0	–	7.0
					101.3	11.2	112.5
Dominican Republic							
Banco BHD, S.A.	Finance & Insurance	FY03	20.0	–	20.0	–	20.0
Caucedo Investments Inc.	Transportation & Warehousing	FY02	30.0	–	30.0	–	30.0
Domicem S.A.	Nonmetallic Mineral Product Manufacturing	FY04	24.0	24.0	24.0	–	24.0
Grupo M	Textiles, Apparel, & Leather	FY04	20.0	–	20.0	–	20.0
Inversora Internacional Hotelera, S.A.	Accommodation & Tourism Services	FY99	14.0	21.7	10.9	–	10.9
Orange Dominicana S.A.	Information	FY02	50.0	50.0	49.5	–	49.5
Pasteurizadora Rica C. por A.	Food & Beverages	FY00	15.0	–	12.0	–	12.0
Red Sanitaria Hospiten	Health Care	FY00, 03	14.0	10.0	13.7	–	13.7
Smith-Enron Cogeneration Limited Partnership	Utilities	FY95, 96	32.3	50.0	12.5	–	12.5
					192.5	–	192.5
Ecuador							
Agrocapital, S.A.	Agriculture & Forestry	FY97	3.5	–	3.5	–	3.5
Compañía Financiera Ecuatoriana de Desarrollo, S.A.	Finance & Insurance	FY69, 73, 77, 81, 82, 88	3.0	–	–	+	+
Concesionaria DHM, S.A.	Transportation & Warehousing	FY99	12.8	15.0	11.5	1.0	12.5
Ecuacobre-FV S.A.	Nonmetallic Mineral Product Manufacturing	FY00	9.0	–	7.1	–	7.1
Favorita Fruit Company, Ltd.	Agriculture & Forestry	FY99, 03	30.0	–	20.4	5.0	25.4
La Universal S.A.	Agriculture & Forestry	FY99	13.2	–	8.2	+	8.2
Sociedad Financiera Ecuatorial S.A.	Finance & Insurance	FY04	2.0	–	2.0	–	2.0
					52.7	6.0	58.7
El Salvador							
AFP Crecer, S.A.	Finance & Insurance	FY99	–	–	–	1.2	1.2
Banco Agrícola S.A.	Finance & Insurance	FY04	50.0	–	50.0	–	50.0
Banco Cuscatlán, S.A.	Finance & Insurance	FY99, 03	40.0	–	27.9	–	27.9
Baterías de El Salvador, S.A.	Industrial & Consumer Products	FY99	2.0	–	1.1	–	1.1
Cemento de El Salvador, S.A. (CESSA)	Nonmetallic Mineral Product Manufacturing	FY97, 00	19.6	20.6	–	2.2	2.2
Compañía de Alumbrado Eléctrico de San Salvador, S.A. de C.V.	Utilities	FY02	45.0	75.0	42.6	–	42.6
Confia AFP S.A.	Collective Investment Vehicles	FY04	7.5	–	–	7.5	7.5
Financiera Calpia S.A.	Finance & Insurance	FY03, 04	12.0	–	10.0	2.0	12.0
Implementos Agrícolas Centroamericanos, S.A.	Industrial & Consumer Products	FY98, 99	2.2	–	–	0.2	0.2
Metrocentro, S.A. de C.V.	Wholesale & Retail Trade	FY04	25.0	–	25.0	–	25.0
					156.6	13.1	169.7
Grenada							
Bel Air Plantation Limited	Accommodation & Tourism Services	FY02	2.0	–	2.0	–	2.0
					2.0	–	2.0

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)			
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity	
LATIN AMERICA AND THE CARIBBEAN								
Guatemala								
Banco Cuscatlán de Guatemala	Finance & Insurance	FY03	10.0	–	10.0	–	10.0	
Banco de Occidente. S.A.	Finance & Insurance	FY03	10.0	–	10.0	–	10.0	
Fabrigas, S.A.	Utilities	FY95	7.0	–	1.0	–	1.0	
Frutera del Pacífico, S.A.	Agriculture & Forestry	FY00	7.0	–	4.2	–	4.2	
Generadora de Occidente Limitada	Utilities	FY03	15.0	12.0	15.0	–	15.0	
Interforest S.A.	Industrial & Consumer Products	FY03	6.0	–	6.0	–	6.0	
Montana Exploradora de Guatemala S.A.	Oil, Gas, & Mining	FY04	45.0	–	45.0	–	45.0	
Operadora de Tiendas, S.A. (La Fragua, S.A.)	Wholesale & Retail Trade	FY99	20.0	–	13.7	–	13.7	
Orzunil I de Electricidad, Limitada	Utilities	FY98, 00	14.3	15.0	9.9	1.2	11.1	
Pantaleón, S.A.	Food & Beverages	FY97	20.0	–	3.8	–	3.8	
					118.5	1.2	119.7	
Guyana								
Guyana Americas Merchant Bank	Finance & Insurance	FY00	1.0	–	–	1.0	1.0	
Heritage Limited (Cara Lodge)	Accommodation & Tourism Services	FY00	0.7	–	0.7	–	0.7	
					0.7	1.0	1.7	
Haiti								
Micro Crédit National S.A.	Finance & Insurance	FY00	0.4	–	–	0.4	0.4	
					–	0.4	0.4	
Honduras								
Electricidad de Cortés, S. de R.L. de C.V.	Utilities	FY95, 98	16.6	36.3	–	2.6	2.6	
Grupo Granjas Marinas, S.A. de C.V.	Agriculture & Forestry	FY87, 99	6.6	–	4.0	–	4.0	
Multiplaza de Tegucigalpa	Accommodation & Tourism Services	FY99	10.0	–	6.4	–	6.4	
					10.4	2.6	13.0	
Jamaica								
Jamaica Energy Partners	Utilities	FY97	23.9	48.0	9.5	–	9.5	
Jamaica Public Service Company	Utilities	FY03	45.0	–	45.0	–	45.0	
MBJ Airports Limited	Transportation & Warehousing	FY02	20.0	25.0	20.0	–	20.0	
Mossel (Jamaica) Limited	Information	FY01, 02	50.0	5.8	37.7	8.0	45.7	
					112.2	8.0	120.2	
Mexico								
AES Mérida III S. de R.L. de C.V.	Utilities	FY98	30.0	74.0	27.1	–	27.1	
Agropecuaria Sanfandila S.A. de C.V.	Agriculture & Forestry	FY99	8.7	4.3	5.6	–	5.6	
American British Cowdray Medical Center I.A.P.	Health Care	FY01	30.0	14.0	30.0	–	30.0	
Apasco S.A. de C.V.	Nonmetallic Mineral Product Manufacturing	FY88, 91, 92, 93, 96	176.4	119.9	7.2	–	7.2	
Banco BBVA–Bancomer	Finance & Insurance	FY97	–	–	27.5	–	27.5	
Baring Mexico Private Equity Fund L.P.	Collective Investment Vehicles	FY96, 99	11.8	–	–	8.4	8.4	
Central Anáhuac S.A. de C.V.	Utilities	FY00	50.0	59.5	46.6	–	46.6	
Central Lomas de Real S.A. de C.V.	Utilities	FY04	70.0	106.2	70.0	–	70.0	
Central Saltillo S.A. de C.V.	Utilities	FY00	35.0	43.0	33.0	–	33.0	
Central Valle Hermoso S.A. de C.V.	Utilities	FY04	70.0	107.1	70.0	–	70.0	
Combustibles Ecológicos Mexicanos, S.A. de C.V.	Chemicals	FY02	6.5	–	4.8	1.5	6.3	
Consortio International Hospital, S.A. de C.V.	Health Care	FY99	4.8	–	–	4.8	4.8	
Copamex Productos al Consumidor, S.A. de C.V.	Pulp & Paper	FY04	50.0	46.0	50.0	–	50.0	
Coppel S.A. de C.V.	Wholesale & Retail Trade	FY02	30.0	–	30.0	–	30.0	
Corporativo Copamex, S.A. de C.V.	Pulp & Paper	FY03	25.0	–	25.0	–	25.0	

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
LATIN AMERICA AND THE CARIBBEAN							
Mexico (continued)							
Desarrollo Terrestre Mexicano, S.A. de C.V.	Transportation & Warehousing	FY04	37.0	–	37.0	–	37.0
Financiera Compartamos, S.A. de C.V., S.F.O.L.	Finance & Insurance	FY01	1.7	–	1.0	0.7	1.7
Fomento Económico Mexicano S.A. de C.V.	Food & Beverages	FY89	107.6	–	–	2.7	2.7
Fondo Chiapas, S.A. de C.V. Sociedad de Inversión de Capitales	Collective Investment Vehicles	FY98	5.0	–	–	3.3	3.3
Forja de Monterrey, S.A. de C.V.	Industrial & Consumer Products	FY99	16.0	13.0	7.4	3.0	10.4
GW Servicios, S.A. de C.V.	Transportation & Warehousing	FY01	12.4	10.0	8.3	1.9	10.2
Girsa, S.A. de C.V.	Chemicals	FY97, 00	85.0	175.0	38.2	–	38.2
Grupo Aceros Corsa, S.A. de C.V.	Primary Metals	FY00	16.0	–	7.4	3.0	10.4
Grupo Bimbo, S.A. de C.V.	Food & Beverages	FY92, 96	65.0	175.0	10.8	–	10.8
Grupo Calidra, S.A. de C.V.	Oil, Gas, & Mining	FY98, 04	38.0	10.0	27.3	6.0	33.3
Grupo Financiero Banorte, S. A. de C.V.	Finance & Insurance	FY03	50.0	–	50.0	–	50.0
Grupo Industrial Ayvi S.A. de C.V.	Agriculture & Forestry	FY99	10.0	–	5.7	–	5.7
Grupo Mexmal	Industrial & Consumer Products	FY03	10.0	–	10.0	–	10.0
Grupo Minsa S.A. de C.V.	Food & Beverages	FY97	30.0	30.0	12.6	–	12.6
Grupo Posadas, S.A. de C.V.	Accommodation & Tourism Services	FY92, 93, 95, 96, 00	83.7	68.5	41.4	5.0	46.4
Hipotecaria Nacional, S.A. de C.V.	Finance & Insurance	FY04	99.7	–	100.7	–	100.7
Hipotecaria Su Casita, S.A. de C.V.–SOFOL	Finance & Insurance	FY01, 04	28.9	–	17.4	10.6	28.0
Industrias Innopack S.A. de C.V.	Plastics & Rubber	FY01	15.0	–	–	15.0	15.0
Interoyal Hotelera, S.L.	Accommodation & Tourism Services	FY03	–	–	–	0.0	0.0
Medicus, S.A. de C.V.	Health Care	FY99	7.0	–	6.8	–	6.8
Mexplus Puertos S.A. de C.V.	Transportation & Warehousing	FY93, 95, 96, 99	4.5	–	–	4.5	4.5
Occidental Hotels Mexico, S.A. de C.V.	Accommodation & Tourism Services	FY03	40.0	40.0	30.0	–	30.0
Occihold International, S.L.	Accommodation & Tourism Services	FY03	–	–	–	10.0	10.0
Pan American Silver Corporation	Oil, Gas, & Mining	FY00, 02	10.9	–	–	6.4	6.4
Polomex S.A. de C.V.	Industrial & Consumer Products	FY03	8.0	–	6.0	–	6.0
Promotora de Centros Educativos S.A. de C.V.	Education Services	FY01	6.5	–	6.2	–	6.2
Propalma Fondo Chiapas Equity Agency Line Subinvestment	Food & Beverages	FY98	–	–	–	1.0	1.0
Puertas Finas de Madera Montealbán, S.A. de C.V.	Industrial & Consumer Products	FY02	13.0	–	12.2	–	12.2
Qualitá, Inc.	Information	FY02	6.0	–	3.5	2.5	6.0
SSA Mexico Holdings, S.A. de C.V.	Transportation & Warehousing	FY04	45.0	–	45.0	–	45.0
Tenedora Nemark, S.A. de C.V.	Industrial & Consumer Products	FY96, 99, 00, 01	33.0	35.0	9.0	–	9.0
Terminal Maritima de Altamira, S.A. de C.V.	Transportation & Warehousing	FY97	5.1	10.4	4.5	–	4.5
Turborreactores S.A. de C.V.	Industrial & Consumer Products	FY00	14.0	4.0	10.0	–	10.0
ZN Mexico Capital Growth Fund Ltd.	Collective Investment Vehicles	FY99	15.3	–	–	15.3	15.3
ZN Mexico Capital Management, LLC	Collective Investment Vehicles	FY99	10.0	–	–	10.0	10.0
					935.3	115.6	1,050.9
Nicaragua							
Casa Mantica S.A. and Inmuebles Diano Marina, S.A.	Wholesale & Retail Trade	FY99	2.5	–	1.6	–	1.6
Confia	Finance & Insurance	FY04	5.0	–	5.0	–	5.0
Distribuidora Cesar Guerrero S.A.	Wholesale & Retail Trade	FY99	1.0	–	0.4	–	0.4
Financiera Arrendadora Centroamericana, S.A.	Finance & Insurance	FY00	2.0	–	0.6	–	0.6
Frutales del San Juan, S.A.	Agriculture & Forestry	FY99	2.0	–	0.4	0.4	0.7
					8.0	0.4	8.4

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC' (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
LATIN AMERICA AND THE CARIBBEAN							
Panama							
Aguas de Panamá S.A.	Utilities	FY03	6.0	10.0	5.8	–	5.8
Banco Continental de Panamá, S.A.	Finance & Insurance	FY93, 04	41.7	–	40.0	–	40.0
Banco Del Istmo, S.A. (Banistmo)	Finance & Insurance	FY00	20.0	38.0	14.1	–	14.1
Banco General S.A.	Finance & Insurance	FY98, 00	40.0	–	34.6	–	34.6
Corporación UBC Internacional, S.A.	Finance & Insurance	FY03, 04	10.3	–	–	10.3	10.3
ICA Panama, S.A.	Transportation & Warehousing	FY00	35.0	35.0	33.8	–	33.8
La Hipotecaria	Finance & Insurance	FY04	15.0	–	15.0	–	15.0
Manzanillo International Terminal— Panama, S.A.	Transportation & Warehousing	FY95, 00	40.0	35.0	26.5	–	26.5
Panama Canal Railway Company	Transportation & Warehousing	FY00	20.0	30.0	14.2	5.0	19.2
Suleasing Internacional S.A.	Finance & Insurance	FY00	5.0	–	4.9	5.0	9.9
UP Offshore (Panama) S.A.	Transportation & Warehousing	FY03	13.1	5.3	13.1	–	13.1
					201.9	20.3	222.2
Peru							
Agraria El Escoria S.A.	Food & Beverages	FY00	7.0	–	7.0	–	7.0
Agro Industrial Paramonga S.A.	Food & Beverages	FY98	14.2	14.8	13.0	–	13.0
Alicorp S.A.	Food & Beverages	FY00	40.0	20.0	34.7	–	34.7
Banco Internacional del Peru	Finance & Insurance	FY98, 04	60.0	100.0	40.0	–	40.0
Edpyme Edyficar S.A.	Finance & Insurance	FY04	3.0	–	3.0	–	3.0
Empresa Agroindustrial Laredo S.A.A.	Food & Beverages	FY00	15.0	–	12.1	–	12.1
Ferrocarril Transandino S.A.	Transportation & Warehousing	FY02	9.0	–	9.0	–	9.0
Global Microcredit Facility	Finance & Insurance	FY04	4.0	–	4.0	–	4.0
Gloria S.A.	Food & Beverages	FY04	25.0	–	25.0	–	25.0
Inka Terra, Peru S.A.C.	Accommodation & Tourism Services	FY01	5.0	–	5.0	–	5.0
Interconexión Eléctrica ISA Perú S.A.	Utilities	FY02, 03	18.0	8.0	16.9	–	16.9
Interseguro Compania de Seguros de Vida S.A.	Finance & Insurance	FY02, 03	4.6	–	–	4.6	4.6
Latino Leasing, S.A.	Finance & Insurance	FY98	12.5	–	5.7	+	5.7
MIBANCO, Banco de la Microempresa, S.A.	Finance & Insurance	FY02	3.0	–	1.7	–	1.7
Minera Quellaveco S.A.	Oil, Gas, & Mining	FY93, 96, 00, 01	12.9	–	–	12.9	12.9
Minera Yanacocha S.A.	Oil, Gas, & Mining	FY94, 95, 00	42.7	59.0	20.0	0.3	20.3
Norval S.A.	Transportation & Warehousing	FY03	18.0	–	18.0	–	18.0
Peru Orient Express Hotel	Accommodation & Tourism Services	FY01	10.0	–	10.0	–	10.0
Peru Privatization Fund L.P.	Collective Investment Vehicles	FY95	13.9	–	–	8.3	8.3
The Peru Privatization Fund Management Services Company Limited	Collective Investment Vehicles	FY95	+	–	–	+	+
Ransa Comercial S.A.	Transportation & Warehousing	FY00	10.0	–	6.9	–	6.9
S.A. Minera Regina	Oil, Gas, & Mining	FY85	3.0	–	0.1	–	0.1
Sociedad Agrícola Drokasa S.A.	Agriculture & Forestry	FY00	6.0	–	4.2	–	4.2
Tecnofil S.A.	Industrial & Consumer Products	FY02	7.4	–	5.0	2.0	7.0
TIM Peru	Information	FY03	70.0	–	70.0	–	70.0
Universidad Peruana de Ciencias Aplicadas, S.A.	Education Services	FY01	7.0	–	6.0	–	6.0
					317.2	28.1	345.4
Trinidad and Tobago							
Caribe Hospitality Trinidad & Tobago	Accommodation & Tourism Services	FY04	3.8	–	3.8	–	3.8
Republic Bank Limited	Finance & Insurance	FY02, 03	70.0	–	69.1	–	69.1
Royal Merchant Bank and Finance Company	Finance & Insurance	FY02	20.0	–	18.8	–	18.8
Unicell Paper Mills Caribbean Ltd. (UPMCL)	Pulp & Paper	FY02	9.0	–	9.0	–	9.0
U.W.I., St. Augustine— Institute of Business	Education Services	FY04	5.0	–	5.0	–	5.0
					105.7	–	105.7

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
LATIN AMERICA AND THE CARIBBEAN							
Uruguay							
Azucitrus S.A.	Food & Beverages	FY85, 93	11.9	–	–	1.9	1.9
Banco Montevideo S.A.	Finance & Insurance	FY02	18.0	–	9.0	9.0	18.0
Consortio Aeropuertos Internacionales S.A.	Transportation & Warehousing	FY96	8.0	10.0	2.7	–	2.7
Cooperativa Nacional de Productores de Leche	Food & Beverages	FY03	30.0	–	30.0	–	30.0
Granja Avicola Moro	Food & Beverages	FY92	3.8	–	–	+	+
Surinvest International Limited	Finance & Insurance	FY80, 87, 89, 97, 02	19.0	10.0	4.9	1.8	6.7
Universidad de Montevideo	Education Services	FY01	5.0	–	4.8	–	4.8
					51.4	12.7	64.1
Venezuela, República Bolivariana de							
C.A. La Electricidad de Caracas	Utilities	FY00, 01	70.0	35.0	45.9	–	45.9
Compañía Anónima Nacional Teléfonos de Venezuela	Information	FY96	43.4	131.6	25.0	–	25.0
Complejo Siderurgico de Guayana, C.A.	Primary Metals	FY97, 98	45.0	121.0	16.3	10.0	26.3
Corporación de Cemento Andino, C.A.	Nonmetallic Mineral Product Manufacturing	FY01	7.6	21.3	6.8	–	6.8
Forestal Trillium	Industrial & Consumer Products	FY00	22.8	10.0	16.8	6.0	22.8
Global Materials Services Venezuela, C.A./ACBL Riverside Terminals C.A.	Transportation & Warehousing	FY02	3.2	–	1.8	–	1.8
Grupo Zuliano, S.A. C.A.	Chemicals	FY92, 94	14.1	–	–	0.0	0.0
Intersea Farms de Venezuela, C.A.	Agriculture & Forestry	FY02	8.0	–	5.0	3.0	8.0
Metanol de Oriente, Metor, S.A.	Chemicals	FY93	37.9	93.3	–	6.8	6.8
Minera Loma de Niquel, C.A.	Oil, Gas, & Mining	FY98, 00	75.2	50.0	2.9	4.4	7.3
Petrobras Energía Venezuela	Oil, Gas, & Mining	FY04	105.0	–	100.8	–	100.8
Productora de Alcoholes Hidratados, C.A.	Chemicals	FY91	39.4	2.0	6.0	–	6.0
Propileno de Falcón, C.A. (Profalca)	Chemicals	FY00	24.0	23.0	17.3	–	17.3
Telecomunicaciones Movilnet, C.A.	Information	FY98	35.0	60.0	15.3	–	15.3
					259.8	30.2	290.0
Regional Investment							
Advent Latin American Private Equity Fund II B Limited Partnership	Collective Investment Vehicles	FY02	15.0	–	–	15.0	15.0
Aureos Central America Fund, L.L.C.	Collective Investment Vehicles	FY03	8.3	–	–	8.3	8.3
Convergence Communications, Inc.	Information	FY00, 01, 02	7.1	–	–	7.1	7.1
Darby-BBVA Latin America Private Equity Fund, L.P.	Collective Investment Vehicles	FY03	10.0	–	–	10.0	10.0
Digicel Eastern Caribbean Limited	Information	FY01, 04	14.3	–	13.4	0.9	14.3
Eastern Caribbean Home Mortgage Bank (ECHMB)	Finance & Insurance	FY97	0.4	–	–	0.4	0.4
HSBC Private Equity Latin America (Cayman) L.P.	Collective Investment Vehicles	FY01	–	–	–	0.3	0.3
HSBC Tower II Equity Partners (Cayman) L.P.	Collective Investment Vehicles	FY01	20.0	–	–	16.7	16.7
Latin American Agribusiness Development Corporation S.A.	Finance & Insurance	FY02	20.0	–	20.0	–	20.0
The Latin America Enterprise Fund, L.P.	Collective Investment Vehicles	FY95	20.0	–	–	11.6	11.6
The Latin America Enterprise Fund II, L.P.	Collective Investment Vehicles	FY98	13.1	–	–	13.1	13.1
Latin Power I L.D.C.	Collective Investment Vehicles	FY93	25.0	–	–	19.0	19.0
Latin Power II L.D.C.	Collective Investment Vehicles	FY98	7.0	–	–	3.4	3.4
Marcopolo S.A.	Industrial & Consumer Products	FY03	30.0	–	30.0	–	30.0
Medical Systems Finance Holding Limited	Finance & Insurance	FY98, 01, 02	17.0	27.6	7.8	–	7.8
PriceSmart, Inc.	Wholesale & Retail Trade	FY01, 02	42.0	–	27.9	10.0	37.9
Profund Internacional, S.A.	Collective Investment Vehicles	FY96	3.0	–	–	1.7	1.7

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)			
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity	
LATIN AMERICA AND THE CARIBBEAN								
Regional Investment (continued)								
Scotiabank Multicountry Loan Facility	Finance & Insurance	FY01	25.0	25.0	25.0	–	25.0	
TCW/Latin America Partners LLC	Collective Investment Vehicles	FY00	20.0	–	–	20.0	20.0	
Terra Capital Investors Ltd.	Collective Investment Vehicles	FY99	5.0	–	–	2.2	2.2	
Trans Union Central America	Finance & Insurance	FY03	0.4	–	–	0.4	0.4	
UABL Limited	Transportation & Warehousing	FY03	25.0	10.0	20.0	–	20.0	
UPR Holdings	Transportation & Warehousing	FY03	–	–	–	5.0	5.0	
					144.0	145.2	289.3	
Total equity and loans						5,165.9	975.8	6,141.7
Total structured finance (including guarantees) and risk management products								112.5
Total IFC portfolio for Latin America and the Caribbean								6,254.2

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
MIDDLE EAST AND NORTH AFRICA							
Afghanistan							
First Microfinance Bank of Afghanistan	Finance & Insurance	FY04	1.0	–	–	1.0	1.0
Tourism Promotion Services (Afghanistan) LTD.	Accommodation & Tourism Services	FY04	7.0	–	7.0	–	7.0
					7.0	1.0	8.0
Algeria							
Algerian Cement Company	Nonmetallic Mineral Product Manufacturing	FY03, 04	45.0	–	45.0	–	45.0
Algiers Investment Partnership S.P.A.	Finance & Insurance	FY00	0.2	–	–	0.2	0.2
Arab Banking Corporation Algeria	Finance & Insurance	FY98, 02	1.9	–	–	1.9	1.9
Arab Leasing Corporation	Finance & Insurance	FY02	0.7	–	–	0.7	0.7
Sider-Alfasid	Primary Metals	FY03	25.0	–	25.0	–	25.0
Société Générale d'Algérie	Finance & Insurance	FY99	0.7	–	–	0.7	0.7
					70.0	3.5	73.5
Egypt							
Al-Amir for Sanitary Ware Production, S.A.E.	Nonmetallic Mineral Product Manufacturing	FY02	5.3	–	5.0	–	5.0
Alexandria Carbon Black Company S.A.E.	Chemicals	FY93, 97, 99, 03	27.5	–	12.7	3.0	15.6
Alexandria Fiber Co., SAE	Textiles, Apparel, & Leather	FY04	8.0	–	8.0	–	8.0
Alexandria National Iron & Steel Company S.A.E., (ANSDK)	Primary Metals	FY84, 91, 93, 94, 96, 99	42.6	–	4.3	–	4.3
Amreya Casting Company	Industrial & Consumer Products	FY02	5.0	–	5.9	–	5.9
Club Ras Soma Hotel Company	Accommodation & Tourism Services	FY94	7.3	0.9	2.3	2.4	4.7
Commercial International Bank S.A.E.	Finance & Insurance	FY94, 01	15.6	–	–	15.6	15.6
Commercial International Life Insurance Company S.A.E.	Finance & Insurance	FY00, 04	2.1	–	–	2.0	2.0
E.D.F. Port Said East Power S.A.E.	Utilities	FY01	45.0	152.5	43.9	–	43.9
E.D.F. Suez Gulf Power S.A.E.	Utilities	FY01	45.0	152.5	43.3	–	43.3
EFG Hermes Holding SAE	Finance & Insurance	FY01	15.0	–	6.2	–	6.2
Egyptian Housing Finance Company	Finance & Insurance	FY04	1.6	–	–	1.6	1.6
Hussein Choucri Securities & Investment IT Worx, Inc.	Finance & Insurance	FY00	1.4	–	–	1.4	1.4
	Professional, Scientific, & Technical Services	FY01	2.5	–	–	2.5	2.5
Lecico Egypt (S.A.E.)	Nonmetallic Mineral Product Manufacturing	FY04	9.8	–	9.8	–	9.8
Meleiha Oil Development and Exploration Project	Oil, Gas, & Mining	FY87, 88, 93	41.7	–	–	30.8*	30.8
Merlon Petroleum Company of Egypt	Oil, Gas, & Mining	FY04	20.0	–	20.0	–	20.0
Metro Markets	Wholesale & Retail Trade	FY03	15.0	–	15.0	–	15.0
Misr Compressor Manufacturing Company, S.A.E.	Industrial & Consumer Products	FY92	13.5	–	9.7	–	9.7
Orascom Construction Industries S.A.E.	Nonmetallic Mineral Product Manufacturing	FY02	25.0	30.5	25.0	–	25.0
Orascom Projects and Touristic Development S.A.E.	Accommodation & Tourism Services	FY97, 99	21.8	–	+	–	+
ORIX Leasing	Finance & Insurance	FY97, 02	4.8	–	3.1	0.9	4.0
Sekem Holdings	Chemicals	FY03	5.0	–	5.0	–	5.0
Sokhna Port Development Company	Transportation & Warehousing	FY04	20.0	–	20.0	–	20.0
Unipak Nile Limited	Pulp & Paper	FY98, 01	8.0	–	6.3	–	6.3
					245.3	60.1	305.5

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			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
MIDDLE EAST AND NORTH AFRICA							
Iran, Islamic Republic of							
RAK Ceramics Joint Stock Company	Nonmetallic Mineral Product Manufacturing	FY04	7.0	–	7.0	–	7.0
					7.0	–	7.0
Jordan							
Arab International Hotels Company	Accommodation & Tourism Services	FY00	3.6	–	–	3.6	3.6
Business Tourism Company Limited	Accommodation & Tourism Services	FY98	5.0	–	2.4	–	2.4
El-Zay Ready Wear Manufacturing Co.	Textiles, Apparel, & Leather	FY98	5.0	–	1.4	–	1.4
Hikma Investment Company Ltd.	Chemicals	FY87, 91, 93, 95, 03	24.5	–	15.1	1.4	16.5
International Luggage Manufacturing Company	Textiles, Apparel, & Leather	FY01	8.0	–	7.2	–	7.2
Jordan Gateway Projects Co.	Construction & Real Estate	FY01	3.0	–	3.0	–	3.0
Middle East Complex for Engineering, Electronics and Heavy Industries PLC	Industrial & Consumer Products	FY03	19.0	–	19.0	–	19.0
Middle East Investment Bank	Finance & Insurance	FY01	2.2	–	2.2	–	2.2
Middle East Regional Development Enterprise	Nonmetallic Mineral Product Manufacturing	FY02	5.0	–	4.4	0.6	5.0
Modern Agricultural Investment Company	Transportation & Warehousing	FY99	1.0	–	–	1.0	1.0
Specialized Investment Compounds Company Plc	Construction & Real Estate	FY02	8.0	–	4.9	–	4.9
Zara Investment Holding Company Limited	Accommodation & Tourism Services	FY97	18.0	–	13.8	3.0	16.7
					73.4	9.6	83.0
Lebanon							
Agricultural Development Co. S.A.L.	Food & Beverages	FY98	5.0	–	2.1	–	2.1
Bank of Beirut S.A.L.	Finance & Insurance	FY98	17.1	–	9.7	–	9.7
Banque Libano-Française SAL	Finance & Insurance	FY94, 97, 03	16.0	21.0	2.5	–	2.5
Banque Saradar S.A.L.	Finance & Insurance	FY98, 99	21.0	–	3.1	–	3.1
Byblos Bank S.A.L.	Finance & Insurance	FY93, 97, 01, 03	38.8	40.2	18.8	–	18.8
Fransabank SAL (Fransabank)	Finance & Insurance	FY93, 94, 97, 01	16.5	15.4	1.2	–	1.2
The Lebanese Ceramic Industries	Nonmetallic Mineral Product Manufacturing	FY04	5.3	–	5.3	–	5.3
Lebanese Leasing Company S.A.L.	Finance & Insurance	FY95, 99, 01	16.2	10.8	2.2	–	2.2
Middle East Capital Group	Finance & Insurance	FY96	3.0	–	–	3.0	3.0
Société Générale Libano-Européenne de Banque SAL	Finance & Insurance	FY94, 97	13.5	17.5	1.9	–	1.9
Société Hôtelière "De Vinci" S.A.L.	Accommodation & Tourism Services	FY99	3.0	–	1.7	–	1.7
					48.5	3.0	51.5
Morocco							
Maghreb Management Limited	Collective Investment Vehicles	FY00	0.0	–	–	0.0	0.0
Maghreb Private Equity Fund Limited	Collective Investment Vehicles	FY00	5.0	–	–	5.0	5.0
Medi Telecom S.A.	Information	FY01	88.5	309.7	78.5	–	78.5
Settat Filature (SETAFIL)	Textiles, Apparel, & Leather	FY88, 93	4.4	–	–	–	–
					78.5	5.0	83.6
Oman							
United Power Company S.A.O.G.	Utilities	FY95, 00	20.5	57.0	5.6	5.5	11.1
					5.6	5.5	11.1

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
MIDDLE EAST AND NORTH AFRICA							
Pakistan							
Abamco Limited	Collective Investment Vehicles	FY95	0.3	–	–	0.3	0.3
AES Lal Pir (Private) Limited	Utilities	FY95	49.4	–	23.7	9.5	33.2
AES Pak Gen (Private) Company	Utilities	FY96	29.5	48.3	12.7	9.5	22.2
BRR International Modaraba, Ltd.	Finance & Insurance	FY92, 94, 96	15.8	–	–	0.8	0.8
BSJS Balance Fund	Collective Investment Vehicles	FY96, 04	1.1	–	–	1.1	1.1
Central Depository Company of Pakistan Limited	Finance & Insurance	FY93	0.2	–	–	0.2	0.2
Crescent Bahuman Limited	Textiles, Apparel, & Leather	FY94, 97, 02	23.4	11.5	2.5	5.1	7.6
Dewan Investment and Finance Company	Finance & Insurance	FY04	1.0	–	–	1.0	1.0
Dewan Salman Fibres Limited	Textiles, Apparel, & Leather	FY03, 04	35.0	–	35.0	–	35.0
Engro Chemical Pakistan Limited	Chemicals	FY91, 97	54.7	14.0	–	3.9	3.9
Eni Pakistan Limited	Oil, Gas, & Mining	FY02	30.0	–	24.0	–	24.0
Fauji Cement	Nonmetallic Mineral Product Manufacturing	FY94, 02	32.7	20.0	–	0.0	0.0
First International Investment Bank Limited	Finance & Insurance	FY90, 92, 96	4.7	–	0.6	1.5	2.1
First MicroFinanceBank Limited	Finance & Insurance	FY02	2.7	–	–	2.7	2.7
First UDL Modaraba	Finance & Insurance	FY96, 04	10.0	–	6.7	–	6.7
Gul Ahmed Energy Limited	Utilities	FY96	31.1	35.0	13.5	4.1	17.6
Kohinoor Energy Limited	Utilities	FY95	31.3	36.6	11.3	6.3	17.6
Maple Leaf Cement Factory Limited	Nonmetallic Mineral Product Manufacturing	FY94, 96, 97, 02	35.7	35.0	–	0.2	0.2
ORIX Investment Finance Co. Pakistan Ltd.	Finance & Insurance	FY96	0.6	–	–	0.6	0.6
Packages Limited	Pulp & Paper	FY65, 80, 82, 87, 88, 92, 94, 95	45.1	20.1	–	0.4	0.4
Pakistan Industrial & Commercial Leasing	Finance & Insurance	FY94	5.0	–	0.2	–	0.2
Pakistan International Container Terminal	Transportation & Warehousing	FY03	9.3	–	9.3	–	9.3
Pakistan Petroleum Limited	Oil, Gas, & Mining	FY83, 85, 95, 02	47.6	86.0	–	8.2	8.2
Regent Knitwear (PVT) Limited	Textiles, Apparel, & Leather	FY94	8.2	2.8	8.3	–	8.3
Sarah Textiles	Textiles, Apparel, & Leather	FY93, 96, 02	7.8	–	0.1	–	0.1
TRG Pakistan II Limited	Information	FY04	5.0	–	–	5.0	5.0
Uch Power Limited	Utilities	FY96	40.0	75.0	28.6	–	28.6
					176.4	60.3	236.7
Saudi Arabia							
Saudi Orix Leasing Company (SOLC)	Finance & Insurance	FY00, 03	1.6	–	–	1.6	1.6
					–	1.6	1.6
Syrian Arab Republic							
Arab Drip Irrigation Technology Company Limited (Adritec)	Plastics & Rubber	FY01	1.0	–	–	1.0	1.0
Bank of Syria and Overseas	Finance & Insurance	FY02, 04	6.1	–	–	6.0	6.0
Daaboul Company for Petrochemicals Industries	Chemicals	FY02	13.2	–	13.2	–	13.2
					13.2	7.0	20.2
Tunisia							
Banque Internationale Arabe de Tunisie	Finance & Insurance	FY98, 00, 01, 04	57.6	–	50.5	–	50.5
Société Industrielle des Textiles (SITEX)	Textiles, Apparel, & Leather	FY86, 92, 98	14.5	–	–	2.9	2.9
Société Monastirienne International des Textiles	Textiles, Apparel, & Leather	FY90,94	5.6	–	3.2	–	3.2
Tuninvest International Limited	Collective Investment Vehicles	FY98	4.7	–	–	4.3	4.3
					53.7	7.2	60.9

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)			
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity	
MIDDLE EAST AND NORTH AFRICA								
West Bank and Gaza								
Arab Bank Investment Company for Occupied Territories	Finance & Insurance	FY96	3.7	–	–	3.7	–	3.7
Arab Bank PLC.	Finance & Insurance	FY97	+	–	0.1	–	–	0.1
Arab Concrete Products Company	Nonmetallic Mineral Product Manufacturing	FY98	0.8	–	0.8	–	–	0.8
Commercial Bank of Palestine	Finance & Insurance	FY97	6.6	–	0.1	–	–	0.1
Jericho Motels Company Ltd.	Accommodation & Tourism Services	FY99	1.2	–	1.1	–	–	1.1
Jordan National Bank	Finance & Insurance	FY97	+	–	0.4	–	–	0.4
Palestine Industrial Estates Development and Management Company	Construction & Real Estate	FY98	2.0	–	1.0	1.0	–	2.0
Palestine Mortgage Housing Corporation	Finance & Insurance	FY99	3.0	–	–	–	3.0	3.0
Palestine Tourism Investment Company	Accommodation & Tourism Services	FY99	9.4	–	–	–	0.5	0.5
Peace Technology Fund Ltd.	Collective Investment Vehicles	FY99	12.6	–	–	–	12.6	12.6
Peace Technology Management Ltd.	Collective Investment Vehicles	FY98	0.2	–	–	–	0.2	0.2
						3.5	21.0	24.5
Yemen, Republic of								
Aden Company for Silos and Mills	Food & Beverages	FY99	8.0	–	7.8	–	–	7.8
Al-Ahila Mineral Water Company	Food & Beverages	FY03	1.5	–	1.5	–	–	1.5
Radfan Ceramics and Porcelain Manufacturing Co. Ltd.	Nonmetallic Mineral Product Manufacturing	FY98	3.8	–	1.3	–	–	1.3
						10.6	–	10.6
Regional Investment								
Arab Insurance Group	Finance & Insurance	FY98	6.2	–	–	–	6.0	6.0
First ANZ International Modaraba Limited	Collective Investment Vehicles	FY97	5.0	–	–	–	0.1	0.1
						–	6.1	6.1
Total equity and loans						792.8	190.9	983.7
Total structured finance (including guarantees) and risk management products								125.2
Total IFC portfolio for Middle East and North Africa								1,108.9

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments' (US\$ millions)		Investments held for IFC ² (US\$ millions)			
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity	
GLOBAL								
ACCION Investments in Microfinance, SPC	Finance & Insurance	FY03	3.0	–	–	3.0	3.0	
AIG Global Emerging Markets Fund II, L.P.	Collective Investment Vehicles	FY04	45.0	–	–	45.0	45.0	
Baku-Tbilisi-Ceyhan Pipeline	Oil, Gas, & Mining	FY04	125.0	125.0	125.0	–	125.0	
Capital International Private Equity Fund IV, L.P.	Collective Investment Vehicles	FY04	30.0	–	–	30.0	30.0	
Centerra Gold Inc.	Oil, Gas, & Mining	FY95	–	–	–	7.1	7.1	
Emerging Markets Global Small Capitalization Fund	Collective Investment Vehicles	FY04	10.0	–	–	10.0	10.0	
InfrastructureWorld.com	Information	FY01	5.0	–	–	0.0	0.0	
Internationale Micro Investitionen Aktiengesellschaft	Finance & Insurance	FY01, 02, 03	6.7	–	–	6.7	6.7	
LNM Holdings N.V.	Primary Metals	FY04	100.0	–	100.0	–	100.0	
Novica United, Inc.	Information	FY03	1.5	–	–	1.5	1.5	
Olam International	Agriculture & Forestry	FY04	15.0	–	–	15.0	15.0	
Round 1	Collective Investment Vehicles	FY01	2.5	–	–	0.0	0.0	
ShoreCap International	Finance & Insurance	FY04	2.5	–	–	2.5	2.5	
State Street Bank and Trust Company IFC Emerging Markets Common Trust Fund	Collective Investment Vehicles	FY94	10.0	–	–	9.0	9.0	
TCW GEM II, Limited	Collective Investment Vehicles	FY98	10.0	–	–	5.1	5.1	
						225.0	135.0	360.0
Total equity and loans						225.0	135.0	360.0
Total structured finance (including guarantees) and risk management products								50.0
Total IFC portfolio for Global								410.0
TOTAL EQUITY AND LOANS FOR IFC						13,441.1	3,650.0	17,091.0
TOTAL EQUITY AND LOANS FOR IFC (NET OF WRITE-OFF ADJUSTMENTS)³						13,260.5	3,592.1	16,852.6
TOTAL STRUCTURED FINANCE (INCLUDING GUARANTEES) AND RISK MANAGEMENT PRODUCTS								1,084.9
TOTAL IFC PORTFOLIO FOR ITS OWN ACCOUNT								17,937.5

* The Corporation's investments in unincorporated oil and gas joint ventures (UJVs) are accounted for under the cost recovery method, as more fully described in Note A to the Corporation's FY04 financial statements. For the UJVs, investments held for IFC comprises the sum of the inception to date cash disbursements, net of cash receipts (until cost is recovered) plus the undisbursed balance of signed commitments, net of cancellations.

+ Less than \$50,000

1. Commitments include funds to be provided by IFC for its own account, funds to be provided by participants through the purchase of an interest in IFC's investment, and funds to be provided by other financial institutions in association with IFC, where IFC has rendered material assistance in mobilizing these funds. Original commitments are composed of disbursed and undisbursed balances. The undisbursed portion is revalued at current exchange rate, while the disbursed portion represents the cost of the commitment at the time of disbursement. Loans held for the Corporation are revalued at the current exchange rates. Amounts shown are for commitments outstanding at June 30, 2004, net of cancellations.

2. Investments held for IFC comprise the sum of the disbursed and outstanding balance together and the undisbursed balance of signed commitments, net of cancellations.

3. Of the total \$457,791,421 in write-offs for FY04, write-off adjustments are \$180,604,154 in loans and \$57,828,631 in equity (at cost) for a total of \$238,432,786.

Note: the operational investments are represented by loans and equity, as stated. In addition, in certain investments, the Corporation has the right to acquire shares and/or participate in the profits of the enterprise.

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At IFC our mandate is to further sustainable economic development through the private sector. We pursue this goal through innovative solutions to the challenges of development, as we invest in companies and financial institutions in emerging markets and as we help build business skills. We consider positive development impact an integral part of good business, and we focus much of our effort on the countries with the greatest need for investment. We recognize that economic growth is sustainable only if it is environmentally and socially sound and helps improve the quality of life for those living in developing countries.

THE IFC ANNUAL REPORT ON THE WEB, www.ifc.org/ar2004, is a companion to this printed edition. It provides easy navigation and downloading of data related to IFC investment projects.



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