



INTERNATIONAL  
FINANCE  
CORPORATION  
WORLD BANK GROUP

MANAGEMENT'S DISCUSSION AND ANALYSIS,  
FINANCIAL STATEMENTS, AND INVESTMENT PORTFOLIO

VOLUME 2



innovation  
impact  
sustainability

IFC's COMMITMENT  
2003 ANNUAL REPORT



CARLOS GOLDIN

## INTERNATIONAL FINANCE CORPORATION

Since its founding in 1956, IFC has committed more than \$37 billion of its own funds and has arranged \$22 billion in syndications for 2,990 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 175 member countries provide its share capital and collectively determine its policies.

**THE IFC ANNUAL REPORT ON THE WEB**, [www.ifc.org/ar2003](http://www.ifc.org/ar2003), is a companion to this printed edition. It provides easy navigation and downloading of data related to IFC investment projects.

**IFC's 2003 SUSTAINABILITY REVIEW** is also available upon request.

Note: The regional reports, project listings, and other information on IFC operations during the 2003 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.

2003 ANNUAL REPORT  
VOLUME 2

# Innovation, Impact, Sustainability

## IFC'S COMMITMENT

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**IFC**

INTERNATIONAL  
FINANCE  
CORPORATION  
World Bank Group

# 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, 2003 IFC's entire share capital was held by 175 member countries.

IFC's principal products are loans and equity investments, with a small but growing 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, 2003 (FY03), IFC had an authorized borrowing ceiling of \$4.5 billion (including \$1.0 billion to allow for possible prefunding of the funding program for the year to June 30, 2004 (FY04) during FY03).

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, 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), which became effective for the Corporation on July 1, 2000, and its counterpart in IFRS, IAS No. 39, *Financial Instruments Recognition and Measurement*, which became effective for the Corporation on July 1, 2001, it is no longer possible for the Corporation to satisfy the requirements of both US GAAP and IFRS via one set of financial statements.

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.

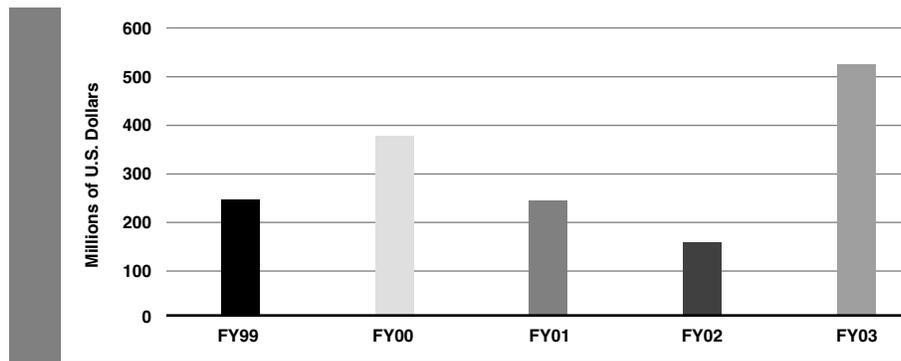
Unless stated otherwise, discussions of financial performance herein refer to operating income, which excludes the effects of adopting SFAS No. 133. The effects of SFAS No. 133 on net income are discussed in Section VII.

### 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 unrealized 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 FY03 of \$528 million, as compared with \$161 million for the year ended June 30, 2002 (FY02), and \$241 million for the year ended June 30, 2001 (FY01). The \$528 million of operating income in FY03 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 FY03, including the effects of SFAS No. 133, of \$487 million, as compared with \$215 million for FY02 and \$345 million for FY01.

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				
	2003	2002	2001	2000	1999
<b>Net income highlights:</b>					
Interest income	795	1,040	1,505	1,328	1,154
Of which:					
Interest and financial fees from loans	477	547	732	694	607
Income from time deposits and securities	318	493	773	634	547
Charges on borrowings	(226)	(438)	(961)	(812)	(670)
Net gains and losses on trading activities	157	31	87	(38)	(15)
Income from equity investments	195	428	222	262	265
Of which:					
Capital gains on equity sales	52	288	91	132	166
Dividends and profit participations	143	140	131	130	99
Provision for losses on loans, equity investments & guarantees	(98)	(657)	(402)	(215)	(333)
Net noninterest expense	(295)	(243)	(210)	(145)	(152)
Operating income	528	161	241	380	249
Other unrealized gains (losses) on financial instruments	(41)	54	11	-	-
Effect of accounting change	-	-	93	-	-
Net income	487	215	345	380	249
<b>Balance sheet highlights: (1)</b>					
Total assets	31,543	27,739	26,170	38,719	33,456
Liquid assets, net of associated derivatives	12,952	14,532	13,258	12,204	10,075
Loans and equity investments	12,002	10,734	10,909	10,940	10,039
Reserve against losses on loans and equity investments	(2,625)	(2,771)	(2,213)	(1,973)	(1,825)
Borrowings withdrawn and outstanding	17,315	16,581	15,457	14,919	12,429
Total capital	6,789	6,304	6,095	5,733	5,344
<b>Key financial ratios: (2)</b>					
Return on average assets (3)	1.8%	0.6%	0.6%	1.1%	0.8%
Return on average net worth (4)	8.2%	2.7%	4.1%	6.9%	4.8%
Cash and liquid investments as a percentage of next three years' estimated net cash requirements	107%	109%	101%	103%	106%
Debt to equity ratio (5)	2.6:1	2.8:1	2.6:1	2.6:1	2.3:1
Capital adequacy ratio (6)	45%	49%	48%	48%	48%
Total reserve against losses to total disbursed portfolio (7)	21.9%	25.8%	20.3%	18.0%	18.2%

- In respect of loans, borrowings, and derivative assets and liabilities, the balance sheet and related disclosures as of 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, and prior periods due to the effects of implementing SFAS No. 133.
- Key financial ratios are 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.

#### Investment process and portfolio supervision

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



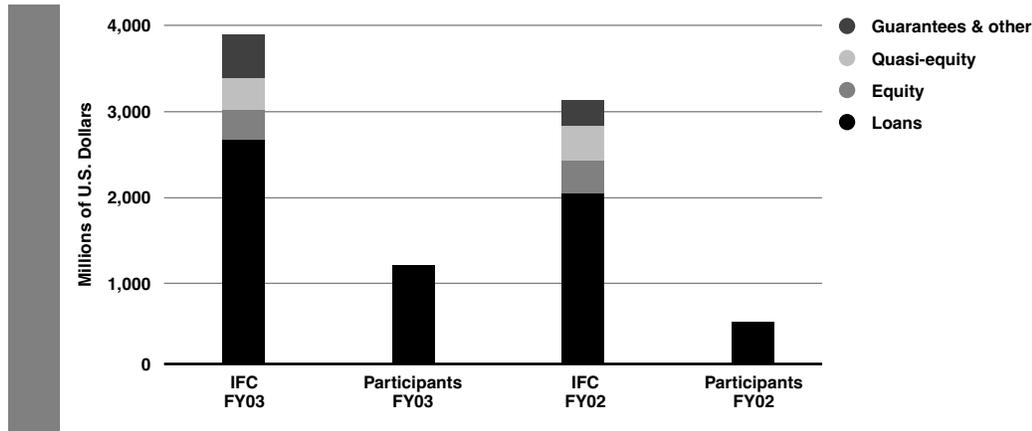
The initial four stages are carried out under the responsibility of the Vice President, Investment Operations, while the fifth and sixth stages are overseen by the Vice President, Portfolio and Risk Management.

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 FY03, the Corporation entered into new commitments totaling \$3.9 billion, including \$0.4 billion of signed guarantees, compared with \$3.1 billion (including \$0.3 billion of signed guarantees) for FY02. Loan and equity investment commitments pending disbursement at June 30, 2003 were \$3.5 billion (\$3.4 billion at June 30, 2002). Guarantees and client risk management facilities committed but not utilized at June 30, 2003, were \$0.9 billion (\$0.7 billion at June 30, 2002). FY03 and FY02 commitments comprised the following:

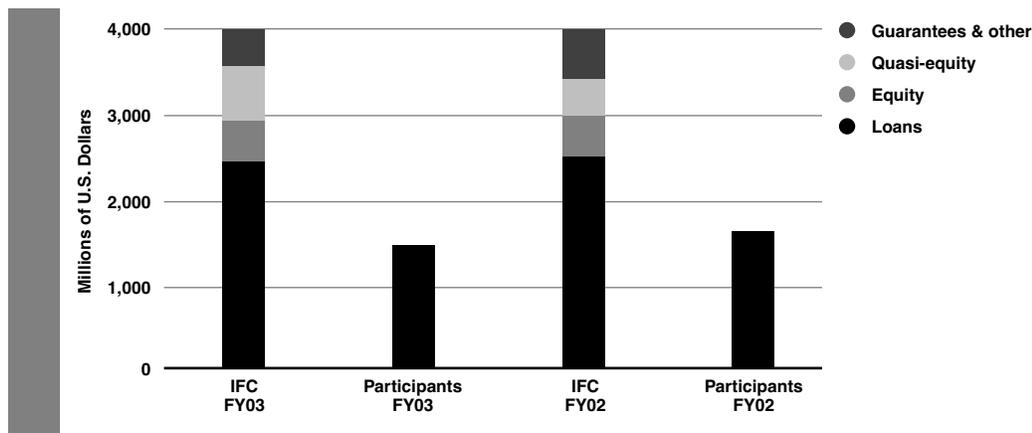


### Disbursements

IFC disbursed \$3.0 billion for its own account in FY03 (\$1.5 billion in FY02). The strong level of disbursements in FY03, as compared to FY02 and FY01 (\$1.5 billion), reflects the changed focus on the Corporation toward commitments as a measure of operational performance over the past two years, which has resulted in higher disbursement levels, particularly in FY03. In addition, in FY02 and FY01, 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, 2003, IFC's disbursed and outstanding loans and equity investments for its own account (disbursed investment portfolio) grew 12% to \$12.0 billion (\$10.7 billion at June 30, 2002).

### Approvals

In FY03 IFC approved new investments for its own account, including guarantees and client risk management facilities, totaling \$4.0 billion, representing 186 projects, compared with \$4.0 billion in FY02, representing 223 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 \$1.5 billion in 27 projects in FY03 compared with \$1.9 billion in 39 projects in FY02. FY03 and FY02 approvals comprised the following:

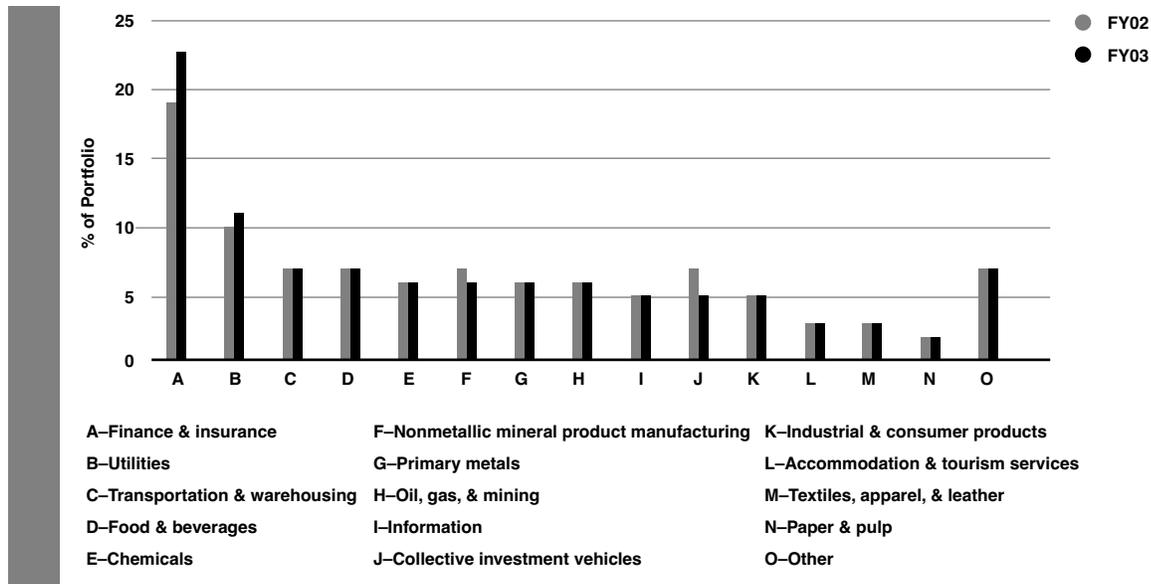


Approvals pending commitment for IFC's own account at June 30, 2003, including guarantees and client risk management facilities, were \$2.9 billion (\$3.8 billion at June 30, 2002).

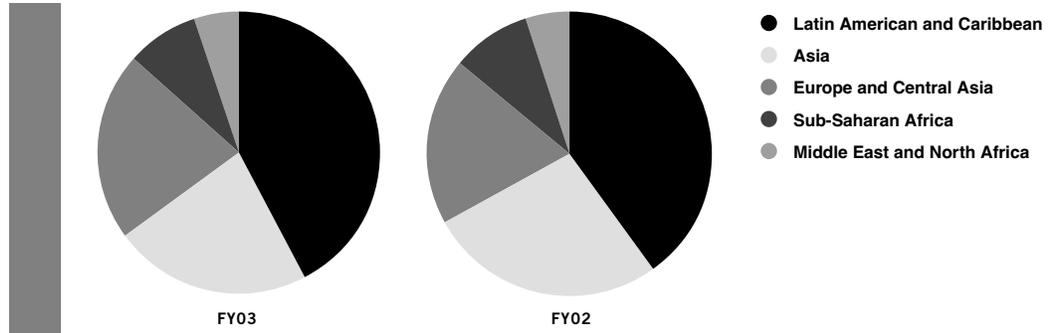
**Disbursed investment portfolio**

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, 2003 and June 30, 2002:

*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, 2003 totaled \$6.1 billion in 224 transactions compared with \$5.7 billion in 217 transactions at June 30, 2002.

Additional information on IFC's investment portfolio as of and for the years ended June 30, 2003 and 2002 can be found in Notes C, D and E to the Corporation's FY03 financial statements.

**Investment products**

**Loans**

Loans account for the major part of the financing provided by IFC, representing 77% of the Corporation's disbursed investment portfolio as of June 30, 2003, as compared to 75% at June 30, 2002.

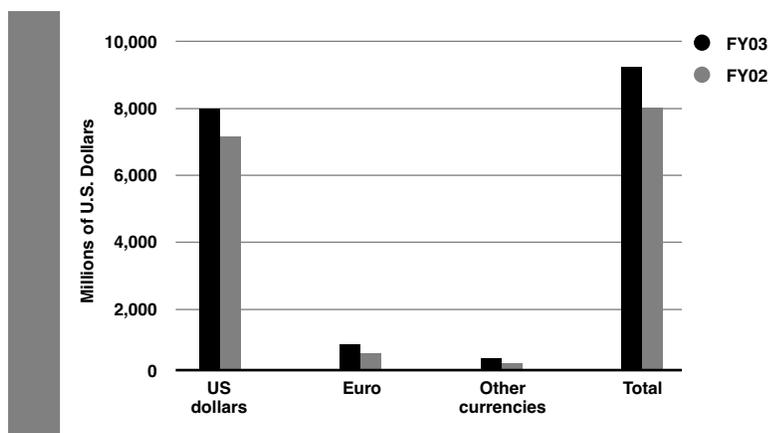
Loans will generally have the following characteristics:

- €# *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, 2003, total loans disbursed and outstanding were \$9.2 billion (\$8.0 billion at June 30, 2002). At June 30, 2003, 86% (89% at June 30, 2002) of the Corporation's loans were US dollar-denominated.

The currency composition of the loan portfolio at June 30, 2003 and 2002 is shown on the accompanying diagram:



### **Equity**

Equity investments accounted for 23% of the Corporation's disbursed investment portfolio at June 30, 2003, as compared to 25% at June 30, 2002. 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, 2003, the Corporation's disbursed and outstanding quasi-equity portfolio totaled \$1,571 million (\$1,342 million at June 30, 2002), of which \$1,391 million was classified as loans (\$1,157 million at June 30, 2002) and \$180 million was classified as equity investments (\$185 million at June 30, 2002) 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. More than 194 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 \$21.5 billion.

### **Client risk management services**

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 FY03, the Corporation signed \$0.4 billion of guarantees, as compared with \$0.3 billion in FY02.

### ***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 \$51 million for FY03 (\$40 million for FY02 and \$41 million for FY01).

### ***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 FY03, the Corporation contributed \$28 million to such vehicles, compared with \$22 million in FY02 and \$16 million in FY01. In FY03, 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.
- # 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 surplus 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 four separate portfolios.

PORTFOLIO	MARKET VALUE *	COMPRISING	MANAGED BY	INVESTED IN	BENCHMARK
P0	\$0.4bn (\$0.6bn)	Funds awaiting disbursement or reinvestment	IFC's Treasury Department	Short-term deposits	US overnight Fed funds
P1	\$8.6bn (\$10.0bn)	Proceeds from market borrowings	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	\$3.0bn (\$2.9bn)	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	\$1.0bn (\$1.0bn)	Proceeds from market borrowings	External managers appointed by IFC	Global government bonds and mortgage-backed securities	Same as for P1
<b>Total</b>	\$13.0bn (\$14.5bn)	<p>* at June 30, 2003 (June 30, 2002)</p> <p>** 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.</p> <p>*** duration of P2 portfolio plus fixed-rate loans</p>			

The P3 portfolio is not permitted to exceed 12% of the total value of liquid assets at any time.

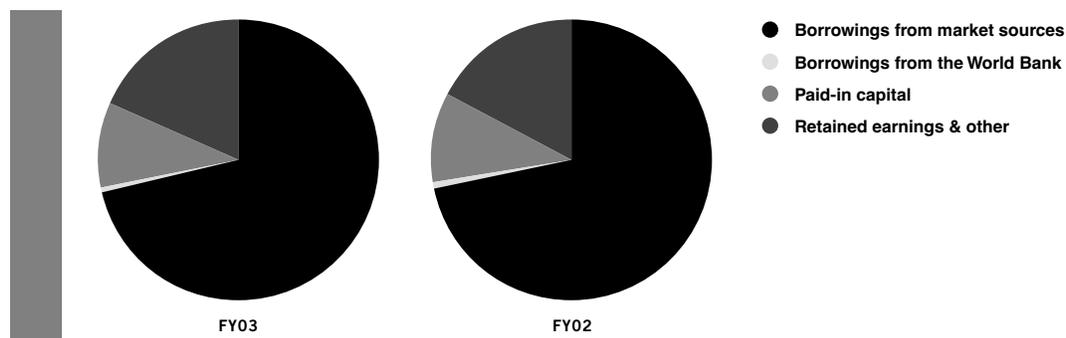
All portfolios are accounted for as trading portfolios.

Beginning in FY01, the Corporation adopted a more flexible approach to managing the P1 portfolio by making investments on an aggregate portfolio basis against its benchmark within specified risk parameters. The P2 portfolio is also actively managed on an aggregate basis to its benchmark. In implementing these portfolio management strategies, the Corporation utilizes derivative instruments, 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, 2003 and June 30, 2002 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 \$3.5 billion during FY03 (\$4.0 billion in FY02 and \$3.6 billion in FY01). In addition, IFC's Board of Directors has authorized the repurchase and redemption of and tender for debt obligations issued by the Corporation. During FY03, the Corporation repurchased and retired \$116 million of outstanding debt (\$186 million in FY02).

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 10.5 years at June 30, 2003 (8.8 years at June 30, 2002).

Market borrowings are generally swapped into floating-rate obligations denominated in US dollars. As of June 30, 2003 the Corporation had gross payables from borrowing-related currency swaps of \$9.3 billion (\$10.2 billion at June 30, 2002) and from borrowing-related interest rate swaps in the notional principal amount of \$7.3 billion (\$7.1 billion at June 30, 2002). After the effect of these derivative instruments is taken into consideration, all of the Corporation's market borrowings at June 30, 2003, and June 30, 2002, were US dollar-denominated.

The weighted average cost of market borrowings after currency and interest rate swap transactions was 0.9% at June 30, 2003 (1.8% at June 30, 2002).

### **Capital and retained earnings**

As of June 30, 2003 IFC's net worth (presented as Total Capital in the Corporation's balance sheet) amounted to \$6.8 billion, up from the June 30, 2002 level of \$6.3 billion.

As of June 30, 2003 and 2002, IFC's authorized capital was \$2.45 billion, of which \$2.36 billion was subscribed at June 30, 2003, unchanged from June 30, 2002. Over 99% of this was paid in (\$2.36 billion at June 30, 2002, and June 30, 2001). The Corporation has agreed to defer the payment dates for certain member countries. Pursuant to these arrangements, \$2 million of subscribed shares remained unpaid at June 30, 2003, unchanged from June 30, 2002.

## 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: business risk, credit risk, financial risk, and operational risk. Active management of these risks is a key determinant of the Corporation's success, 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.



### Business risk

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

The overall management of business risk is effected through the definition and implementation of an annual business strategy for meeting the Corporation's mission and guidelines for its operations. 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 evaluation of the implementation of the Corporation's strategy on an on-going basis.

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

The key guiding principles and policies established as part of the framework for controlling business 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.

During FY03, IFC's Environmental and Social Policies became widely recognized as best practice when twelve international commercial banks adopted them in the form of the Equator Principles.

### 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 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 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 Portfolio Review Division of the Controller's 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 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) An investment in a single project or entity may not exceed 3% of IFC's total investment portfolio.
- 4) Equity and quasi-equity investments in a single project or entity may not exceed 3% of the Corporation's net worth plus general reserves.
- 5) 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, whichever is lower.
- 6) The Corporation's total exposure to a single risk sector may not exceed 8% of the total investment portfolio.

**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.

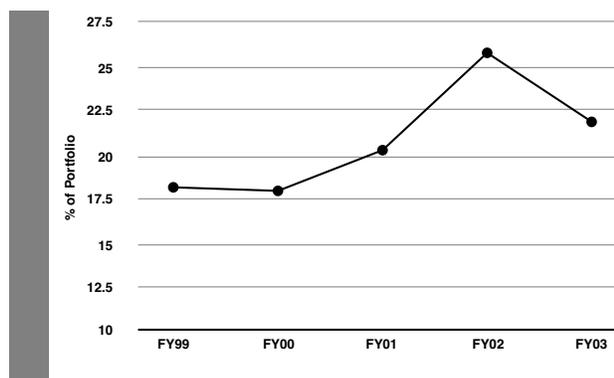
**FY03 credit risk highlights**

IFC 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 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, increased to 16.7% at June 30, 2003, compared with 15.2% at June 30, 2002. The principal amount outstanding on nonaccrual loans totaled \$1,543 million at June 30, 2003, an increase of 27% from the June 30, 2002 level of \$1,217 million.

The quality of IFC's investment portfolio stabilized during the first quarter of FY03 and the aggregate risk level improved slightly during the last nine months of the year. As a result, total reserves against losses on loans and equity investments at June 30, 2003, decreased to \$2,625 million (\$2,771 million at June 30, 2002). This is equivalent to 21.9% of the disbursed portfolio, below the historical high of 25.8% for the Corporation at June 30, 2002.

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



Given the Corporation's limited history with financial guarantees, IFC is working 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. IFC also accrues anticipated losses associated with its guarantee portfolio. Beginning in FY01, the Corporation established such an allowance. The allowance at June 30, 2003, was \$30 million (\$29 million – June 30, 2002),

based on the year-end portfolio, and is included in payables and other liabilities on the balance sheet. The charge for the year, \$1 million for FY03 (\$16 million for FY02), is included in provisions for losses on loans, equity investments and guarantees in the income statement

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

## Financial risk

IFC defines financial risk in three components: (1) the potential inability to realize asset values in its portfolio sufficient to meet obligations to disburse funds as they arise (“liquidity risk”); (2) the potential inability to access funding at reasonable cost (“funding risk”); and (3) a deterioration in values of financial instruments or positions due to changes in market interest and exchange rates and the volatility thereof (“market risk”).

Financial risk is managed by IFC’s Treasury Department, under oversight and monitoring by the Risk Management Group.

### **Key financial policies**

IFC currently operates under the following key financial policies, 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.
- 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.
- 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.

## 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 four such portfolios: **P0**, which is generally invested in short-dated deposits reflecting its use for short-term funding requirements; **P1** and **P3**, which are generally invested, directly or synthetically, in floating-rate US dollar instruments; and **P2**, which is generally invested in fixed-rate US dollar-denominated instruments.

### **FY03 liquidity risk highlights**

At June 30, 2003, the Corporation’s liquidity level stood at \$13.0 billion, or 107% of its projected net cash requirements for three years (\$14.5 billion, and 109% at June 30, 2002).

## 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.

### **FY03 funding risk highlights**

During FY03, the Corporation raised \$3.5 billion of funding at sub-LIBOR rates, consistent with FY02.

## 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 all 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 portfolio, which, in contrast, is 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.

### **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 a review trigger of \$50,000 on this measure.

### **FY03 market risk highlights**

Currency translation gains for FY03, were \$8 million (\$1 million loss in FY02 and \$4 million loss in FY01). Net gains on liquid asset trading activities were \$157 million (\$31 million in FY02 and \$87 million in FY01), of which \$136 million was attributable to the P2 portfolio (\$45 million in FY02 and \$76 million in FY01).

## **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 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 COSO<sup>1</sup> 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 COBIT<sup>2</sup> 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 established 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.

<sup>1</sup> 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.

<sup>2</sup> 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).

#### **FY03 operational risk highlights**

IFC continues to focus on its preparedness to react to an emergency situation that disrupts its normal operations. During FY03, the Corporation has:

- # extended the scope of the back-up facilities available for its key systems;
- # commenced 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 an emergency response simulation, 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 FY03, IFC has:

- # Adopted a more formal and analytical approach for reviewing the potential for operational risk in business;
- # Formed a team to work with relevant departments to perform an in-depth review of internal business processes and develop and implement operational risk management methodologies;
- # Undertaken a process mapping exercise to identify potential areas of exposure to operational risk in investment processes and provide a basis for quantifying potential risks; and
- # Following review by Senior Management, begun implementing recommendations from this exercise in the area of portfolio supervision, on a selective "proof of concept" basis for evaluation.

## **VI. CRITICAL ACCOUNTING POLICIES**

The Notes to the FY03 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 and M to the FY03 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 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 O to the FY03 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 O to the FY03 financial statements for further discussion of the Corporation's business segments).

Additional information can be found in Notes A and M to the FY03 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
<b>Operating income:</b>	
Spread on interest earning assets	Nonaccruals and recoveries of interest on loans formerly in nonaccrual status and income from participation notes
Trading gains (losses)	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
<b>Net income:</b>	
Other unrealized gains and losses on 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

In addition, the Corporation's FY01 net income reflects the one-time impact of adopting SFAS No. 133.

The following paragraphs detail significant variances between FY03 and FY02, and FY02 and FY01, covering the periods included in the Corporation's FY03 financial statements. As disclosed in Note A to the Corporation's FY03 financial statements, certain amounts in FY02 and FY01 have been reclassified to conform to the current year's presentation. Such reclassifications had no effect on operating income, net income or total assets.

### 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 5% 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 (\$36 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 \$63 million in FY03 reflecting the Corporation's strong commitments and disbursements in the past year.

**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 FY02, 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 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 (\$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 other unrealized gains on financial instruments in net income.

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

	<b>FY03</b>	<b>FY02</b>
<b>Operating income</b>	<b>528</b>	<b>161</b>
SFAS No. 133 adjustments:		
Other unrealized gains (losses) on financial instruments	(41)	54
<b>Net income</b>	<b>487</b>	<b>215</b>

Other unrealized gains and losses on 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.

### **FY02 versus FY01**

#### **Operating income**

The Corporation's operating income for FY02 was \$161 million, substantially lower than FY01's operating income of \$241 million. The decline was mainly attributable to the significant charge for provisions for losses on loans, equity investments and guarantees, which reflected the downturn in portfolio quality in FY02, principally in Argentina, one of the Corporation's largest portfolio countries. Such provisions totaled \$657 million in FY02 as compared with \$402 million in FY01. Capital gains on equity sales partially offset the negative effect on operating income of such provisions. FY02 capital gains were \$288 million as compared with \$91 million in FY01 due to targeted sales of a small number of equity investments in certain markets that had reached pre-determined sales trigger levels.

#### **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 improved by \$58 million or 11% from \$544 million in FY01 to \$602 million in FY02.

**Interest and financial fees (including guarantee fees)** for FY02 were \$547 million, compared with \$732 million for FY01, a decrease of 25%. The disbursed and outstanding loan portfolio declined marginally by 2%, and the Corporation's nonperforming loan rate was higher in FY02 than in FY01. Loans in nonaccrual status grew from \$1,054 million at June 30, 2001 to \$1,217 million at June 30, 2002, an increase of 15%. Interest and financial fees benefited in FY02 from net recoveries of interest on loans in nonaccrual status, related to current and prior years of \$39 million (\$27 million – FY01). In addition, as discussed in Note E to the FY03 financial statements, the Corporation recorded 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.

**Interest income from time deposits and securities** for FY02 was \$493 million, \$280 million lower than the \$773 million recorded in FY01. The liquid assets portfolio, net of derivatives and securities lending activities, grew from \$13.3 billion at June 30, 2001, to \$14.5 billion, largely funded by the growth in the Corporation's borrowings program, proceeds from sales of equity securities and the slower pace of loan and equity disbursements experienced in FY02, continuing the trend experienced in FY01. The \$1.2 billion growth in the liquid assets portfolio partially offset the negative effect of the overall declining interest rate environment experienced in FY02 on interest income from time deposits and securities.

The Corporation's **charges on borrowings** fell by \$523 million during FY02 from \$961 million to \$438 million, largely reflecting the declining US dollar interest rate environment, partially offset by the growth of the borrowings portfolio. After the effect of associated derivative financial instruments, the borrowings portfolio grew by \$0.3 billion in FY02 from \$16.6 billion at June 30, 2001, to \$16.9 billion at June 30, 2002.

#### **Net gains and losses on trading activities**

Due to the overall decline in the US dollar interest rate environment in FY02, 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 \$31 million, lower than the net realized and unrealized gains of \$87 million recorded in FY01 which was characterized by a steeper declining interest rate environment than experienced in FY02.

### **Income from equity investments**

Overall income from the equity investment portfolio was higher by \$206 million, or 93%, from \$222 million in FY01 to \$428 million in FY02.

The Corporation generated capital gains for FY02 of \$288 million as compared with \$91 million for FY01, an increase of 216%. Capital gains, while strong 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. Dividend income was marginally higher in FY02 at \$140 million, as compared with \$131 million in FY01. Consistent with FY01, the stable performance in dividend income in FY02 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 \$657 million in FY02, including \$16 million in respect of guarantees, was significantly higher than the charge in FY01 of \$402 million (which included \$13 million in respect of guarantees), a growth of \$255 million or 63%. On June 30, 2002, the Corporation's total reserves against losses on loans and equity investments were 25.8% of the disbursed and outstanding portfolio (20.3% at June 30, 2001).

### **Noninterest income**

Noninterest income of \$82 million for FY02 was \$17 million higher than in FY01 (\$65 million), principally due to other income, principally fees collected from clients for reimbursement of expenses incurred by the Corporation, of \$43 million in FY02 being \$15 million higher than in FY01 (\$28 million). Service fees in FY02 were substantially unchanged at \$40 million, as compared with \$41 million in FY01.

### **Noninterest expense**

Administrative expenses (the principal component of noninterest expense) rose 8% from \$304 million in FY01 to \$327 million in FY02. Excluding the grossing-up effect of certain revenues and expenses attributable to the Corporation's reimbursable program (\$39 million in FY02, as compared with \$24 million in FY01) as noted above, and the impact of a reorganization effected in FY02 (\$13 million in FY02, as compared with \$nil in FY01), administrative expenses, the largest component of noninterest expense, fell by \$5 million, from \$280 million in FY01, to \$275 million in FY02. This decrease was largely attributable to the effect of a series of efficiency and effectiveness measures implemented in the second half of FY02.

Income from the Corporation's pension and other postretirement benefit plans (recorded as a reduction in administrative expenses in FY02 and FY01 in the Corporation's FY03 financial statements due to the FY03 presentation in noninterest expense) fell by \$16 million from \$47 million in FY01 to \$31 million in FY02.

### **Net income**

The effects of SFAS No. 133 on net income FY02 and FY01 can be summarized as follows (US\$ millions):

	<b>FY02</b>	<b>FY01</b>
<b>Operating income</b>	<b>161</b>	<b>241</b>
SFAS No. 133 adjustments:		
Other unrealized gains on financial instruments	54	11
Cumulative effect of change in accounting principle	-	93
<b>Net income</b>	<b>215</b>	<b>345</b>

The cumulative effect of the change in accounting principle (the transition adjustment) comprises the difference between the previous balance sheet carrying value and the fair value of all freestanding derivatives together with the offsetting gains and losses on assets and liabilities held under hedging relationships in existence prior to the adoption of SFAS No. 133.

## 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. 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 fiduciary controls, the effectiveness of financial reporting, various aspects of financial, business, operating, and reputational risk, quality of earnings, and internal controls. In the execution of this role, the Committee discusses with management and the external auditors financial issues and policies that have an important bearing on the Corporation's financial position and risk-bearing capacity. It also reviews the internal audit work program with the Auditor General and Management of the Corporation.

#### **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 in executive session with the external auditors at least once a year.

#### **Access to outside resources and to management**

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 quarterly and annual financial statements are made available to the Audit Committee for discussion prior to issuance. The Audit Committee has the opportunity to meet with both management and the external auditors for bilateral discussions. The Audit Committee then meets to discuss the financial statements with management and the external auditors.

### 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](http://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 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 is commencing a new term of up to five years as of the year ending June 30, 2004, 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

July 31, 2003

### RESPONSIBILITY FOR EXTERNAL FINANCIAL REPORTING

The external financial statements and related financial information in the IFC annual report, for the fiscal year ended June 30, 2003, were prepared by the management of IFC. In doing so, management applied generally accepted accounting principles in the United States, and also exercised its judgement and made estimates in those instances where they were deemed appropriate.

In assuming its responsibility both for the integrity and fairness of financial information, management maintains a system of internal controls designed to provide reasonable assurance to the Board of Executive Directors and member countries that assets are safeguarded, transactions are properly executed and recorded in accordance with management's authorizations, and accounting records are reliable for preparing accurate, published financial statements. Management uses its judgement balancing the costs of systems of internal accounting controls and the benefits to be derived from them. The systems of internal accounting controls are continually modified and improved in response to changes in business conditions and operations.

Key procedures that management has established and which are designed to provide effective internal financial control within the 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.<sup>1</sup> Further, the system of internal controls includes written policies and procedures, proper delegation of authority, accountability through establishing responsibility centers, and segregation of duties.

The effectiveness of IFC's systems of internal accounting controls is monitored throughout the year by management in its ongoing oversight role, through the conduct of control risk self assessments, and by an established program of internal audit carried out by the World Bank Group Internal Auditing Department. Management believes that IFC's internal controls for external financial reporting, which are subject to close scrutiny by management and by internal auditors and are revised as considered necessary, support the integrity and reliability of the external financial statements.

Further, the external financial statements for the year ended June 30, 2003, were audited by external auditors who, in the course of their work, considered the internal control structure to obtain an understanding of it sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures performed. However, an audit is not designed to provide assurance on the internal control system or to identify reportable conditions.

The Board of Directors of IFC has appointed an Audit Committee responsible for monitoring the accounting practices and internal controls of the Corporation. The Audit Committee meets periodically with management and our internal auditors to discuss the work of each. Both the internal auditors and the external auditors have direct access to the Audit Committee to discuss the audits and any accounting controls or financial accounting and reporting matters.

Even an effective internal control system, no matter how well designed, has inherent limitations – including the possibility of the circumvention or overriding of controls – and therefore can provide only reasonable assurance with respect to external financial statement preparation. Further, because of changes in conditions, internal control system effectiveness may vary over time.

IFC assessed its internal control system as of June 30, 2003, in relation to criteria for effective internal control over external financial reporting described in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this assessment, IFC believes that, as of June 30, 2003, its system of internal control over external financial reporting met those criteria.



**James D. Wolfensohn**  
President



**Peter Woicke**  
Executive Vice President



**Allen F. Shapiro**  
Controller



**Farida Khambata**  
Vice President, Portfolio and Risk Management

<sup>1</sup>The Finance and Risk Committee is chaired by the VP, Portfolio and Risk Management. Its members include the EVP, the VP Operations, and the VP/General Counsel.

REPORT OF INDEPENDENT ACCOUNTANTS

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**Deloitte  
Touche  
Tohmatsu  
(International Firm)**

President and Board of Governors  
International Finance Corporation

We have examined management's assertion, included in the accompanying "Management's Assertion Regarding Effectiveness of Internal Control Over External Financial Reporting", that, as of June 30, 2003, the International Finance Corporation met 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. Management is responsible for maintaining effective control over external financial reporting. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of internal control over external financial reporting, testing, and evaluating the design and operating effectiveness of the internal control over external 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 structure, 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 may deteriorate.

In our opinion, management's assertion that, as of June 30, 2003, the International Finance Corporation met 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 is fairly stated, in all material respects.

*Deloitte Touche Tohmatsu (International Firm)*

July 31, 2003

# Financial Statements

REPORT OF INDEPENDENT ACCOUNTANTS  
FINANCIAL STATEMENTS INCLUDING NOTES

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**Deloitte  
Touche  
Tohmatsu  
(International Firm)**

President and Board of Governors  
International Finance Corporation

We have audited the accompanying balance sheets of the International Finance Corporation, as of June 30, 2003 and 2002, including the statements of capital stock and voting power as of June 30, 2003, 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, 2003. 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, 2003 and 2002, and the results of its operations and its cash flows for each of the three fiscal years in the period ended June 30, 2003 in conformity with accounting principles generally accepted in the United States of America.

*Deloitte Touche Tohmatsu (International Firm)*

July 31, 2003

INTERNATIONAL FINANCE CORPORATION

BALANCE SHEET

as of June 30, 2003 and June 30, 2002

(US\$ millions)

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Due from banks .....	\$ 93	\$ 95
Time deposits .....	2,293	4,471
Trading securities – Note B .....	10,572	11,795
Securities purchased under resale agreements .....	4,046	563
Loans and equity investments disbursed and outstanding – Note C		
Loans .....	9,242	8,033
Equity investments .....	<u>2,760</u>	<u>2,701</u>
Total loans and equity investments .....	12,002	10,734
Less: Reserve against losses on loans and equity investments .....	<u>(2,625)</u>	<u>(2,771)</u>
Net loans and equity investments .....	<u>9,377</u>	<u>7,963</u>
Derivative assets .....	1,734	1,077
Receivables and other assets – Note F .....	<u>3,428</u>	<u>1,775</u>
<b>Total assets</b> .....	<b><u>\$ 31,543</u></b>	<b><u>\$ 27,739</u></b>
<b>Liabilities and capital</b>		
Liabilities		
Securities sold under repurchase agreements and payable for cash collateral received .....	\$ 3,053	\$ 1,935
Borrowings withdrawn and outstanding – Note G		
From market sources .....	17,181	16,412
From International Bank for Reconstruction and Development .....	<u>134</u>	<u>169</u>
Total borrowings .....	<u>17,315</u>	<u>16,581</u>
Derivative liabilities .....	1,264	1,576
Payables and other liabilities – Note H .....	<u>3,122</u>	<u>1,343</u>
Total liabilities .....	<u>24,754</u>	<u>21,435</u>
Capital		
Capital stock, authorized 2,450,000 shares of \$1,000 par value each – Note I		
Subscribed .....	2,362	2,362
Less: Portion not yet paid .....	<u>(2)</u>	<u>(2)</u>
Total capital stock .....	2,360	2,360
Accumulated other comprehensive income .....	4	6
Retained earnings .....	<u>4,425</u>	<u>3,938</u>
Total capital .....	<u>6,789</u>	<u>6,304</u>
<b>Total liabilities and capital</b> .....	<b><u>\$ 31,543</u></b>	<b><u>\$ 27,739</u></b>

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

INTERNATIONAL FINANCE CORPORATION

**INCOME STATEMENT**

for the three years ended June 30, 2003

(US\$ millions)

	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Interest income</b>			
Interest and financial fees from loans – Note C .....	\$ 477	\$ 547	\$ 732
Interest from time deposits and securities – Note B .....	318	493	773
<b>Total interest income</b> .....	<u>795</u>	<u>1,040</u>	<u>1,505</u>
<b>Interest expense</b>			
Charges on borrowings – Note G .....	226	438	961
<b>Total interest expense</b> .....	<u>226</u>	<u>438</u>	<u>961</u>
<b>Net interest income</b> .....	<b>569</b>	<b>602</b>	<b>544</b>
Net gains on trading activities – Note B .....	157	31	87
<b>Income from equity investments</b>			
Capital gains on equity sales .....	52	288	91
Dividends and profit participations .....	143	140	131
<b>Total income from equity investments</b> .....	<u>195</u>	<u>428</u>	<u>222</u>
Provision for losses on loans, equity investments and guarantees – Note C .....	98	657	402
<b>Net income from loans, equity investments and trading activities</b> .....	<b>823</b>	<b>404</b>	<b>451</b>
<b>Noninterest income</b>			
Service fees .....	51	40	41
Translation adjustments, net .....	8	(1)	(4)
Other income – Note J .....	34	43	28
<b>Total noninterest income</b> .....	<u>93</u>	<u>82</u>	<u>65</u>
<b>Noninterest expense</b>			
Administrative expenses – Notes Q and R .....	332	327	304
Expense (income) from pension and other postretirement benefit plans – Note P ..	24	(31)	(47)
Contributions to special programs – Note K .....	28	22	16
Other expenses .....	4	7	2
<b>Total noninterest expense</b> .....	<u>388</u>	<u>325</u>	<u>275</u>
<b>Operating income</b> .....	<b>528</b>	<b>161</b>	<b>241</b>
Other unrealized (losses) gains on financial instruments – Note L .....	(41)	54	11
Cumulative effect of change in accounting principle – Note L .....	-	-	93
<b>Net income</b> .....	<u>\$ 487</u>	<u>\$ 215</u>	<u>\$ 345</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, 2003

(US\$ millions)

	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Net income</b> .....	<b>\$ 487</b>	<b>\$ 215</b>	<b>\$ 345</b>
<b>Other comprehensive income (loss)</b>			
Cumulative effect of change in accounting principle – Note L .....	-	-	14
Reclassification to net income of net interest accruals on swaps in cash flow hedging relationships at June 30, 2000 .....	(2)	(6)	(2)
Transfer to net income of accumulated unrealized holding gains and losses on available for sale securities reclassified as trading securities .....	-	-	5
<b>Total comprehensive income</b> .....	<b>\$ 485</b>	<b>\$ 209</b>	<b>\$ 362</b>

STATEMENT OF CHANGES IN CAPITAL

for the three years ended June 30, 2003

(US\$ millions)

	<u>Retained earnings</u>	<u>Accumulated other comprehensive income</u>	<u>Capital stock</u>	<u>Payments received on account of pending subscriptions</u>	<u>Total capital</u>
<b>At July 1, 2000</b> .....	<b>\$ 3,378</b>	<b>\$ (5)</b>	<b>\$ 2,358</b>	<b>\$ 2</b>	<b>\$ 5,733</b>
<b>Year ended June 30, 2001</b>					
Net income .....	345				345
Other comprehensive income .....		17			17
Payments received on account of pending subscriptions allocated to capital stock subscribed .....			2	(2)	-
<b>At June 30, 2001</b> .....	<b>\$ 3,723</b>	<b>\$ 12</b>	<b>\$ 2,360</b>	<b>\$ -</b>	<b>\$ 6,095</b>
<b>Year ended June 30, 2002</b>					
Net income .....	215				215
Other comprehensive income (loss) .....		(6)			(6)
<b>At June 30, 2002</b> .....	<b>\$ 3,938</b>	<b>\$ 6</b>	<b>\$ 2,360</b>	<b>\$ -</b>	<b>\$ 6,304</b>
<b>Year ended June 30, 2003</b>					
Net income .....	487				487
Other comprehensive income (loss) .....		(2)			(2)
<b>At June 30, 2003</b> .....	<b>\$ 4,425</b>	<b>\$ 4</b>	<b>\$ 2,360</b>	<b>\$ -</b>	<b>\$ 6,789</b>

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, 2003

(US\$ millions)

	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Cash flows from loans and equity investment activities</b>			
Loan disbursements .....	\$ (2,646)	\$ (1,250)	\$ (1,200)
Equity disbursements .....	(313)	(285)	(335)
Loan repayments .....	1,402	1,350	1,209
Equity redemptions .....	5	23	8
Sales of loans and equity investments .....	<u>271</u>	<u>638</u>	<u>257</u>
<b>Net cash (used in) provided by investing activities .....</b>	<b><u>(1,281)</u></b>	<b><u>476</u></b>	<b><u>(61)</u></b>
<b>Cash flows from financing activities</b>			
Drawdown of borrowings .....	3,526	4,000	3,570
Repayment of borrowings .....	<u>(3,796)</u>	<u>(3,109)</u>	<u>(2,458)</u>
<b>Net cash (used in) provided by financing activities .....</b>	<b><u>(270)</u></b>	<b><u>891</u></b>	<b><u>1,112</u></b>
<b>Cash flows from operating activities</b>			
Net income .....	487	215	345
Adjustments to reconcile net income to net cash provided by operating activities:			
Capital gains on equity sales .....	(52)	(288)	(91)
Provision for losses on loans, equity investments and guarantees .....	98	657	402
Translation adjustments, net .....	(8)	1	4
Unrealized (gains) losses on financial instruments .....	41	(54)	(104)
Change in accrued income on loans, time deposits and securities .....	(278)	41	8
Change in payables and other liabilities .....	1,917	(810)	217
Change in receivables and other assets .....	<u>(4,322)</u>	<u>317</u>	<u>(373)</u>
<b>Net cash (used in) provided by operating activities .....</b>	<b><u>(2,117)</u></b>	<b><u>79</u></b>	<b><u>408</u></b>
Change in cash and cash equivalents .....	(3,668)	1,446	1,459
Effect of exchange rate changes on cash and cash equivalents .....	<u>265</u>	<u>334</u>	<u>(396)</u>
Net change in cash and cash equivalents .....	(3,403)	1,780	1,063
Beginning cash and cash equivalents .....	<u>16,361</u>	<u>14,581</u>	<u>13,518</u>
<b>Ending cash and cash equivalents .....</b>	<b><u>\$ 12,958</u></b>	<b><u>\$ 16,361</u></b>	<b><u>\$ 14,581</u></b>
<b>Composition of cash and cash equivalents</b>			
Due from banks .....	\$ 93	\$ 95	\$ 136
Time deposits .....	2,293	4,471	4,145
Securities held in trading portfolio .....	<u>10,572</u>	<u>11,795</u>	<u>10,300</u>
<b>Total cash and cash equivalents .....</b>	<b><u>\$ 12,958</u></b>	<b><u>\$ 16,361</u></b>	<b><u>\$ 14,581</u></b>
<b>Supplemental disclosure</b>			
Change in ending balances resulting from exchange rate fluctuations:			
Loans outstanding .....	\$ 145	\$ 92	\$ 68
Borrowings .....	(473)	(585)	(869)

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, 2003

(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	0.00	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	0.00	321	0.01
Angola .....	1,481	0.06	1,731	0.07	Liberia .....	83	0.00	333	0.01
Antigua and Barbuda .....	13	0.00	263	0.01	Libya .....	55	0.00	305	0.01
Argentina .....	38,129	1.62	38,379	1.60	Lithuania .....	2,347	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	2.01	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	0.65	15,472	0.64
Bahrain .....	1,746	0.07	1,996	0.08	Maldives .....	16	0.00	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	2.12	Mauritius .....	1,665	0.07	1,915	0.08
Belize .....	101	0.00	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
Bolivia .....	1,902	0.08	2,152	0.09	Moldova .....	784	0.03	1,034	0.04
Bosnia and Herzegovina .....	620	0.03	870	0.04	Mongolia .....	144	0.01	394	0.02
Botswana .....	113	0.00	363	0.02	Morocco .....	9,037	0.38	9,287	0.39
Brazil .....	39,479	1.67	39,729	1.65	Mozambique .....	322	0.01	572	0.02
Bulgaria .....	4,867	0.21	5,117	0.21	Myanmar .....	666	0.03	916	0.04
Burkina Faso .....	836	0.04	1,086	0.05	Namibia .....	404	0.02	654	0.03
Burundi .....	100	0.00	350	0.01	Nepal .....	822	0.03	1,072	0.04
Cambodia .....	339	0.01	589	0.02	Netherlands .....	56,131	2.38	56,381	2.35
Cameroon .....	885	0.04	1,135	0.05	New Zealand .....	3,583	0.15	3,833	0.16
Canada .....	81,342	3.45	81,592	3.39	Nicaragua .....	715	0.03	965	0.04
Cape Verde .....	15	0.00	265	0.01	Niger .....	147	0.01	397	0.02
Central African Republic .....	119	0.01	369	0.02	Nigeria .....	21,643	0.92	21,893	0.91
Chad .....	1,364	0.06	1,614	0.07	Norway .....	17,599	0.75	17,849	0.74
Chile .....	11,710	0.50	11,960	0.50	Oman .....	1,187	0.05	1,437	0.06
China .....	24,500	1.04	24,750	1.03	Pakistan .....	19,380	0.82	19,630	0.82
Colombia .....	12,606	0.53	12,856	0.53	Palau .....	25	0.00	275	0.01
Comoros .....	14	0.00	264	0.01	Panama .....	1,007	0.04	1,257	0.05
Congo, Dem. Rep. of .....	2,159	0.09	2,409	0.10	Papua New Guinea .....	1,147	0.05	1,397	0.06
Congo Republic of .....	131	0.01	381	0.02	Paraguay .....	436	0.02	686	0.03
Costa Rica .....	952	0.04	1,202	0.05	Peru .....	6,898	0.29	7,148	0.30
Côte d'Ivoire .....	3,544	0.15	3,794	0.16	Philippines .....	12,606	0.53	12,856	0.53
Croatia .....	2,882	0.12	3,132	0.13	Poland .....	7,236	0.31	7,486	0.31
Cyprus .....	2,139	0.09	2,389	0.10	Portugal .....	8,324	0.35	8,574	0.36
Czech Republic .....	9,913	0.38	9,163	0.38	Romania .....	2,661	0.11	2,911	0.12
Denmark .....	18,554	0.79	18,804	0.78	Russian Federation .....	81,342	3.45	81,592	3.39
Djibouti .....	21	0.00	271	0.01	Rwanda .....	306	0.01	556	0.02
Dominica .....	42	0.00	292	0.01	Saint Kitts and Nevis .....	638	0.03	888	0.04
Dominican Republic .....	1,187	0.05	1,437	0.06	St. Lucia .....	74	0.00	324	0.01
Ecuador .....	2,161	0.09	2,411	0.10	Samoa .....	35	0.00	285	0.01
Egypt, Arab Republic of .....	12,360	0.52	12,610	0.52	Saudi Arabia .....	30,062	1.27	30,312	1.26
El Salvador .....	29	0.00	279	0.01	Senegal .....	2,299	0.10	2,549	0.11
Equatorial Guinea .....	43	0.00	293	0.01	Serbia and Montenegro .....	1,803	0.08	2,053	0.09
Eritrea .....	935	0.04	1,185	0.05	Seychelles .....	27	0.00	277	0.01
Estonia .....	1,434	0.06	1,684	0.07	Sierra Leone .....	223	0.01	473	0.02
Ethiopia .....	127	0.01	377	0.02	Singapore .....	177	0.01	427	0.02
Fiji .....	287	0.01	537	0.02	Slovak Republic .....	4,457	0.19	4,707	0.20
Finland .....	15,697	0.67	15,947	0.66	Slovenia .....	1,585	0.07	1,835	0.08
France .....	121,015	5.13	121,265	5.04	Solomon Islands .....	37	0.00	287	0.01
Gabon .....	1,268	0.05	1,518	0.06	Somalia .....	83	0.00	333	0.01
Gambia, The .....	94	0.00	344	0.01	South Africa .....	15,948	0.68	16,198	0.67
Georgia .....	881	0.04	1,111	0.05	Spain .....	37,026	1.57	37,276	1.55
Germany .....	128,908	5.46	129,158	5.37	Sri Lanka .....	7,135	0.30	7,385	0.31
Ghana .....	5,071	0.21	5,321	0.22	Sudan .....	111	0.00	361	0.02
Greece .....	6,898	0.29	7,148	0.30	Swaziland .....	684	0.03	934	0.04
Grenada .....	74	0.00	324	0.01	Sweden .....	26,876	1.14	27,126	1.13
Guatemala .....	1,084	0.05	1,334	0.06	Switzerland .....	41,580	1.76	41,830	1.74
Guinea .....	339	0.01	589	0.02	Syrian Arab Republic .....	194	0.01	444	0.02
Guinea-Bissau .....	18	0.00	268	0.01	Tajikistan .....	1,212	0.05	1,462	0.06
Guyana .....	1,392	0.06	1,642	0.07	Tanzania .....	1,003	0.04	1,253	0.05
Haiti .....	822	0.03	1,072	0.04	Thailand .....	10,941	0.46	11,191	0.47
Honduras .....	495	0.02	745	0.03	Togo .....	808	0.03	1,058	0.04
Hungary .....	10,932	0.46	11,182	0.47	Tonga .....	34	0.00	284	0.01
Iceland .....	42	0.00	292	0.01	Trinidad and Tobago .....	4,112	0.17	4,362	0.18
India .....	81,342	3.45	81,592	3.39	Tunisia .....	3,566	0.15	3,816	0.16
Indonesia .....	28,539	1.21	28,789	1.20	Turkey .....	14,545	0.62	14,795	0.62
Iran, Islamic Republic of .....	1,444	0.06	1,694	0.07	Turkmenistan .....	810	0.03	1,060	0.04
Iraq .....	147	0.01	397	0.02	Uganda .....	735	0.03	985	0.04
Ireland .....	1,290	0.05	1,540	0.06	Ukraine .....	8,907	0.38	9,157	0.38
Israel .....	2,135	0.09	2,385	0.10	United Arab Emirates .....	4,033	0.17	4,283	0.18
Italy .....	81,342	3.45	81,592	3.39	United Kingdom .....	121,015	5.13	121,265	5.04
Jamaica .....	4,282	0.18	4,532	0.19	United States .....	569,379	24.12	569,629	23.70
Japan .....	141,174	5.98	141,424	5.88	Uruguay .....	3,569	0.15	3,819	0.16
Jordan .....	941	0.04	1,191	0.05	Uzbekistan .....	3,873	0.16	4,123	0.17
Kazakhstan .....	4,837	0.20	4,887	0.20	Vanuatu .....	65	0.00	305	0.01
Kenya .....	4,041	0.17	4,291	0.18	Venezuela, Rep. Boliv. de .....	27,588	1.17	27,838	1.16
Kiribati .....	12	0.00	262	0.01	Vietnam .....	446	0.02	696	0.03
Korea, Republic of .....	15,946	0.68	16,196	0.67	Yemen, Republic of .....	715	0.03	965	0.04
Kuwait .....	9,947	0.42	10,197	0.42	Zambia .....	1,286	0.05	1,536	0.06
Kyrgyz Republic .....	1,720	0.07	1,970	0.08	Zimbabwe .....	2,120	0.09	2,370	0.10
Lao People's Dem. Rep. ....	278	0.01	528	0.02					
					Total June 30, 2003	\$ 2,360,181	100.00+	2,403,931	100.00+
					Total June 30, 2002	\$ 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.

## INTERNATIONAL FINANCE CORPORATION

# 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 July 31, 2003, 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, 2003 and June 30, 2002. 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.

**Loans and equity investments** - Loans and equity investments 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 other unrealized gains and losses on financial instruments in net income. It is the Corporation's practice to obtain collateral security such as, but not limited to, mortgages and third-party guarantees. Equity investments 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 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:

## INTERNATIONAL FINANCE CORPORATION

# NOTES TO FINANCIAL STATEMENTS

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. 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.

**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.

**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.

On July 1, 2000, the Corporation reclassified all of its available for sale securities as trading securities. This resulted in a transfer of accumulated net unrealized holding losses on available for sale securities of \$5 million from other comprehensive income to net income in the year ended June 30, 2001. Beginning with the year ended June 30, 2001, realized and unrealized gains and losses on trading securities are reported separately in the income statement.

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

## INTERNATIONAL FINANCE CORPORATION

# NOTES TO FINANCIAL STATEMENTS

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 unaccreted 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 other unrealized gains and losses on 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 other unrealized gains and losses on 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.

**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.

## INTERNATIONAL FINANCE CORPORATION

# NOTES TO FINANCIAL STATEMENTS

*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** - During the year ended June 30, 2003, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others – an interpretation of FASB Statements No. 5, 57 and 107 and rescission of FASB Interpretation No. 34* (FIN45). The initial recognition and measurement provisions of FIN 45 were effective for guarantees issued or modified after December 31, 2002. Accounting for guarantees issued prior to this date is unaffected by FIN 45. The Corporation issued a small number of guarantees during the period January 1, 2003 through June 30, 2003, and the adoption of FIN 45 has had no material impact on the results of operations, statement of financial position or cash flows of the Corporation. Disclosures concerning guarantees, including those required by FIN 45 as of June 30, 2003, have been made in Note C.

On January 17, 2003, FASB issued FASB Interpretation No.46 *Consolidation of Variable Interest Entities – an interpretation of ARB No. 51* (FIN 46). FIN 46 is applicable to all entities with variable interests in variable interest entities created after January 31, 2003 immediately, and, for the Corporation, FIN 46 is applicable to any variable interests in a variable interest entity created before February 1, 2003, beginning July 1, 2003. The Corporation is currently in the process of evaluating the impact of FIN 46.

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 is effective for the Corporation on July 1, 2003 (FY04), and is not expected to have a 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 is effective for the Corporation on July 1, 2003 (FY04), and is not expected to have a material impact on either the financial position or the 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, 2003	June 30, 2002
<b>Assets</b>		
Due from banks	\$ 53	\$ 48
Time deposits	2,293	4,471
Trading securities	10,572	11,795
Securities purchased under resale agreements	4,046	563
Receivables and other assets:		
Receivables from sales of securities	1,889	424
Accrued interest income on time deposits and securities	431	150
Accrued income on derivative instruments	15	26
Derivative assets	64	164
<b>Total assets</b>	<b><u>19,363</u></b>	<b><u>17,641</u></b>
<b>Liabilities</b>		
Payables and other liabilities:		
Payables for purchases of securities	2,388	598
Accrued charges on derivative instruments	96	79
Securities sold under repurchase agreements and payable for cash collateral received	3,053	1,935
Derivative liabilities	874	497
<b>Total liabilities</b>	<b><u>6,411</u></b>	<b><u>3,109</u></b>
<b>Total net liquid asset portfolio</b>	<b><u>\$ 12,952</u></b>	<b><u>\$ 14,532</u></b>

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, 2003 (less than 1% - June 30, 2002). The annualized rate of return on the trading portfolio during the year ended June 30, 2003, was 3.7% (4.1% - year ended June 30, 2002; 7.1% - year ended June 30, 2001). After the effect of associated derivative instruments, the liquid asset portfolio generally repices within one year.

**Trading securities**

The composition of trading securities is as follows:

	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
<b>Total trading securities</b>	<b><u>\$ 10,408</u></b>	<b><u>\$ 10,572</u></b>		
	Year ended June 30, 2002	At June 30, 2002		
	Fair value average daily balance (US\$ millions)	Fair value (US\$ millions)	Average maturity (years)	Average yield (%)
Government and agency obligations	\$ 5,426	\$ 6,085	4.4	4.4
Asset-backed securities	2,474	2,473	11.1	2.3
Corporate securities	2,998	3,135	3.0	4.8
Money market funds	94	102	-	1.5
<b>Total trading securities</b>	<b><u>\$ 10,992</u></b>	<b><u>\$ 11,795</u></b>		

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, 2003, 2002 and 2001 comprises (US\$ millions):

	2003	2002	2001
Interest Income	\$ 318	\$ 493	\$ 773
Net gains (losses):			
Realized	131	45	61
Unrealized	26	(14)	26
Total net gains (losses) on trading activities	157	31	87
<b>Total income from liquid asset portfolio</b>	<b>\$ 475</b>	<b>\$ 524</b>	<b>\$ 860</b>

**Collateral**

The estimated fair value of securities held by the Corporation at June 30, 2003 as collateral, in connection with derivatives transactions and purchase and resale agreements, that may be sold or repledged was \$4,500 million (\$760 million - June 30, 2002).

**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, 2003			June 30, 2002		
	Loans	Equity investments	Total	Loans	Equity investments	Total
Finance and insurance	\$ 1,870	\$ 794	\$ 2,664	\$ 1,361	\$ 645	\$ 2,006
Utilities	1,183	110	1,293	936	114	1,050
Food and beverages	731	115	846	602	129	731
Transportation and warehousing	636	170	806	560	174	734
Oil, gas and mining	549	150	699	453	165	618
Nonmetallic mineral product manufacturing	590	106	696	603	100	703
Information	483	181	664	422	183	605
Primary metals	566	97	663	529	93	622
Industrial and consumer products	537	90	627	457	90	547
Chemicals	536	85	621	626	86	712
Collective investment vehicles	13	550	563	7	567	574
Accommodation and tourism services	306	61	367	306	69	375
Textiles, apparel and leather	250	54	304	265	73	338
Wholesale and retail trade	259	26	285	224	27	251
Paper and pulp	215	66	281	225	91	316
Agriculture and forestry	163	19	182	168	26	194
Health care	99	20	119	111	21	132
Plastics and rubber	65	39	104	85	35	120
Other	178	27	205	78	14	92
<b>Total disbursed portfolio</b>	<b>9,229</b>	<b>2,760</b>	<b>11,989</b>	<b>8,018</b>	<b>2,702</b>	<b>10,720</b>
Fair value adjustments	13	-	13	15	(1)	14
<b>Carrying value of loans and equity investments</b>	<b>\$ 9,242</b>	<b>\$ 2,760</b>	<b>\$ 12,002</b>	<b>\$ 8,033</b>	<b>\$ 2,701</b>	<b>\$ 10,734</b>

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

	June 30, 2003			June 30, 2002		
	Loans	Equity investments	Total	Loans	Equity investments	Total
Latin America and Caribbean	\$ 4,030	\$ 907	\$ 4,937	\$ 3,393	\$ 920	\$ 4,313
Asia	1,730	948	2,678	1,919	919	2,838
Europe and Central Asia	2,089	429	2,518	1,635	423	2,058
Sub-Saharan Africa	697	256	953	646	274	920
Middle East and North Africa	683	194	877	424	132	556
Other	-	26	26	1	34	35
<b>Total disbursed portfolio</b>	<b>9,229</b>	<b>2,760</b>	<b>11,989</b>	<b>8,018</b>	<b>2,702</b>	<b>10,720</b>
Fair value adjustments	13	-	13	15	(1)	14
<b>Carrying value of loans and equity investments</b>	<b>\$ 9,242</b>	<b>\$ 2,760</b>	<b>\$ 12,002</b>	<b>\$ 8,033</b>	<b>\$ 2,701</b>	<b>\$ 10,734</b>

At June 30, 2003, 20% (23% - June 30, 2002) 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, 2003		June 30, 2002	
	Amount (US \$ millions)	Average yield (%)	Amount (US \$ million)	Average yield (%)
US dollar	\$ 7,977	5.0	\$ 7,155	5.7
Euro	907	5.9	654	6.8
Other currencies	345	8.5	209	8.0
<b>Total disbursed loan portfolio</b>	<b>9,229</b>	<b>5.2</b>	<b>8,018</b>	<b>5.8</b>
Fair value adjustments	13		15	
<b>Carrying value of loans</b>	<b>\$ 9,242</b>		<b>\$ 8,033</b>	

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, 2004 through June 30, 2008, and thereafter, as follows (US\$ millions):

	2004	2005	2006	2007	2008	Thereafter	Total
Fixed rate loans	\$ 507	\$ 289	\$ 310	\$ 209	\$ 155	\$ 411	\$ 1,881
Variable rate loans	1,385	1,311	1,039	899	771	1,943	7,348
<b>Total disbursed loan portfolio</b>	<b>\$ 1,892</b>	<b>\$ 1,600</b>	<b>\$ 1,349</b>	<b>\$ 1,108</b>	<b>\$ 926</b>	<b>\$ 2,354</b>	<b>9,229</b>
Fair value adjustments							13
<b>Carrying value of loans</b>							<b>\$ 9,242</b>

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

Loans on which the accrual of interest has been discontinued amounted to \$1,543 million at June 30, 2003 (\$1,217 million - June 30, 2002). Interest income not recognized on nonaccruing loans during the year ended June 30, 2003 totaled \$82 million (\$106 million - year ended June 30, 2002; \$100 million - year ended June 30, 2001). Interest collected on loans in nonaccrual status, related to current and prior years, during the year ended June 30, 2003 was \$40 million (\$39 million - year ended June 30, 2002; \$27 million - year ended June 30, 2001). The average recorded investment in impaired loans during the year ended June 30, 2003, was \$2,543 million (\$2,279 million - year ended June 30, 2002). The recorded investment in impaired loans at June 30, 2003 was \$2,446 million (\$2,640 million - June 30, 2002).

**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, 2003, 2002 and 2001 are summarized below (US\$ millions):

	2003			2002			2001		
	Loans	Equity investments	Total	Loans	Equity investments	Total	Loans	Equity investments	Total
Beginning balance	\$ 1,758	\$ 1,013	\$ 2,771	\$ 1,363	\$ 850	\$ 2,213	\$ 1,228	\$ 745	\$ 1,973
Provision for losses	47	50	97	373	268	641	193	196	389
Other adjustments	(121)	(122)	(243)	22	(105)	(83)	(58)	(91)	(149)
<b>Ending balance</b>	<b>\$ 1,684</b>	<b>\$ 941</b>	<b>\$ 2,625</b>	<b>\$ 1,758</b>	<b>\$ 1,013</b>	<b>\$ 2,771</b>	<b>\$ 1,363</b>	<b>\$ 850</b>	<b>\$ 2,213</b>

Provision for losses on loans, equity investments and guarantees in the income statement for the year ended June 30, 2003 includes \$1 million in respect of guarantees (\$16 million - year ended June 30, 2002; \$13 million - year ended June 30, 2001). At June 30, 2003 the accumulated reserve for losses on guarantees, included in the balance sheet in payables and other liabilities, was \$30 million (\$29 million - June 30, 2002).

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, 2003, 2002 and 2001 comprise the following (US\$ millions):

	2003	2002	2001
Interest income	\$ 414	\$ 486	\$ 704
Commitment fees	18	11	7
Other financial fees	45	50	21
<b>Total interest and financial fees from loans</b>	<b>\$ 477</b>	<b>\$ 547</b>	<b>\$ 732</b>

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

**NOTE D – 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, 2003	June 30, 2002
Projects approved but not committed:		
Loans	\$ 1,961	\$ 2,566
Equity investments	610	586
Guarantees	246	497
Client risk management facilities	54	115
Total projects approved but not committed	<u>2,871</u>	<u>3,764</u>
Projects committed but not disbursed:		
Loans	2,697	2,598
Equity investments	758	764
Projects committed but not utilized:		
Guarantees	765	571
Client risk management facilities	168	107
Total projects committed but not disbursed or utilized	<u>4,388</u>	<u>4,040</u>
<b>Total projects approved but not disbursed or utilized</b>	<b><u>\$ 7,259</u></b>	<b><u>\$ 7,804</u></b>

**NOTE E – 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, 2003	June 30, 2002
Loan participations arranged to be placed with Participants approved but not committed	\$ 2,517	\$ 2,856
Loan participations signed as commitments but not disbursed	472	820
<b>Loan participations arranged to be placed with Participants approved but not disbursed</b>	<b><u>\$ 2,989</u></b>	<b><u>\$ 3,676</u></b>
<b>Loan participations disbursed and outstanding which are serviced by the Corporation</b>	<b><u>\$ 6,130</u></b>	<b><u>\$ 5,700</u></b>

During the year ended June 30, 2003 the Corporation called and disbursed \$1,509 million (\$574 million - year ended June 30, 2002) of Participants' funds.

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

**NOTE F – RECEIVABLES AND OTHER ASSETS**

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

	June 30, 2003	June 30, 2002
Receivables from sales of securities	\$ 1,889	\$ 424
Accrued interest income on time deposits and securities	431	150
Accrued income on derivative instruments	325	396
Accrued interest income on loans	99	101
Receivable from IBRD representing prepaid pension and other postretirement benefit costs	277	286
Headquarters building:		
Land	89	89
Building	184	184
Less: Building depreciation	(29)	(24)
Headquarters building, net	<u>244</u>	<u>249</u>
Deferred charges and other assets	163	169
<b>Total receivables and other assets</b>	<b><u>\$ 3,428</u></b>	<b><u>\$ 1,775</u></b>

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

NOTE G – 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, 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)	-	-	-	-
<b>Principal at face value</b>	<b>17,028</b>		<b>\$ (902)</b>		<b>\$ (237)</b>		<b>\$ 15,889</b>	
Less: Unamortized discounts, net	(595)							
<b>Total market borrowings</b>	<b>16,433</b>							
Fair value adjustments	748							
<b>Carrying value of market borrowings</b>	<b>\$ 17,181</b>							

June 30, 2002								
	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	\$ 7,177	5.9	\$ 9,522	1.2	\$ 6,542	1.9	\$ 16,690	1.8
					(6,551)	(5.5)	-	-
Japanese yen	3,128	5.0	(3,128)	(5.0)	-	-	-	-
Pound sterling	2,992	5.7	(2,992)	(5.4)	458	3.9	-	-
					(458)	(5.8)	-	-
Euro	1,608	4.8	(1,608)	(4.8)	-	-	-	-
Hong Kong dollar	1,039	7.1	(1,039)	(7.1)	-	-	-	-
South African rand	295	13.8	(295)	(13.8)	-	-	-	-
Australian dollar	133	5.3	(133)	(5.3)	-	-	-	-
New Zealand dollar	124	6.8	(124)	(6.8)	-	-	-	-
Colombian peso	94	13.7	(94)	(13.7)	-	-	-	-
Singapore dollar	68	4.2	(68)	(4.2)	-	-	-	-
Swiss franc	68	3.8	(68)	(1.1)	68	1.1	-	-
					(68)	(3.8)	-	-
<b>Principal at face value</b>	<b>16,726</b>		<b>\$ (27)</b>		<b>\$ (9)</b>		<b>\$ 16,690</b>	
Less: Unamortized discounts, net	(206)							
<b>Total market borrowings</b>	<b>16,520</b>							
Fair value adjustments	(108)							
<b>Carrying value of market borrowings</b>	<b>\$ 16,412</b>							

The weighted average cost of the Corporation's borrowings outstanding from market sources after currency and interest rate swap transactions was 0.9 % at June 30, 2003 (1.8% - June 30, 2002). The weighted average remaining maturity of the Corporation's borrowings from market sources was 10.5 years at June 30, 2003 (8.8 years - June 30, 2002).

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

Net fair value adjustments to the carrying value of market borrowings comprises \$748 million (\$(108) million - June 30, 2002) representing adjustments to the carrying value of transactions in designated fair value hedging relationships.

The net nominal amount receivable from currency swaps of \$ 902 million and the net notional amount receivable from interest rate swaps of \$237 million at June 30, 2003 (\$27 million and \$9 million - June 30, 2002), shown in the above table, are represented by currency and interest rate swap assets at fair value of \$1,590 million and currency and interest rate swap liabilities at fair value of \$166 million (\$722 million and \$605 million - June 30, 2002), included in derivative assets and derivative liabilities, respectively, on the balance sheet.

**Borrowings from IBRD**

Borrowings outstanding from IBRD are summarized below:

	June 30, 2003		June 30, 2002	
	Principal amount (US\$ millions)	Weighted average cost (%)	Principal amount (US\$ millions)	Weighted average cost (%)
US dollar	\$ 102	6.4	\$ 124	6.5
Euro	15	8.0	22	7.7
Other currencies	17	6.1	23	6.0
<b>Total borrowings outstanding from IBRD</b>	<b>\$ 134</b>		<b>\$ 169</b>	

The weighted average remaining maturity of borrowings from IBRD was 3.7 years at June 30, 2003 (4.5 years - June 30, 2002). There were no undrawn balances on committed borrowings from IBRD at June 30, 2003 (\$nil - June 30, 2002). Charges on borrowings for the year ended June 30, 2003 includes \$10 million (\$12 million - year ended June 30, 2002; \$16 million - year ended June 30, 2001) in respect of IBRD borrowings.

**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, 2004 through June 30, 2008 and thereafter are summarized below (US\$ millions):

	2004	2005	2006	2007	2008	Thereafter	Total
Borrowings from market sources	\$ 2,381	\$ 1,945	\$ 1,423	\$ 1,566	\$ 1,590	\$ 8,123	\$ 17,028
Borrowings from IBRD	38	41	24	18	8	5	134
<b>Total borrowings, gross</b>	<b>\$ 2,419</b>	<b>\$ 1,986</b>	<b>\$ 1,447</b>	<b>\$ 1,584</b>	<b>\$ 1,598</b>	<b>\$ 8,128</b>	<b>17,162</b>
Less: Unamortized discounts, net							(595)
Fair value adjustments							748
<b>Carrying value of borrowings</b>							<b>\$ 17,315</b>

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

**NOTE H – PAYABLES AND OTHER LIABILITIES**

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

	June 30, 2003	June 30, 2002
Accrued charges on borrowings	\$ 285	\$ 345
Accrued charges on derivative instruments	192	209
Payables for purchases of securities	2,388	598
Accounts payable, accrued expenses and other liabilities	212	143
Deferred income	45	48
<b>Total payables and other liabilities</b>	<b>\$ 3,122</b>	<b>\$ 1,343</b>

**NOTE I – CAPITAL STOCK**

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, \$2 million of subscribed shares remained unpaid at June 30, 2003 (\$2 million - June 30, 2002).

During the year ended June 30, 2003, no shares were subscribed by member countries (92 shares at a par value of \$1,000 each - year ended June 30, 2002). No monies were paid in on account of subscriptions in the year ended June 30, 2003 (less than \$1 million - year ended June 30, 2002).

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

**NOTE J – OTHER INCOME**

Other income predominantly comprises 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; \$14 million - year ended June 30, 2001).

**NOTE K – 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, 2003, the Corporation contributed a total of \$28 million to these facilities (\$22 million - year ended June 30, 2002; \$16 million - year ended June 30, 2001), of which the largest amounts were attributable to the Global SME Capacity Building facility and the Private Enterprise Partnership.

**NOTE L – OTHER UNREALIZED GAINS (LOSSES) ON FINANCIAL INSTRUMENTS**

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

	2003	2002	2001
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	\$ (32)	\$ 81	\$ 16
Change in fair value of derivative instruments, other than those associated with liquid asset investments, not designated as a hedge	(6)	(31)	(5)
Amortization of difference between fair value and carrying value of hedged items			
Amortization of difference between fair value and carrying value of hedged items	(5)	(2)	(3)
Release from accumulated other comprehensive income of transition gain			
On cash flow-like hedges	2	6	3
<b>Total other unrealized (losses) gains on financial instruments</b>	<b>\$ (41)</b>	<b>\$ 54</b>	<b>\$ 11</b>

Of the total other unrealized gains and losses on financial instruments, unrealized gains of \$nil million (gains \$72 million - year ended June 30, 2002; gains \$22 million - year ended June 30, 2001) are attributable to borrowings and related derivatives transactions, unrealized losses of \$40 million (losses \$19 million - year ended 30 June, 2002; losses \$7 million - year ended June 30, 2001) are attributable to loans and related derivatives transactions and unrealized losses of \$1 million (gains \$1 million - year ended 30 June, 2002; losses \$4 million - year ended June 30, 2001) are attributable to client risk management activities.

At the date of initial application of SFAS No. 133 on July 1, 2000, certain items were recorded as a transition adjustment, denoted as the cumulative effect of a change in accounting principle in the income statement. The transition adjustment included, first, the difference between the previous carrying value and the fair value of all freestanding derivative instruments. Secondly, it included the offsetting gains and losses on assets and liabilities held under fair value-like hedging relationships in existence prior to the adoption of SFAS No. 133 that are also recognized by adjusting their carrying value to fair value. Finally, the adjustment included the fair value of derivatives embedded in hybrid financial instruments entered into on or after January 1, 1999, where they are required to be separated from their respective host contracts, and also recorded on the balance sheet at fair value. The total amount of the transition adjustment, recorded on July 1, 2000, was \$93 million.

Also upon adoption of SFAS No. 133, 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, 2003 and June 30, 2002 are shown above; the expected release for the year ending June 30, 2004 is \$2 million.

**NOTE M – 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, 2003 and June 30, 2002. 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

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

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, 2003 and June 30, 2002 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. Prior to the year ended June 30, 2003, management's estimate of fair value considered the relative illiquidity and volatility, as well as the overall business constraints, in the emerging markets in which the Corporation invests. Pursuant to a review of equity valuation methodologies undertaken in the year ended June 30, 2003, the Corporation no longer considers such factors in estimating the fair value of equity investments. Prior year numbers have been restated for comparability purposes.

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

	June 30, 2003			June 30, 2002
	Carrying amount	Fair value adjustments	Fair value	Fair value
<b>Financial assets</b>				
Due from banks, time deposits, securities and securities purchased under resale agreements	\$ 17,004	\$ -	\$ 17,004	\$ 16,924
Loans	9,242	414	9,656	8,296
Equity investments	2,760	1,801	4,561	4,246
Total loans and equity investments	12,002	2,215	14,217	12,542
Reserve against losses	(2,625)	-	(2,625)	(2,771)
Net loans and equity investments	9,377	2,215	11,592	9,771
Derivative assets:				
Liquid asset portfolio-related	64	-	64	164
Loans-related	12	-	12	42
Borrowings-related	1,590	-	1,590	821
Client risk management-related	68	-	68	50
Total derivative assets	1,734	-	1,734	1,077
Nonfinancial assets	3,428	-	3,428	1,775
<b>Total assets</b>	<b>\$ 31,543</b>	<b>\$ 2,215</b>	<b>\$ 33,758</b>	<b>\$ 29,547</b>
<b>Financial liabilities</b>				
Securities sold under repurchase agreements and payable for cash collateral received	\$ 3,053	\$ -	\$ 3,053	\$ 1,935
Market and IBRD borrowings outstanding	17,315	(8)	17,307	16,599
Derivative liabilities:				
Liquid asset portfolio-related	874	-	874	497
Loans-related	154	-	154	47
Borrowings-related	166	-	166	985
Client risk management-related	70	-	70	47
Total derivative liabilities	1,264	(8)	1,264	1,576
Nonfinancial liabilities	3,122	-	3,122	1,343
<b>Total liabilities</b>	<b>\$ 24,754</b>	<b>\$ (8)</b>	<b>\$ 24,746</b>	<b>\$ 21,453</b>

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

	June 30, 2003			June 30, 2002
	Carrying amount	Fair value adjustments	Fair value	Fair value
<b>Off-balance sheet financial instruments</b>				
Loan commitments	\$ 2,697	\$ 15	\$ 2,712	\$ 2,605
Guarantees				
Signed	1,080	-	1,080	794
Outstanding	314	-	314	223

**NOTE N – 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.

The following table summarizes the Corporation's exposure in major currencies at June 30, 2003 and June 30, 2002 (US\$ millions):

	June 30, 2003					Total
	US dollar	Euro	Japanese yen	Other currencies	Fair value adjustments	
<b>Assets</b>						
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
<b>Total assets</b>	<b>\$ 25,659</b>	<b>\$ 5,024</b>	<b>\$ 5,267</b>	<b>\$ 7,631</b>	<b>\$ (12,038)</b>	<b>\$ 31,543</b>
<b>Liabilities</b>						
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
<b>Total liabilities</b>	<b>\$ 21,854</b>	<b>\$ 4,910</b>	<b>\$ 5,273</b>	<b>\$ 4,876</b>	<b>\$ (12,159)</b>	<b>\$ 24,754</b>

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

	June 30, 2002					Total
	US dollar	Euro	Japanese yen	Other currencies	Fair value adjustments	
<b>Assets</b>						
Cash and cash equivalents	\$ 12,988	\$ 2,176	\$ 1,074	\$ 123	\$ -	\$ 16,361
Securities purchased under resale agreements	563	-	-	-	-	563
Loans disbursed and outstanding	7,155	654	35	174	15	8,033
Equity investments disbursed and outstanding	-	-	-	2,702	(1)	2,701
Total investments	7,155	654	35	2,876	14	10,734
Reserve against losses	(2,584)	(157)	(8)	(22)	-	(2,771)
Net investments	4,571	497	27	2,854	14	7,963
Derivative assets	3,980	1,743	3,472	4,720	(12,838)	1,077
Receivables and other assets	1,429	126	72	148	-	1,775
<b>Total assets</b>	<b>\$ 23,531</b>	<b>\$ 4,542</b>	<b>\$ 4,645</b>	<b>\$ 7,845</b>	<b>\$ (12,824)</b>	<b>\$ 27,739</b>
<b>Liabilities</b>						
Securities sold under repurchase agreements and payable for cash collateral received	\$ 1,826	\$ 109	\$ -	\$ -	\$ -	\$ 1,935
Borrowings	7,293	1,610	3,142	4,644	(108)	16,581
Derivative liabilities	10,076	2,623	1,441	317	(12,881)	1,576
Payables and other liabilities	1,028	108	64	143	-	1,343
<b>Total liabilities</b>	<b>\$ 20,223</b>	<b>\$ 4,450</b>	<b>\$ 4,647</b>	<b>\$ 5,104</b>	<b>\$ (12,989)</b>	<b>\$ 21,435</b>

NOTE O – 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. The treasury services segment consists of the borrowing, liquid asset management, asset and liability management and client risk management activities.

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."

An analysis of the Corporation's major components of income and expense by business segment for the years ended June 30, 2003, 2002 and 2001 is given below (US\$ millions):

	2003			2002			2001		
	Client services	Treasury services	Total	Client services	Treasury services	Total	Client services	Treasury services	Total
Interest income	\$ 477	\$ 318	\$ 795	\$ 547	\$ 493	\$ 1,040	\$ 732	\$ 773	\$ 1,505
Charges on borrowings	(79)	(147)	(226)	(151)	(287)	(438)	(403)	(558)	(961)
Net gains and losses on trading activities	-	157	157	-	31	31	-	87	87
Income from equity investments	195	-	195	428	-	428	222	-	222
Provision for losses	(98)	-	(98)	(657)	-	(657)	(402)	-	(402)
Service fees	51	-	51	40	-	40	41	-	41
Administrative expenses	(326)	(6)	(332)	(321)	(6)	(327)	(299)	(5)	(304)
Other noninterest income and expense	(14)	-	(14)	44	-	44	53	-	53
<b>Operating income (loss)</b>	<b>206</b>	<b>322</b>	<b>528</b>	<b>(70)</b>	<b>231</b>	<b>161</b>	<b>(56)</b>	<b>297</b>	<b>241</b>
Unrealized gains and losses on financial instruments	(2)	(39)	(41)	(18)	72	54	12	92	104
<b>Net income (loss)</b>	<b>\$ 204</b>	<b>\$ 283</b>	<b>\$ 487</b>	<b>\$ (88)</b>	<b>\$ 303</b>	<b>\$ 215</b>	<b>\$ (44)</b>	<b>\$ 389</b>	<b>\$ 345</b>

During the year ended June 30, 2003, the Corporation changed its method of allocating certain costs among business units within the Corporation. Segment disclosures for the years ended June 30, 2002 and June 30, 2001 have been restated to be consistent with the new allocation method. Geographical segment data in respect of client services are disclosed in Note C, and are not relevant in respect of treasury services.

INTERNATIONAL FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

**NOTE P – 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, 2003 was \$15 million (\$36 million - year ended June 30, 2002; \$50 million - year ended June 30, 2001). The portion of the cost for the RSBP and the PEBP attributable to the Corporation for the fiscal year ended June 30, 2003 was \$9 million (\$5 million - year ended June 30, 2002; \$3 million - year ended June 30, 2001).

In addition, at June 30, 2003 \$277 million was receivable by the Corporation from IBRD (\$286 million - June 30, 2002), 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 Q – 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, 2003, were \$19 million, unchanged from years ended June 30, 2002 and June 30, 2001.

**NOTE R – REORGANIZATION COSTS**

On March 8, 2002 the Corporation adopted a Strategic Directions Paper articulating its strategic priorities, being: frontier markets; high impact sectors; and support for small to medium sized enterprises. To achieve these strategic priorities, in late March, the Corporation began 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. Details and particulars of the reorganization plan were finalized and announced during the quarter ended June 30, 2002. 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 charged \$13 million associated with the reorganization, included in administrative expenses in the income statement for the year ended June 30, 2002. The charge primarily represented costs associated with termination benefits (including outplacement consulting, job search assistance, training, medical insurance plan contributions, severance payments and related tax allowances) for 115 staff identified for separation as of June 30, 2002 and an additional amount, less than \$1 million, associated with various field office closures and reorganizations. Actual expenses paid during the year ended June 30, 2003 and June 30, 2002 totaled \$11 million. \$1 million of the original accrual is expected to be paid in the year ending June 30, 2004. As a result, the original accrual has been revised downwards by \$1 million.

**NOTE S – 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, 2003		June 30, 2002	
	Total fiduciary assets	Number of active funds	Total fiduciary assets	Number of active funds
Executed by the Corporation	\$ 167	592	\$ 131	568
Executed by the recipient	-	2	-	3
<b>Total</b>	<b>\$ 167</b>	<b>594</b>	<b>\$ 131</b>	<b>571</b>

**NOTE T – 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.

# Investment Portfolio

SUB-SAHARAN AFRICA	49
ASIA & THE PACIFIC	59
EUROPE & CENTRAL ASIA	69
LATIN AMERICA & THE CARIBBEAN	79
MIDDLE EAST & NORTH AFRICA	91
WORLDWIDE	96

# STATEMENT OF CUMULATIVE GROSS COMMITMENTS

at June 30, 2003

Country, region, or other area	Number of enterprises	Cumulative commitments <sup>1</sup> (US\$ thousands)			Country, region, or other area	Number of enterprises	Cumulative commitments <sup>1</sup> (US\$ thousands)		
		IFC	Syndi- cations	Total			IFC	Syndi- cations	Total
Afghanistan	1	322	–	322	Haiti	2	1,911	–	1,911
Albania	6	48,034	–	48,034	Honduras	7	63,332	79,385	142,717
Algeria	9	82,175	5,381	87,557	Hungary	27	303,240	71,420	374,660
Angola	2	2,110	–	2,110	India	162	2,275,344	489,837	2,765,182
Argentina	161	2,708,104	2,483,686	5,191,790	Indonesia	79	1,139,285	1,184,996	2,324,281
Armenia	2	5,837	–	5,837	Iran, Islamic Republic of	7	34,343	7,662	42,005
Australia	4	975	–	975	Israel	1	10,500	–	10,500
Azerbaijan	12	136,745	100,000	236,745	Italy	1	960	–	960
Bangladesh	22	149,458	52,485	201,943	Jamaica	16	183,149	79,654	262,803
Barbados	3	8,625	–	8,625	Jordan	27	248,348	70,250	318,598
Belarus	2	16,250	–	16,250	Kazakhstan	19	345,760	192,917	538,677
Belize	3	21,500	11,000	32,500	Kenya	60	300,314	58,720	359,034
Benin	8	2,444	–	2,444	Korea, Republic of	47	743,911	195,588	939,499
Bolivia	21	261,982	46,000	307,982	Kyrgyz Republic	6	45,550	–	45,550
Bosnia and Herzegovina	24	111,982	10,555	122,536	Lao People's Democratic Republic	4	3,247	–	3,247
Botswana	6	9,770	–	9,770	Latvia	5	73,897	35,000	108,897
Brazil	153	3,623,208	3,029,137	6,652,345	Lebanon	25	308,878	230,430	539,308
Bulgaria	16	191,547	21,397	212,943	Lesotho	2	454	–	454
Burkina Faso	6	2,702	–	2,702	Liberia	3	12,703	–	12,703
Burundi	3	6,626	–	6,626	Lithuania	8	81,637	10,434	92,071
Cambodia	3	2,140	–	2,140	Macedonia, FYR	12	93,098	25,000	118,098
Cameroon	26	292,775	471,500	764,275	Madagascar	11	44,216	–	44,216
Cape Verde	4	3,931	–	3,931	Malawi	14	35,854	–	35,854
Chad	3	14,068	13,900	27,968	Malaysia	11	54,862	5,353	60,215
Chile	40	890,275	463,733	1,354,008	Maldives	3	22,250	–	22,250
China	62	852,919	522,421	1,375,340	Mali	19	91,206	40,000	131,206
Colombia	62	821,011	488,191	1,309,202	Mauritania	10	41,692	9,076	50,768
Congo, Democratic Republic of	10	74,761	–	74,761	Mauritius	10	38,619	98	38,718
Congo, Republic of	6	115,168	25,000	140,168	Mexico	116	2,477,721	1,916,908	4,394,629
Costa Rica	15	150,504	99,675	250,179	Moldova	8	61,786	25,000	86,786
Côte d'Ivoire	43	249,157	73,916	323,073	Mongolia	2	2,150	–	2,150
Croatia	10	205,120	97,295	302,415	Morocco	29	403,792	502,932	906,724
Cyprus	6	19,347	597	19,944	Mozambique	20	186,782	–	186,782
Czech Republic	16	384,308	241,466	625,774	Namibia	4	23,161	–	23,161
Dominica	1	700	–	700	Nepal	6	70,673	36,000	106,673
Dominican Republic	16	226,999	134,100	361,099	Nicaragua	8	24,643	500	25,143
Ecuador	15	133,106	24,212	157,318	Niger	1	2,493	–	2,493
Egypt	49	698,036	506,927	1,204,963	Nigeria	50	398,329	113,997	512,327
El Salvador	11	124,618	113,500	238,118	Oman	3	28,860	57,000	85,860
Eritrea	1	949	–	949	Pakistan	88	1,061,847	557,134	1,618,981
Estonia	12	136,848	10,481	147,329	Panama	13	374,200	153,300	527,500
Ethiopia	4	21,848	1,663	23,511	Papua New Guinea	2	13,300	–	13,300
Fiji	7	25,059	2,500	27,559	Paraguay	4	15,008	–	15,008
Finland	4	1,233	1,886	3,119	Peru	41	488,919	298,621	787,540
Gabon	5	115,588	110,000	225,588	Philippines	80	1,119,804	693,959	1,813,762
Gambia, The	8	6,514	–	6,514	Poland	41	360,722	118,088	478,810
Georgia	8	73,294	–	73,294	Portugal	8	51,811	11,000	62,811
Ghana	40	259,509	272,000	531,509	Romania	19	276,631	193,885	470,515
Greece	7	26,292	39,113	65,405	Russian Federation	63	1,111,845	160,500	1,272,345
Grenada	2	8,000	–	8,000	Rwanda	3	3,049	–	3,049
Guatemala	16	204,375	110,000	314,375	Saint Lucia	2	9,940	–	9,940
Guinea	9	33,601	–	33,601	Samoa	4	1,085	–	1,085
Guinea-Bissau	4	7,246	–	7,246	Saudi Arabia	1	1,600	–	1,600
Guyana	4	4,911	–	4,911	Senegal	20	92,169	11,782	103,951

# STATEMENT OF CUMULATIVE GROSS COMMITMENTS

at June 30, 2003

Country, region, or other area	Number of enterprises	Cumulative commitments <sup>1</sup> (US\$ thousands)			Country, region, or other area	Number of enterprises	Cumulative commitments <sup>1</sup> (US\$ thousands)		
		IFC	Syndi- cations	Total			IFC	Syndi- cations	Total
Serbia and Montenegro	15	231,824	92,610	324,434	<b>Regional Investments:</b>				
Seychelles	6	29,359	2,500	31,859	Sub-Saharan Africa	24	245,666	1,940	247,606
Sierra Leone	4	29,186	–	29,186	Asia & the Pacific	13	490,693	–	490,693
Slovakia	5	115,544	–	115,544	Europe & Central Asia	41	288,747	25,000	313,747
Slovenia	11	211,484	52,816	264,300	Latin America	41	469,394	50,000	519,394
Somalia	2	975	–	975	& the Caribbean				
South Africa	37	257,097	15,000	272,097	Other <sup>2</sup>	17	59,814	8,200	68,014
Spain	5	19,043	1,635	20,678	Worldwide Investments	28	496,566	208,000	704,566
Sri Lanka	24	121,532	23,372	144,903					
Sudan	6	27,268	6,417	33,685	<b>Total:</b>	<b>2990</b>	<b>37,245,664</b>	<b>22,078,977</b>	<b>59,324,641</b>
Swaziland	10	47,533	–	47,533					
Syrian Arab Republic	3	17,200	–	17,200					
Tajikistan	10	35,500	–	35,500					
Tanzania	38	91,065	13,386	104,451					
Thailand	56	1,021,895	1,699,670	2,721,565					
Togo	7	18,255	–	18,255					
Trinidad and Tobago	11	190,790	235,000	425,790					
Tunisia	19	85,867	1,985	87,852					
Turkey	115	2,109,402	1,352,676	3,462,078					
Uganda	38	77,396	1,416	78,813					
Ukraine	5	27,444	–	27,444					
Uruguay	12	124,050	20,000	144,050					
Uzbekistan	14	64,964	16,250	81,214					
Vanuatu	1	5,398	–	5,398					
Venezuela, República Bolivariana de	35	695,870	703,791	1,399,662					
Vietnam	24	229,805	203,375	433,180					
Yemen, Republic of	8	39,517	750	40,267					
Zambia	28	149,773	24,044	173,818					
Zimbabwe	50	284,262	99,000	383,262					

1 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. Excludes risk management and guarantee facilities.

2 Of this amount, \$9.6 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.

# SUB-SAHARAN AFRICA

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
<b>Angola</b>							
Fabrica de Bleach Corasol Limitada	Chemicals	FY99	0.6	–	0.6	–	0.6
					0.6		0.6
<b>Benin</b>							
Bank of Africa Benin (BOAB)	Finance & Insurance	FY93, 94, 95	0.3	–	–	0.3	0.3
Finadev Microfinance	Finance & Insurance	FY01	0.3	–	–	0.3	0.3
Vision+	Industrial & Consumer Products	FY00	+	–	+	–	+
						0.7	0.7
<b>Botswana</b>							
Abercrombie & Kent Botswana (Proprietary) Limited	Accommodation & Tourism Services	FY00, 01	2.8	–	2.6	–	2.6
Africa Banking Corp Holdings Limited	Finance & Insurance	FY90, 02	3.0	–	–	3.0	3.0
Kalahari Diamonds Limited	Oil, Gas and Mining	FY03	2.0	–	–	2.0	2.0
					2.6	5.0	7.6
<b>Burundi</b>							
Florex Limited	Agriculture & Forestry	FY02	0.4	–	0.4	–	0.4
Vegetables and Flowers Exports S.A.	Agriculture & Forestry	FY01	0.5	–	0.6	–	0.6
					0.9		0.9
<b>Cameroon</b>							
Banque International du Cameroun Pour L'Épargne et le Crédit	Finance & Insurance	FY01	0.9	–	–	0.9	0.9
Cameroon Oil Transportation Company	Oil, Gas and Mining	FY01	86.1	86.1	86.1	–	86.1
Complexe Avicole de Mvog-Betsi	Agriculture & Forestry	FY96	0.3	–	0.3	–	0.3
Cotonnière Industrielle du Cameroun (CICAM)	Textiles, Apparel & Leather	FY86	6.5	–	2.2	–	2.2
FME-GAZ	Chemicals	FY02	0.3	–	0.4	–	0.4
Horizon Bilingual Education Complex	Education Services	FY01	0.4	–	0.4	–	0.4
Notacam S.A.	Textiles, Apparel & Leather	FY97	0.9	–	0.8	–	0.8
Pecten Cameroon Company	Oil, Gas and Mining	FY92, 96, 97, 98, 03	115.0	253.2	44.0	–	44.0
Société Agro-Industrielle et Commerciale du Cameroun (SAICAM)	Agriculture & Forestry	FY00	0.4	–	0.3	–	0.3
Société Camerounaise de Mobiles	Information	FY02	4.3	–	5.0	–	5.0
Société de Transports et Negoces du Cameroun SARL	Transportation and Warehousing	FY03	0.8	–	0.8	–	0.8
Société de Production, de Légumes S.A.	Agriculture & Forestry	FY94, 97	1.5	–	–	0.4	0.4
					140.3	1.2	141.5
<b>Cape Verde</b>							
Growela Cabo Verde, Limitada	Textiles, Apparel & Leather	FY94	1.0	–	0.1	–	0.1
Moura Company	Transportation and Warehousing	FY02	0.6	–	0.6	–	0.6
					0.8		0.8

# SUB-SAHARAN AFRICA

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)			
			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity	
<b>Chad</b>								
Finadev Tchad	Finance & Insurance	FY03	0.2	–	–	0.2	0.2	
Tchad Oil Transportation Company S.A. (TOTCO)	Oil, Gas and Mining	FY01	13.9	13.9	13.9	–	13.9	
					13.9	0.2	14.1	
<b>Congo, Democratic Republic of</b>								
Celtel Congo (RDC), S.p.r.l.	Information	FY02	7.0	–	6.0	–	6.0	
Celtel Democratic Republic of Congo	Information	FY03	20.0	–	20.0	–	20.0	
					26.0		26.0	
<b>Côte d'Ivoire</b>								
Africaine De Bourse	Finance & Insurance	FY00	+	–	–	+	+	
Bank of Africa (Cote d'Ivoire)	Finance & Insurance	FY99	0.2	–	–	0.2	0.2	
Cinergy, SA	Utilities	FY99	40.5	30.3	32.1	–	32.1	
Compagnie Ivoirienne de Production d'Électricité S.A.	Utilities	FY95	19.1	–	4.0	–	4.0	
Drop Ivoire	Food & Beverages	FY99	1.2	–	1.3	–	1.3	
FTG-Filature et Tissage Gonfreville	Textiles, Apparel & Leather	FY96	–	–	0.2	–	0.2	
Industrial Promotion Services (Côte d'Ivoire) S.A.	Collective Investment Vehicles	FY88	0.8	–	–	0.8	0.8	
Multi-Produits S.A.	Wholesale and Retail Trade	FY94, 97	0.8	–	+	+	+	
Ocean Energy, Inc.	Oil, Gas and Mining	FY93, 95, 98	48.7	–	–	48.7	48.7	
Omnium Chimique et Cosmétique (COSMIVOIRE)	Food & Beverages	FY87, 94, 97	9.2	–	–	2.4	2.4	
Péto Ivoire S.A.	Utilities	FY96, 00	1.6	–	0.6	–	0.6	
Société Hotelière de la Lagune	Accommodation & Tourism Services	FY00	2.0	–	1.8	0.4	2.2	
Société Médicale de Moyens et d'Équipements-SIMMEQ, S.A.	Health Care	FY01	1.1	–	1.5	–	1.5	
Société Pour le Développement Industriel de la Région d'Odienné	Agriculture & Forestry	FY97	2.8	–	3.5	–	3.5	
Texicodi S.A.	Textiles, Apparel & Leather	FY96	–	–	0.3	–	0.3	
Tropical Rubber	Agriculture & Forestry	FY99	3.2	–	2.7	–	2.7	
Établissements R. Gonfreville, S.A.	Textiles, Apparel & Leather	FY77, 87	12.0	–	–	+	+	
					48.0	52.6	100.6	
<b>Gabon</b>								
Vaalco Energy, Inc.	Oil, Gas and Mining	FY02	10.0	–	9.0	–	9.0	
					9.0		9.0	
<b>Gambia, The</b>								
Kerr Kande Farm Limited II	Agriculture & Forestry	FY98	0.2	–	0.2	–	0.2	
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	

# SUB-SAHARAN AFRICA

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)			
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity	
<b>Ghana</b>								
Afariwaa Farms and Livestock Products Limited	Agriculture & Forestry	FY94	0.4	–	0.2	–	0.2	
Antelope Company Limited	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	–	5.0	1.0	6.0	
Enterprise Life Assurance Company Ltd. (ELAC)	Finance & Insurance	FY01	0.1	–	–	0.1	0.1	
Ghana Aluminium Products Limited (Ghanal)	Primary Metals	FY92	0.4	–	–	0.4	0.4	
Ghana Leasing Company Limited	Finance & Insurance	FY93, 94	5.8	–	–	1.5	1.5	
Ghana Printing and Packaging Industries Limited	Pulp & Paper	FY02	1.7	–	1.7	–	1.7	
Ghanaian Australian Goldfields Limited	Oil, Gas and Mining	FY90, 92, 96, 97	27.2	18.5	9.9	2.5	12.4	
Network Computer Systems (NCS)	Information	FY98	0.7	–	0.5	–	0.5	
NIIT Computer Training School	Education Services	FY01	0.2	–	0.2	–	0.2	
Pharmacare Industries Company Limited	Chemicals	FY00	0.4	–	0.2	–	0.2	
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	
					19.6	6.9	26.5	
<b>Guinea</b>								
Agro Investment Company S.A.	Agriculture & Forestry	FY98	0.2	–	0.1	–	0.1	
Société Aurifère de Guinée S.A.	Oil, Gas and Mining	FY92, 88	8.3	–	+	–	+	
Société Guinéenne d'Hôtellerie et d'Investissements (SGHI)	Accommodation & Tourism Services	FY95, 99	4.5	–	3.3	0.6	3.8	
					3.4	0.6	4.0	
<b>Guinea-Bissau</b>								
Agribissau, S.A.R.L.	Agriculture & Forestry	FY95	0.8	–	0.1	–	0.1	
Banco de Africa Occidental, S.A.R.L.	Finance & Insurance	FY00	0.3	–	–	0.3	0.3	
					0.1	0.3	0.3	
<b>Kenya</b>								
AAA Growers Limited	Agriculture & Forestry	FY00	0.5	–	0.6	–	0.6	
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	
Anspar Beverages Limited and Anspar Distributors Limited	Food & Beverages	FY00	2.7	–	2.0	0.7	2.7	
Ceres Estates Limited	Food & Beverages	FY97	0.9	–	0.9	–	0.9	
Deras Limited	Textiles, Apparel & Leather	FY99	1.0	–	1.0	–	1.0	
Development Bank of Kenya Limited	Finance & Insurance	FY80, 84, 98	12.4	–	3.0	1.3	4.3	
Diamond Trust of Kenya Limited	Finance & Insurance	FY82	0.8	–	–	0.8	0.8	
Equitea EPZ Company Ltd.	Food & Beverages	FY98	0.4	–	0.3	0.1	0.4	
Future Hotels Limited	Accommodation & Tourism Services	FY93	0.5	–	0.1	–	0.1	
Gapco Kenya	Wholesale and Retail Trade	FY02	15.0	–	15.0	–	15.0	

# SUB-SAHARAN AFRICA

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
Grain Bulk Handlers Limited	Transportation and Warehousing	FY98	10.0	–	6.5	–	6.5
Industrial Promotion Services (Kenya) Ltd.–Frigoken Ltd.	Transportation and Warehousing	FY92	0.1	–	–	0.1	0.1
Industrial Promotion Services (Kenya) Ltd.–Premier Foods Industries Ltd.	Food & Beverages	FY92	0.1	–	–	0.1	0.1
International Hotels (Kenya) Limited	Accommodation & Tourism Services	FY95	6.0	–	4.2	–	4.2
K-Rep Bank Limited	Finance & Insurance	FY97, 99	1.4	–	–	1.4	1.4
Kenya Airways Limited	Transportation and Warehousing	FY03	15.0	–	15.0	–	15.0
Leather Industries of Kenya Limited	Textiles, Apparel & Leather	FY84, 92	1.9	–	–	0.6	0.6
Lesiolo Grain Handlers Limited	Transportation and Warehousing	FY01	2.5	–	2.5	–	2.5
Locland Limited	Agriculture & Forestry	FY98	0.6	–	0.4	–	0.4
Mabati Rolling Mills Limited	Industrial & Consumer Products	FY00	11.5	–	10.0	–	10.0
Magana Flowers (K) Limited	Agriculture & Forestry	FY00	1.1	–	1.3	–	1.3
Makini School Limited	Education Services	FY97	0.5	–	0.3	–	0.3
Panafrican Paper Mills (E.A.) Ltd.	Pulp & Paper	FY70, 74, 77, 79, 81, 88, 90, 94, 96	68.5	4.0	21.2	–	21.2
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	–	+	+
Transenergy Limited	Transportation and Warehousing	FY99	1.0	–	0.2	–	0.2
Tsavo Power Company Ltd.	Utilities	FY92, 00, 01	17.6	23.5	14.3	0.8	15.1
					98.9	6.9	105.8
<b>Liberia</b>							
Liberian Agricultural Company	Agriculture & Forestry	FY00	3.5	–	1.8	–	1.8
					1.8		1.8
<b>Madagascar</b>							
Aquaculture de la Mahajamba (AQUALMA)	Agriculture & Forestry	FY92, 93, 96	6.4	–	0.4	0.6	1.0
Bank of Africa Madagascar	Finance & Insurance	FY00	1.3	–	0.6	0.8	1.5
BNI-Crédit Lyonnais Madagascar, S.A.	Finance & Insurance	FY92	2.6	–	–	2.6	2.6
Grands Hôtels de Madagascar	Accommodation & Tourism Services	FY98	1.1	–	0.8	–	0.8
La Financière d'Investissement ARO	Collective Investment Vehicles	FY90, 91	0.5	–	–	0.5	0.5
Les Pêcheries de Nossi Be, S.A.	Agriculture & Forestry	FY84, 90	6.3	–	–	0.2	0.2
Société d'Exploitation Hôtelière et Touristique	Accommodation & Tourism Services	FY95	0.4	–	0.2	–	0.2
Société Textile de Mahajunga S.A.	Textiles, Apparel & Leather	FY77, 87	15.0	–	1.7	–	1.7
					3.8	4.7	8.5
<b>Malawi</b>							
Ivy League Developments Ltd. T/A Ufulu Gardens	Accommodation & Tourism Services	FY98	0.3	–	0.2	–	0.2

# SUB-SAHARAN AFRICA

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
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 Ltd.	Health Care	FY97	0.8	–	–	0.8	0.8
National Insurance Company Limited	Finance & Insurance	FY00	1.0	–	–	1.0	1.0
					1.1	1.9	2.9
<b>Mali</b>							
Etablissement Zaumana Traore Suarl	Transportation and Warehousing	FY92	0.1	–	0.5	–	0.5
Grand Hôtel de Bamako	Accommodation & Tourism Services	FY94, 98, 03	4.5	–	2.5	–	2.5
Graphique Industrie S.A.	Pulp & Paper	FY92	–	–	0.7	–	0.7
Groupement des Grands Garages de Bamako	Industrial & Consumer Products	FY97	0.7	–	0.7	–	0.7
Hotel Le Rabelais	Accommodation & Tourism Services	FY92	–	–	0.2	–	0.2
Société d'Exploitation des Mines d'Or de Sadiola S.A.	Oil, Gas and Mining	FY95	39.8	25.0	–	4.8	4.8
Timbuktu Trading and Transport	Transportation and Warehousing	FY98	0.1	–	0.2	–	0.2
					4.7	4.8	9.5
<b>Mauritania</b>							
Générale de Banque de Mauritanie pour l'Investissement et le Commerce	Finance & Insurance	FY98, 00	11.2	–	7.0	0.1	7.1
TIVISKI S.A.R.L.	Food & Beverages	FY92	+	–	0.6	–	0.6
					7.6	0.1	7.6
<b>Mauritius</b>							
Consolidated Mills Limited	Primary Metals	FY92	0.7	–	–	0.2	0.2
Mauritius Venture Capital Fund Limited	Collective Investment Vehicles	FY96	1.4	–	–	0.9	0.9
Socota Textile Mills Limited	Textiles, Apparel & Leather	FY87	6.0	–	–	+	+
						1.1	1.1
<b>Mozambique</b>							
Ausmoz Farm Holdings, Lda.	Agriculture & Forestry	FY01	0.7	–	0.7	–	0.7
Auto Body Grand Prix Lda	Industrial & Consumer Products	FY03	0.4	–	0.5	–	0.5
BIM - Investimento	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 Turistico Oasis de Xai-Xai Limitada	Accommodation & Tourism Services	FY98	0.7	–	0.7	–	0.7
Hoteis Polana Limitada	Accommodation & Tourism Services	FY93	3.5	–	0.2	–	0.2
Maragra Acucar SARL	Food & Beverages	FY00	10.3	–	10.3	–	10.3
Mozambique Aluminum S.A.R.L.	Primary Metals	FY98, 01	133.0	–	128.1	–	128.1
NovoBanco S.A.R.L.	Finance & Insurance	FY01	0.2	–	–	0.2	0.2
Rodoviária da Beira Lda.	Transportation and Warehousing	FY99	0.2	–	0.2	–	0.2
					142.2	0.5	142.7

# SUB-SAHARAN AFRICA

at June 30, 2003

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			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
<b>Namibia</b>							
Life Office of Namibia Limited	Finance & Insurance	FY98, 01	1.6	–	–	1.6	1.6
Nedcor Investment Bank Holding	Finance & Insurance	FY01	0.7	–	0.5	0.2	0.7
Pescanova Holdings of Namibia Limited	Food & Beverages	FY95, 97, 98, 03	20.2	–	12.4	–	12.4
					12.9	1.8	14.7
<b>Nigeria</b>							
Abuja International Diagnostic Center	Health Care	FY97	2.5	–	1.8	0.7	2.5
Adamac Industries Limited	Oil, Gas and 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 United Stores Limited	Textiles, Apparel & Leather	FY64, 67, 70, 92	6.6	0.7	–	+	+
Capital Alliance Private Equity Fund	Collective Investment Vehicles	FY00	7.5	–	–	7.5	7.5
Citibank Nigeria	Finance & Insurance	FY01	20.0	–	18.3	–	18.3
Diamond Bank Nigeria	Finance & Insurance	FY01	20.0	–	14.0	–	14.0
E. Eksons Brothers Nigeria Limited	Transportation and Warehousing	FY97	0.4	–	0.1	–	0.1
First Securities Discount House	Finance & Insurance	FY93	0.9	–	–	0.9	0.9
FSB International Bank	Finance & Insurance	FY01	22.5	–	22.5	–	22.5
Global Fabrics Manufacturers Limited	Textiles, Apparel & Leather	FY00	0.3	–	0.3	–	0.3
Guaranty Trust Bank Plc.	Finance & Insurance	FY01	20.0	–	18.0	–	18.0
Hercules Tyres Manufacturing Nigeria Ltd.	Plastics & Rubber	FY00	1.3	–	1.3	–	1.3
Hygeia Nigeria Limited	Health Care	FY00	0.6	–	0.2	0.2	0.4
Ikeja Hotel PLC	Accommodation & Tourism Services	FY81, 85, 88	12.3	–	–	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	–	0.8	–	0.8
Niger Delta Contractor Revolving Credit Facility	Finance & Insurance	FY02	15.0	–	15.0	–	15.0
Oha Motors (Nigeria) Limited	Transportation and Warehousing	FY01	0.9	–	0.8	–	0.8
Radmed Diagnostic Center Limited	Health Care	FY98	0.3	–	0.2	–	0.2
Safety Center International Limited	Education Services	FY01	0.6	–	0.5	0.1	0.6
Tourist Company of Nigeria Limited	Accommodation & Tourism Services	FY94	2.5	–	–	+	+
United Bank for Africa (plc)	Finance & Insurance	FY02	30.0	–	30.0	–	30.0
Vinfesen Industries Limited	Plastics & Rubber	FY96	1.0	–	1.0	–	1.0
					170.1	10.8	180.9
<b>Senegal</b>							
Banque de l'Habitat du Sénégal, S.A.	Finance & Insurance	FY80	0.5	–	–	0.5	0.5
Ciments du Sahel S.A.	Nonmetallic Mineral Product Manufacturing	FY00	18.1	–	18.8	2.3	21.1
Groupe Scolaire Fanaicha	Education Services	FY99	0.3	–	0.3	–	0.3
GTi Dakar LLC	Utilities	FY98	10.8	11.0	8.8	1.7	10.4
Royal Saly S.A.	Accommodation & Tourism Services	FY02	1.2	–	1.3	–	1.3

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Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
Société d'Exploitation des Ressources Thonières	Food & Beverages	FY96, 97, 99	1.3	–	–	0.4	0.4
					29.2	4.8	34.1
<b>Seychelles</b>							
Acajoux Hotel Limited	Accommodation & Tourism Services	FY95	1.0	–	0.2	–	0.2
Coral Strand Hotel	Accommodation & Tourism Services	FY96	3.3	–	1.2	–	1.2
Seychelles Internacional Mercantile Banking Corporation Limited	Finance & Insurance	FY99	10.0	–	3.0	–	3.0
					4.5		4.5
<b>Sierra Leone</b>							
MSICIH II Celtel Sierra Leone	Information	FY02	4.0	–	3.4	–	3.4
					3.4		3.4
<b>South Africa</b>							
African Bank Limited	Finance & Insurance	FY02	48.3	–	55.4	–	55.4
African Life Assurance Company Limited	Finance & Insurance	FY95, 96, 99	20.7	–	–	18.1	18.1
The Biotech Venture Partners Fund	Collective Investment Vehicles	FY02	2.4	–	–	2.4	2.4
Carosa Farm (Proprietary) Limited	Agriculture & Forestry	FY97	0.6	–	0.1	0.1	0.2
Cheiron Health Technologies (Pty) Ltd.	Professional, Scientific and Technical Services	FY00	1.3	–	0.2	0.6	0.9
Dargle Timber (Pty) Ltd./ Bulwer Timber (Pty) Limited	Industrial & Consumer Products	FY99	0.6	–	0.3	0.2	0.5
Decentralised Banking Solutions Consult (Pty) Limited	Information	FY00	0.8	–	–	0.8	0.8
Edu-Loan (Pty) Ltd.	Finance & Insurance	FY02	1.9	–	2.6	–	2.6
Eerste River Medical Center	Health Care	FY98	1.0	–	–	1.0	1.0
First Rand Bank Limited	Finance & Insurance	FY00	30.0	–	21.0	–	21.0
Foxtrot Meat Processors CC	Food & Beverages	FY99	0.4	–	0.3	–	0.3
Freecom (Pty) Ltd.	Industrial & Consumer Products	FY02	0.3	–	0.3	0.1	0.4
New Africa Mining Fund	Collective Investment Vehicles	FY03	5.0	–	–	5.0	5.0
New South Africa Pizza Investment Company Ltd.	Accommodation & Tourism Services	FY99	0.4	–	+	–	+
Printability	Pulp & Paper	FY01	6.0	–	5.1	3.9	8.9
Rubico Holding SA (Pty) Ltd.	Information	FY01, 02	6.3	–	1.3	5.0	6.3
South Africa Capital Growth Fund	Collective Investment Vehicles	FY96	20.0	–	–	1.5	1.5
South Africa Franchise Equity Fund Limited	Collective Investment Vehicles	FY95	2.1	–	–	1.2	1.2
South Africa Home Loans	Finance & Insurance	FY00, 02, 03	7.4	–	2.0	5.8	7.7
South African Private Equity Fund III, L.P.	Collective Investment Vehicles	FY99	35.0	–	–	27.9	27.9
Spier Estate Hotel	Accommodation & Tourism Services	FY02	11.9	–	14.0	1.9	15.9
Tusk Project Management (Pty) Ltd.	Professional, Scientific and Technical Services	FY01	1.6	–	1.4	0.1	1.6
					104.0	75.5	179.5

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			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
<b>Swaziland</b>							
Natex Swaziland Limited	Textiles, Apparel & Leather	FY85, 88, 93	13.6	–	3.6	+	3.6
Swazi Paper Mills Ltd	Pulp & Paper	FY02	3.7	–	5.0	–	5.0
Swazi Wattle Industries (Pty) Ltd	Chemicals	FY01	0.9	–	0.7	0.2	1.0
Swaziland Industrial Development Company Limited	Finance & Insurance	FY87, 93	3.3	–	–	1.0	1.0
The Royal Swaziland Sugar Corporation Limited	Food & Beverages	FY78, 86	10.0	–	–	0.5	0.5
					9.3	1.8	11.0
<b>Tanzania</b>							
2000 Industries Limited	Food & Beverages	FY02	1.6	–	1.6	–	1.6
Abercrombie & Kent Tanzania Limited	Accommodation & Tourism Services	FY96, 00	0.8	–	0.1	–	0.1
Aqva Ginnars Tanzania Ltd.	Agriculture & Forestry	FY97	0.8	–	0.7	–	0.7
Blue Bay Company Limited	Accommodation & Tourism Services	FY99	1.5	–	1.3	–	1.3
Boundary Hill Lodge Ltd.	Accommodation & Tourism Services	FY01	0.2	–	0.2	–	0.2
Continental Flowers Limited	Agriculture & Forestry	FY97	0.4	–	0.3	–	0.3
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 and Real Estate	FY97	2.3	–	0.6	0.6	1.2
Maji Masafi Limited	Food & Beverages	FY98	1.1	–	0.2	–	0.2
Milcafe Limited	Agriculture & Forestry	FY97	0.3	–	0.2	–	0.2
Moshi Leather Industries Limited, Tanzania	Textiles, Apparel & Leather	FY95	0.2	–	–	0.2	0.2
National Bank of Commerce	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	–	5.9	0.9	6.7
Tourism Promotion Services (Zanzibar) Limited	Accommodation & Tourism Services	FY95, 99	1.4	–	0.6	0.2	0.8
Zanzibar Safari Club Limited	Accommodation & Tourism Services	FY00	0.7	–	0.7	–	0.7
					18.3	17.9	36.2
<b>Togo</b>							
West African Cement S.A	Nonmetallic Mineral Product Manufacturing	FY00	5.7	–	2.9	1.2	4.2
					2.9	1.2	4.2
<b>Uganda</b>							
Agro Management Limited	Chemicals	FY96	1.0	–	0.6	0.4	1.0
CelTel Limited (Uganda)	Information	FY95, 01	10.3	–	1.5	–	1.5
Clovergem Fish and Foods Limited	Food & Beverages	FY93	1.0	–	0.8	–	0.8
Conrad Plaza Limited	Construction and Real Estate	FY97	1.5	–	0.8	–	0.8
Development Finance Company of Uganda Limited	Finance & Insurance	FY85, 92, 93	1.0	–	–	1.3	1.3
Executive Investments Ltd.	Construction and Real Estate	FY98	1.0	–	0.6	–	0.6

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			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
Gomba Fishing Industries Ltd.	Agriculture & Forestry	FY99	1.4	–	0.6	–	0.6
Ladoto Ginners Limited	Agriculture & Forestry	FY00	0.8	–	0.8	–	0.8
Mosa Court Apartments Limited	Construction and Real Estate	FY98	0.8	–	0.2	–	0.2
Rainbow International School Kampala Limited	Education Services	FY95	0.8	–	0.6	–	0.6
Rwenzori Properties Limited	Construction and Real Estate	FY94	1.0	–	0.1	–	0.1
Skyblue Apart-Hotel	Accommodation & Tourism Services	FY94	0.5	–	0.3	–	0.3
Sugar Corporation of Uganda Limited	Food & Beverages	FY84	10.4	–	4.0	–	4.0
Tilda (Uganda) Limited	Agriculture & Forestry	FY99	1.9	–	1.2	–	1.2
White Nile Diaries (U) Limited	Food & Beverages	FY99	0.3	–	0.2	–	0.2
					12.3	1.7	14.0
<b>Zambia</b>							
Africa Plantations Company Limited and African Highlands Plantations Company Limited	Agriculture & Forestry	FY00	2.5	–	1.3	–	1.3
Amaka Cotton Ginneries Limited	Agriculture & Forestry	FY99	1.3	–	1.3	–	1.3
Chingola Hotel	Accommodation & Tourism Services	FY02	1.0	–	1.0	–	1.0
Drilltech Engineering Limited	Oil, Gas and Mining	FY99	0.1	–	0.1	0.1	0.3
Esquire Roses Farm Limited	Agriculture & Forestry	FY00	0.5	–	0.3	–	0.3
JY Estates Limited	Agriculture & Forestry	FY98	0.9	–	0.9	–	0.9
Marasa Holdings Limited	Accommodation & Tourism Services	FY01	4.6	–	4.2	–	4.2
Michelangelo Executive Lodge Limited	Accommodation & Tourism Services	FY02	0.2	–	0.2	–	0.2
National Insurance Company (Zambia) Limited	Finance & Insurance	FY99	0.3	–	–	0.3	0.3
Zambia Bata Shoe Company Limited	Textiles, Apparel & Leather	FY72, 73	1.1	1.1	–	0.2	0.2
Zamcell Zambia Ltd.	Information	FY99, 00	8.8	–	5.5	1.0	6.5
					14.7	1.7	16.4
<b>Zimbabwe</b>							
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 Maternity Home (PVT) Ltd.	Health Care	FY99	0.2	–	–	0.2	0.2
Commercial Bank of Zimbabwe Limited	Finance & Insurance	FY98	27.0	–	14.0	–	14.0
Deraswiss Zimbabwe (Pvt) Ltd.	Textiles, Apparel & Leather	FY00	0.9	–	1.1	–	1.1
First Merchant Bank of Zimbabwe Limited	Finance & Insurance	FY91, 98	30.6	15.0	1.8	–	1.8
Hy-Veld Holdings (Pvt) Ltd	Food & Beverages	FY99	1.3	–	1.3	–	1.3
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) Limited	Chemicals	FY97	1.0	–	0.9	0.2	1.0
Stone Holdings Limited, Zimbabwe	Oil, Gas and Mining	FY96	1.5	–	1.4	–	1.4
Trinidad Industries (Private) Limited	Chemicals	FY97	1.5	–	0.1	0.6	0.7
UDC Limited	Finance & Insurance	FY85, 87, 89, 96, 00	14.8	–	1.2	–	1.2

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			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
Venture Capital Company of Zimbabwe, Ltd.	Collective	FY91	0.5	–	–	0.5	0.5
	Investment Vehicles						
Victoria Falls Safari Lodge Hotel (Private) Ltd.	Accommodation & Tourism Services	FY94	2.8	–	–	0.2	0.2
The Zambezi Fund Mauritius (Private) Limited	Collective	FY97	2.5	–	–	0.5	0.5
	Investment Vehicles						
Zambezi Safari Lodges	Accommodation & Tourism Services	FY96	1.3	–	1.0	–	1.0
					23.7	3.2	26.9
<b>Regional Investments</b>							
The Africa Emerging Markets Fund	Collective	FY94	7.5	–	–	7.3	7.3
	Investment Vehicles						
Africa International Financial Holdings, LLC	Collective	FY03	6.6	–	–	6.6	6.6
	Investment Vehicles						
Africa Media Group Limited	Information	FY02	5.0	–	–	5.0	5.0
African Infrastructure Fund	Collective	FY00	74.8	–	–	74.5	74.5
	Investment Vehicles						
Africap Microfinance Fund Ltd.	Finance & Insurance	FY02	2.0	–	–	2.0	2.0
AIG African Infrastructure Management	Collective	FY00	0.2	–	–	0.2	0.2
	Investment Vehicles						
Aureos East Africa Fund, LLC	Collective	FY03	4.0	–	–	4.0	4.0
	Investment Vehicles						
Aureos Southern Africa Fund, LLC	Collective	FY03	6.0	–	–	6.0	6.0
	Investment Vehicles						
Coca Cola SABCO (Pty) Ltd.	Food & Beverages	FY02	20.0	–	10.0	10.0	20.0
Ecobank Transnational Incorporated	Finance & Insurance	FY99	7.5	–	3.8	3.8	7.5
Energy Africa Limited	Oil, Gas and Mining	FY92	–	–	–	38.0	38.0
Framlington Asset Management West Africa SA	Collective	FY99	+	–	–	+	+
	Investment Vehicles						
Industrial Promotion Services (Kenya) Limited	Collective	FY82	1.2	–	–	1.2	1.2
	Investment Vehicles						
Mining and Contracting Services Limited	Oil, Gas and Mining	FY01	34.0	40.0	30.0	4.0	34.0
Mobile Systems International Cellular Investments Holdings, B.V.	Information	FY00, 02	33.3	–	–	33.3	33.3
Osprey Oil and Gas Limited	Oil, Gas and Mining	FY03	0.3	–	–	0.3	0.3
West Africa Growth Fund	Collective	FY97	6.3	–	–	5.1	5.1
	Investment Vehicles						
					43.8	201.3	245.0
<b>Total equity and loans</b>					<b>975.2</b>	<b>408.8</b>	<b>1,384.0</b>
<b>Total guarantees and risk management products</b>							<b>60.0</b>
<b>Total IFC portfolio for Sub-Saharan Africa</b>							<b>1,444.0</b>

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Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)			
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity	
<b>Bangladesh</b>								
Delta BRAC Housing Finance Corporation Ltd.	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	–	10.0	1.6	11.6	
HeidelbergCement Bangladesh Limited	Nonmetallic Mineral Product Manufacturing	FY01	10.0	–	10.0	–	10.0	
Industrial Development Leasing Company of Bangladesh Limited	Finance & Insurance	FY85, 96	3.2	–	–	0.1	0.1	
Industrial Promotion and Development Company of Bangladesh Limited	Finance & Insurance	FY80, 99	11.1	–	6.9	1.1	7.9	
Khulna Power Company Limited	Utilities	FY99	22.5	51.0	15.6	–	15.6	
Lafarge Surma Cement Ltd.	Nonmetallic Mineral Product Manufacturing	FY02	45.0	–	35.0	10.0	45.0	
R.A.K. Ceramics (Bangladesh) Pvt. Ltd.	Nonmetallic Mineral Product Manufacturing	FY03	12.0	–	12.0	–	12.0	
						93.7	13.4	107.1
<b>Cambodia</b>								
ACLEDA Bank	Finance & Insurance	FY00	0.5	–	–	0.5	0.5	
Aman Siem Reap	Accommodation & Tourism Services	FY03	1.2	–	1.2	–	1.2	
SEF Hagar Soya	Food & Beverages	FY03	0.5	–	–	0.5	0.5	
						1.2	0.9	2.1
<b>China</b>								
Advantage China Holdings Limited	Finance & Insurance	FY02, 03	0.7	–	–	0.7	0.7	
ASIMCO International Casting (Shanxi) Co., Ltd.	Industrial & Consumer Products	FY00	19.0	–	16.7	–	16.7	
Bank of Shanghai	Finance & Insurance	FY00, 02	50.3	–	–	50.3	50.3	
Beijing Hormel Foods Company Limited	Food & Beverages	FY97	5.5	5.5	1.8	0.5	2.3	
BNP Paribas Peregrine China Investment Bank	Finance & Insurance	FY03	11.6	–	–	11.6	11.6	
CDH China Fund	Collective Investment Vehicles	FY02	20.0	–	–	19.7	19.7	
Chengdu Chemical Company Ltd.	Chemicals	FY99	10.6	8.6	6.7	3.2	9.9	
Chengxin International Credit Ratings Limited	Finance & Insurance	FY99	0.4	–	–	0.4	0.4	
China Dynamic Growth Fund L.P.	Collective Investment Vehicles	FY94	12.4	–	–	8.8	8.8	
China Huarong Asset Management Corporation	Finance & Insurance	FY02	34.5	–	31.5	3.0	34.5	
China Infrastructure Group Holdings PLC.	Transportation and Warehousing	FY99, 00	4.5	–	–	4.5	4.5	
China Minsheng Banking Corp., Ltd.	Finance & Insurance	FY03	23.5	–	–	23.5	23.5	
China Walden Management Limited	Collective Investment Vehicles	FY94	+	–	–	+	+	
China Walden Venture Investments Limited	Collective Investment Vehicles	FY94	7.5	–	–	+	+	
CSRC China Corporation	Chemicals	FY02	11.0	–	9.0	2.0	11.0	
Dalian Float Glass Company Limited	Nonmetallic Mineral Product Manufacturing	FY95	32.9	30.5	–	2.4	2.4	
Dupont Suzhou Polyester Co. Ltd.	Textiles, Apparel & Leather	FY96	29.1	52.0	9.3	4.1	13.5	
Great Infotech	Information	FY03	3.5	–	–	3.5	3.5	

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			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
Hansom Investment Limited	Transportation and Warehousing	FY99	16.1	–	–	0.1	0.1
Interstate Energy Corporation Pte, Ltd.	Utilities	FY02	20.0	–	20.0	–	20.0
Jilin Zhengye Agriculture Development Co.	Food & Beverages	FY03	15.0	–	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	17.4	38.8	4.9	3.8	8.7
New China Life Insurance Co.,Ltd	Finance & Insurance	FY01	30.7	–	–	30.7	30.7
Newbridge Investment Partners, L.P.	Collective Investment Vehicles	FY95	6.7	–	–	2.0	2.0
Orient Finance Company, Ltd.	Finance & Insurance	FY97	10.0	20.0	7.6	–	7.6
Pacific Ports Company Limited	Transportation and Warehousing	FY97	–	–	–	2.5	2.5
Paris-Shanghai Asset Management Co. Ltd.	Finance & Insurance	FY03	1.9	–	–	1.9	1.9
Peak Pacific Investment Company	Utilities	FY02	25.0	–	25.0	–	25.0
Plantation Timber Products Holdings Limited	Industrial & Consumer Products	FY00	1.5	–	–	2.5	2.5
Scana Leshan Machinery Co., Ltd.	Primary Metals	FY99	7.4	–	5.4	1.4	6.7
Shanghai Hormel Foods Co. Ltd.*	Food & Beverages	FY92	(0.5)	(0.5)	0.5	–	0.5
Shanghai Krupp Stainless Co., Ltd.	Primary Metals	FY00	30.0	68.8	28.9	–	28.9
Shanghai Midway Infrastructure (Holdings), Ltd.	Transportation and Warehousing	FY99	–	–	–	16.0	16.0
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
Sichuan SME Investment Fund	Collective Investment Vehicles	FY01	6.0	–	–	6.0	6.0
Sino Mining Limited	Oil, Gas and Mining	FY03	5.0	–	–	5.0	5.0
Sino-Forest Plantation	Agriculture & Forestry	FY02	25.0	–	25.0	–	25.0
Suzhou Huasu Plastics Co., Ltd.	Chemicals	FY97	24.5	22.2	–	2.5	2.5
Weihai Weidongri Comprehensive Foodstuff Co., Ltd.	Food & Beverages	FY96	4.5	4.9	1.3	–	1.3
Wuhan International Container Transshipment Company Limited	Transportation and Warehousing	FY99	5.0	–	5.0	–	5.0
Xi'an City Commercial Bank	Finance & Insurance	FY03	19.9	–	–	19.9	19.9
Yantai Mitsubishi Cement Company Limited	Nonmetallic Mineral Product Manufacturing	FY93	30.7	–	7.9	2.0	9.9
Zibo Wan Jie Tumor Hospital	Health Care	FY02	15.0	–	15.0	–	15.0
					244.8	261.1	505.9
<b>Fiji</b>							
Hillview Limited	Accommodation & Tourism Services	FY99	3.9	–	5.2	–	5.2
					5.2		5.2

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			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
<b>India</b>							
The Ahmedabad Electricity Company Limited	Utilities	FY89	20.8	–	1.1	–	1.1
Alok Industries Limited	Textiles, Apparel & Leather	FY03	17.5	–	17.5	–	17.5
Ambuja Cement Rajasthan Ltd.	Nonmetallic Mineral Product Manufacturing	FY94	19.4	17.0	–	4.9	4.9
Apollo Tyres Limited	Plastics & Rubber	FY03	21.0	15.0	21.1	–	21.1
The Arvind Mills Limited	Textiles, Apparel & Leather	FY92	20.9	–	–	7.5	7.5
Asian Electronics Ltd. (AEL)	Industrial & Consumer Products	FY98	5.5	–	–	5.5	5.5
Balrampur Chini Mills Ltd.	Food & Beverages	FY03	14.9	–	15.0	–	15.0
Bharti Mobile Limited	Information	FY01	20.0	–	–	20.0	20.0
Bhartiya Samruddhi Finance Limited	Finance & Insurance	FY01	1.0	–	–	1.0	1.0
Bihar Sponge Iron Ltd.	Primary Metals	FY85, 91	15.9	–	13.2	0.7	13.9
Centurion Bank Limited	Finance & Insurance	FY95, 97	18.9	–	0.5	4.6	5.1
CESC Limited	Utilities	FY91, 93	54.7	67.0	30.1	–	30.1
CFL Capital Financial Services Limited	Finance & Insurance	FY97	20.0	–	19.6	–	19.6
Continental Carbon India Limited	Chemicals	FY01	9.0	11.5	9.0	–	9.0
Cosmo Films Limited	Plastics & Rubber	FY03	10.0	–	10.0	–	10.0
Dataquest Management and Communications Ltd.	Information	FY03	2.0	–	0.5	1.5	2.0
Dewan Housing Finance Corporation Ltd.	Finance & Insurance	FY03	12.9	–	12.9	–	12.9
Eurolight Electricals Pvt., Ltd.	Industrial & Consumer Products	FY98	+	–	–	+	+
GE Capital Transportation Financial Services Ltd.	Finance & Insurance	FY95	19.4	–	–	4.4	4.4
Global Trade Finance (Pvt.) Limited	Finance & Insurance	FY01	2.4	–	–	2.4	2.4
Global Trust Bank	Finance & Insurance	FY94, 98, 00, 01	16.0	–	5.0	9.9	14.9
Gujarat Ambuja Cements Ltd.	Nonmetallic Mineral Product Manufacturing	FY94	25.8	–	–	7.3	7.3
GVK Industries Ltd.	Utilities	FY92, 96	37.5	38.8	–	7.5	7.5
Henkel SPIC India Ltd.	Chemicals	FY95, 00	4.7	–	–	4.7	4.7
Housing Development Finance Corporation Limited	Finance & Insurance	FY78, 87, 91, 92, 93, 03	147.8	60.0	100.0	–	100.0
IL&FS Venture Corporation Limited	Collective Investment Vehicles	FY93, 95	1.0	–	–	1.0	1.0
IndAsia Fund Advisors Pvt. Ltd.	Collective Investment Vehicles	FY01	15.0	–	–	15.0	15.0
India Auto Ancillary Fund	Collective Investment Vehicles	FY99	2.3	–	–	2.3	2.3
The India Direct Fund, L.P.	Collective Investment Vehicles	FY96	7.5	–	–	7.2	7.2
India Lease Development Limited	Finance & Insurance	FY85, 90, 95	4.6	–	–	0.9	0.9
Indian Infrastructure Equipment Limited	Finance & Insurance	FY02	3.1	–	–	3.1	3.1
The Indian Seamless Metal Tubes Limited	Primary Metals	FY01	10.5	–	10.5	–	10.5
Indo Rama Synthetics Ltd.	Textiles, Apparel & Leather	FY92, 94, 96	56.8	–	12.5	7.7	20.2
Indo Rama Textiles Ltd	Textiles, Apparel & Leather	FY92	–	–	–	1.9	1.9
Indus Investments Mauritius Limited	Collective Investment Vehicles	FY96	+	–	–	+	+

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			Total IFC	Total syndi- cations	Loans	Equity (at cost)	Total loans and equity
Indus Venture Capital Fund I	Collective	FY92	1.0	-	-	0.6	0.6
	Investment Vehicles						
Indus Venture Investments Limited	Collective	FY96	5.0	-	-	4.3	4.3
	Investment Vehicles						
Indus Venture Management Limited	Collective	FY92	+	-	-	+	+
	Investment Vehicles						
Information Technology Fund	Collective	FY94	0.6	-	-	0.6	0.6
	Investment Vehicles						
Infrastructure and Development Finance Company Limited	Finance & Insurance	FY98	15.5	-	-	15.5	15.5
Infrastructure Leasing & Financial Services Limited	Finance & Insurance	FY91, 93, 95, 99	48.0	-	-	8.0	8.0
ING Vysya Bank	Finance & Insurance	FY01	7.3	-	-	3.7	3.7
Ispat Industries Limited	Primary Metals	FY92, 95, 97	62.9	-	30.4	13.7	44.1
Jet Airways (P) Ltd.	Transportation and Warehousing	FY01	15.0	-	-	15.0	15.0
Larsen & Toubro	Construction and Real Estate	FY03	50.0	-	50.0	-	50.0
Learning Universe Pvt. Limited	Education Services	FY01	0.3	-	-	0.3	0.3
Mahindra & Mahindra Financial Services Limited	Finance & Insurance	FY02	17.2	-	18.0	-	18.0
Mahindra & Mahindra Limited	Industrial & Consumer Products	FY81, 90, 93	28.8	-	-	4.6	4.6
Mahindra Infrastructure Developers Limited	Utilities	FY01	10.0	-	-	10.0	10.0
Mahindra Shubhlabh Services Limited	Agriculture & Forestry	FY03	2.3	-	-	2.3	2.3
Minimally Invasive Education Company Limited	Education Services	FY02	1.6	-	-	1.6	1.6
Moser Baer India Limited	Industrial & Consumer Products	FY96, 99, 00	70.9	-	40.1	24.9	65.1
NewPath Ventures LLC	Information	FY03	10.0	-	-	10.0	10.0
Nicco Uco Alliance Credit Limited	Finance & Insurance	FY93, 96, 97, 98	6.5	5.0	2.1	0.5	2.5
Niko Resources Ltd.	Oil, Gas and Mining	FY03	30.0	-	30.0	-	30.0
Orchid Chemicals & Pharmaceuticals Limited	Chemicals	FY01	30.0	-	10.0	6.1	16.1
Owens-Corning (India) Ltd.	Nonmetallic Mineral Product Manufacturing	FY97	25.0	-	17.3	-	17.3
Oxides and Specialities Limited	Chemicals	FY91	0.3	-	-	+	+
Prism Cement Limited	Nonmetallic Mineral Product Manufacturing	FY95	20.0	15.0	11.3	5.0	16.3
Rain Calcining Limited	Chemicals	FY96	24.7	-	10.4	5.5	15.8
RPG Cellular Investments & Holdings Private Limited	Information	FY01	2.0	-	-	2.0	2.0
RPG Telephone Limited	Information	FY01	0.4	-	-	0.4	0.4
South Asian Regional Apex Fund	Collective	FY96	5.9	-	-	5.9	5.9
	Investment Vehicles						
Spryance.com, Inc.	Information	FY01, 03	3.0	-	-	3.0	3.0
SREI International Finance Limited	Finance & Insurance	FY98, 00	33.0	-	24.1	3.0	27.1
Steuerung Anlage Pvt. Ltd.	Industrial & Consumer Products	FY98	0.1	-	-	0.1	0.1
Sundaram Home Ltd.	Finance & Insurance	FY00, 02	12.5	-	10.7	2.2	12.9
Switching Technologies Günther Ltd.	Industrial & Consumer Products	FY87	1.0	-	0.3	-	0.3
Tanflora Infrastructure Park Limited	Agriculture & Forestry	FY00	0.5	-	-	0.5	0.5
Tata Electric Companies	Utilities	FY90, 91, 94	130.6	-	16.7	-	16.7

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Tata Engineering & Locomotive Company Limited	Industrial & Consumer Products	FY03	50.0	-	50.0	-	50.0
The Tata Iron and Steel Company Limited	Primary Metals	FY81, 86, 93, 94	98.4	16.7	-	7.7	7.7
TCFC Finance Limited	Finance & Insurance	FY94	-	-	-	+	+
TCW/ICICI India Private Equity Fund, L.L.C.	Collective Investment Vehicles	FY98	10.0	-	-	5.6	5.6
Technology Development and Information Company of India Limited	Collective Investment Vehicles	FY91	2.1	-	-	0.2	0.2
Titan Industries Limited	Industrial & Consumer Products	FY87, 89, 90, 93	20.9	-	-	1.0	1.0
UCAL Fuel Systems Limited	Industrial & Consumer Products	FY90	0.6	-	-	0.4	0.4
United Riceland Limited	Food & Beverages	FY96	10.0	-	9.4	-	9.4
Usha Martin Limited	Primary Metals	FY03	24.6	-	21.0	3.6	24.6
Varun Shipping Company Limited	Transportation and Warehousing	FY91, 96, 01	22.8	6.0	-	1.7	1.7
Walden-Nikko India Management Co. Ltd.	Collective Investment Vehicles	FY98	+	-	-	+	+
Walden-Nikko India Ventures Co. LDC	Collective Investment Vehicles	FY98	2.4	-	-	2.0	2.0
Webdunia.com (India) Private Limited	Information	FY02	2.0	-	-	2.0	2.0
WTI Advanced Technology	Professional, Scientific and Technical Services	FY88	0.2	-	-	0.2	0.2
					630.4	294.6	925.0
<b>Indonesia</b>							
P.T. AdeS Alfindo Putrasetia Tbk.	Food & Beverages	FY98	13.8	19.7	-	7.0	7.0
P.T. Agro Muko	Food & Beverages	FY91	12.7	-	-	2.2	2.2
P.T. Alumindo Light Metal Industry	Primary Metals	FY97	15.0	20.0	10.6	-	10.6
P.T. Asia Wisata Promosindo**	Accommodation & Tourism Services	FY94	-	-	2.0	-	2.0
P.T. Astra Graphia	Professional, Scientific and Technical Services	FY97	2.5	-	-	2.0	2.0
P.T. Astra International, Tbk.	Industrial & Consumer Products	FY90, 91, 94, 03	37.1	-	-	12.7	12.7
P.T. Astra Otoparts Tbk.	Industrial & Consumer Products	FY92	-	-	-	1.1	1.1
P.T. Asuransi Jiwa Dharmala Manulife	Finance & Insurance	FY88	0.3	-	-	0.3	0.3
P.T. Bakrie Pipe Industries	Primary Metals	FY95	37.3	-	33.2	-	33.2
P.T. Bank NISP	Finance & Insurance	FY98, 01, 02	18.6	-	-	13.6	13.6
P.T. BBL Dharmala Finance	Finance & Insurance	FY93, 96	20.0	35.0	11.5	-	11.5
P.T. Berlian Laju Tanker tbk	Transportation and Warehousing	FY98	28.2	25.2	6.8	20.0	26.8
P.T. Gawi Makmur Kalimantan	Food & Beverages	FY03	11.5	10.0	11.5	-	11.5
P.T. Grahawita Santika	Accommodation & Tourism Services	FY92, 96	11.8	-	5.0	-	5.0
P.T. Indorama Synthetics Tbk.	Textiles, Apparel & Leather	FY90, 91, 95, 99, 01, 03	98.8	67.5	6.7	11.8	18.5
P.T. Kalimantan Sanggar Pusaka (KSP) and Subsidiaries	Food & Beverages	FY97	35.0	6.0	20.0	15.0	35.0
P.T. KDLC BancBali Finance	Finance & Insurance	FY94	16.1	-	-	+	+
P.T. KIA Keramik Mas	Nonmetallic Mineral Product Manufacturing	FY92, 94, 96	30.9	63.5	18.8	-	18.8
P.T. KIA Serpih Mas	Nonmetallic Mineral Product Manufacturing	FY95	21.2	55.0	15.0	-	15.0

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			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
P.T. Makro Indonesia	Wholesale and Retail Trade	FY97, 00	1.3	–	–	4.0	4.0
P.T. Megaplast Jayacitra	Industrial & Consumer Products	FY99	11.3	–	5.3	2.5	7.8
P.T. Nusantara Tropical Fruit	Agriculture & Forestry	FY93	8.6	6.7	7.6	–	7.6
P.T. Pramindo Ikat Nusantara	Information	FY97	53.9	70.0	–	2.5	2.5
P.T. Samudera Indonesia	Transportation and Warehousing	FY93	17.0	3.0	–	5.0	5.0
P.T. Sayap Mas Utama	Chemicals	FY98	10.0	20.0	5.8	–	5.8
P.T. South Pacific Viscose	Chemicals	FY93, 96	45.0	60.0	21.1	–	21.1
P.T. Sunson Textile Manufacturer Tbk.	Textiles, Apparel & Leather	FY02	12.4	8.2	12.4	–	12.4
P.T. Wings Surya	Chemicals	FY98	8.7	21.3	5.1	–	5.1
PT Bank Buana Indonesia	Finance & Insurance	FY03	15.0	–	–	15.0	15.0
PT Sahabat Mewah Dan Makmur	Agriculture & Forestry	FY03	12.0	–	12.0	–	12.0
PT Sigma Cipta Caraka	Professional, Scientific and Technical Services	FY01	3.0	–	–	3.0	3.0
Verdaine Investment Limited	Agriculture & Forestry	FY03	14.0	–	14.0	–	14.0
					224.4	117.7	342.1
<b>Korea, Republic of</b>							
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	45.8	–	16.9	29.8	46.6
Dae Chang Industrial Co. Ltd.	Primary Metals	FY99	22.4	9.8	12.4	7.1	19.4
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	143.5	65.0	–	73.2	73.2
Iljin Electric Co., Ltd.	Industrial & Consumer Products	FY99	15.0	–	9.0	0.2	9.2
KOMOCO MBS 2001-1	Finance & Insurance	FY92	–	–	15.2	–	15.2
Korea Growth and Restructuring Fund, L.P.	Collective Investment Vehicles	FY00	35.0	–	–	34.0	34.0
Korea Mortgage Corporation	Finance & Insurance	FY01	96.8	–	43.8	8.8	52.6
Samgwang Gohachem Co., Ltd.	Chemicals	FY85	0.1	–	–	0.1	0.1
Shinmoorim Paper Manufacturing Co., Ltd.	Pulp & Paper	FY99, 00	41.4	8.0	23.4	9.2	32.6
					134.6	168.4	303.0
<b>Lao People's Democratic Republic</b>							
Belmont Hotel Investments (Laos) Ltd	Accommodation & Tourism Services	FY98, 01	1.2	–	1.0	–	1.0
Burapaha Agro-Forestry Co., Ltd.	Industrial & Consumer Products	FY99	0.8	–	0.8	–	0.8
Endeavour Embroidery Co. Ltd.	Textiles, Apparel & Leather	FY99	0.1	–	0.1	–	0.1
Villa Santi	Accommodation & Tourism Services	FY01	1.1	–	1.1	–	1.1
					3.1		3.1

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			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
<b>Maldives</b>							
Maldives Leasing Company Limited	Finance & Insurance	FY02	1.3	–	–	1.3	1.3
Villa Shipping and Trading Company Private Ltd.	Accommodation & Tourism Services	FY03	15.0	–	15.0	–	15.0
					15.0	1.3	16.3
<b>Mongolia</b>							
G&M Industrial Ltd.	Textiles, Apparel & Leather	FY97	1.3	–	0.3	–	0.3
XACBank Ltd.	Finance & Insurance	FY02	0.4	–	0.4	–	0.4
					0.7		0.7
<b>Nepal</b>							
Bhote Koshi Power Company Private Limited	Utilities	FY98	23.9	32.9	18.0	2.9	20.9
Himal Power Limited	Utilities	FY96	32.0	–	27.9	–	27.9
ILFC – Nepal	Finance & Insurance	FY01	0.3	–	–	0.3	0.3
Jomsom Mountain Resort (P) Ltd.	Accommodation & Tourism Services	FY98	4.0	–	4.0	–	4.0
					49.8	3.2	53.1
<b>Philippines</b>							
Alaska Milk Corp.	Food & Beverages	FY80	–	–	–	0.6	0.6
All Asia Capital Growth Ventures BVI – I, Ltd.	Collective Investment Vehicles	FY96	4.0	–	–	+	+
All Asia Capital Managers, Inc.	Collective Investment Vehicles	FY96	+	–	–	+	+
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 Ltd.	Collective Investment Vehicles	FY96	+	–	–	+	+
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
Bataan Polyethylene Corporation	Chemicals	FY00	40.0	117.3	39.8	–	39.8
Eastwood Cyber One Corporation	Professional, Scientific and Technical Services	FY02	25.0	–	25.0	–	25.0
ePlanters	Information	FY00	0.2	–	–	0.2	0.2
Filinvest Alabang Inc.	Construction and Real Estate	FY02	22.0	–	22.0	–	22.0
H&Q Philippine Holdings BVI, Inc.	Collective Investment Vehicles	FY99	5.8	–	–	5.8	5.8
H&Q Philippine Ventures II, Inc.	Collective Investment Vehicles	FY94	2.4	–	–	1.2	1.2
H&Q Philippine Ventures, Inc.	Collective Investment Vehicles	FY89	2.3	–	–	0.6	0.6
Manila North Tollways Corporation	Transportation and Warehousing	FY02	46.0	–	46.0	–	46.0
Manila Water Company	Utilities	FY03	30.2	–	30.2	–	30.2
Mariwasa Manufacturing, Inc.	Nonmetallic Mineral Product Manufacturing	FY70, 72, 00	15.0	0.5	13.6	–	13.6
Marsman-Drysdale Agribusiness Holdings, Inc.	Food & Beverages	FY99	15.0	10.0	11.8	–	11.8
Micro Enterprise Bank of Philippines	Finance & Insurance	FY01	0.1	–	–	0.1	0.1
Mirant Pagbilao Corporation	Utilities	FY93	70.0	11.0	24.0	10.0	34.0

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Mirant Sual Corporation	Utilities	FY96	47.5	196.0	25.5	17.5	43.0
Northern Mindanao Power Corporation	Utilities	FY92, 93	16.8	21.0	–	4.3	4.3
Pilipinas Shell Petroleum Corporation	Chemicals	FY93	40.3	65.9	–	1.6	1.6
PlantersBank	Finance & Insurance	FY01	23.7	–	+	8.7	8.7
Pryce Gases Incorporated	Professional, Scientific and Technical Services	FY99	13.0	5.0	13.0	–	13.0
S&R Price	Wholesale and Retail Trade	FY02	12.5	–	12.5	–	12.5
Software Ventrues Int'l., Inc	Professional, Scientific and Technical Services	FY03	4.0	–	–	4.0	4.0
STRADCOM Corporation	Transportation and Warehousing	FY01	20.0	–	12.0	8.0	20.0
Union Cement Corporation	Nonmetallic Mineral Product Manufacturing	FY93	23.6	–	–	5.6	5.6
United Pulp and Paper Company, Inc.	Pulp & Paper	FY99	30.0	–	28.5	–	28.5
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	–	–	1.0	1.0
					332.6	70.5	403.1
<b>Samoa</b>							
MedCen Samoa Ltd.	Health Care	FY92	0.5	–	0.5	–	0.5
National Bank of Samoa	Finance & Insurance	FY00	0.1	–	0.1	–	0.1
Willex Cocoa and Coconut Products Limited	Food & Beverages	FY92	0.3	–	0.3	–	0.3
					0.9		0.9
<b>Sri Lanka</b>							
Asia Power (Private) Limited	Utilities	FY97	11.0	8.8	6.6	2.3	8.8
Commercial Bank of Ceylon	Finance & Insurance	FY03	10.0	–	–	10.0	10.0
Fitch Ratings Lanka Limited	Finance & Insurance	FY00	0.1	–	–	0.1	0.1
Lanka Orix Factors Ltd.	Finance & Insurance	FY99	1.7	–	0.4	–	0.4
National Development Bank Housing Corp.	Finance & Insurance	FY00	1.1	–	–	1.1	1.1
Nations Trust Bank	Finance & Insurance	FY99	1.1	–	–	1.1	1.1
Packages Lanka (Private) Limited	Pulp & Paper	FY97	1.1	–	–	1.1	1.1
South Asia Gateway Terminals (Private Limited)	Transportation and Warehousing	FY00	42.3	–	33.5	7.3	40.8
Suntel Limited	Information	FY01	7.5	–	–	7.5	7.5
Taj Lanka Hotels Limited	Accommodation & Tourism Services	FY81, 82	8.4	10.2	–	0.6	0.6
Union Assurance Limited	Finance & Insurance	FY88, 95	1.0	–	–	1.0	1.0
					40.5	32.0	72.5

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<b>Thailand</b>							
Ayudhya Development Leasing Co. Ltd.	Finance & Insurance	FY92, 93, 96, 98	12.4	–	3.6	2.4	6.0
Bangkok Mass Transit System Public Company Limited	Transportation and Warehousing	FY97, 99	99.7	–	89.8	9.8	99.7
Bumrungrad Medical Center Limited	Health Care	FY94, 00	27.2	35.0	–	1.1	1.1
Central Plaza Hotel Company Limited	Accommodation & Tourism Services	FY93	13.9	–	–	13.9	13.9
Dhana Siam Finance and Securities Public Company Limited	Finance & Insurance	FY94	30.0	–	6.5	–	6.5
HMC Polymers Company Limited	Chemicals	FY88, 96	18.9	11.0	–	3.9	3.9
Krung Thai IBJ Leasing Company Limited	Finance & Insurance	FY92	0.4	–	–	0.4	0.4
Ladprao General Hospital Company Ltd.	Health Care	FY92	0.3	–	–	0.3	0.3
Siam Asahi Technoglass Co. Ltd.	Industrial & Consumer Products	FY90	6.4	–	–	6.4	6.4
Star Petroleum Refining Company Limited	Chemicals	FY94	100.0	350.0	63.3	–	63.3
TelecomAsia Corporation Plc	Information	FY02	25.8	–	27.0	–	27.0
Thai Equity Fund	Collective Investment Vehicles	FY02	37.5	–	–	37.5	37.5
Thai Petrochemical Industry Public Company Limited	Chemicals	FY97	98.2	383.3	98.9	+	98.9
Thailand International Rating Agency	Finance & Insurance	FY01	0.1	–	–	0.1	0.1
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	FY92	–	–	–	1.1	1.1
					289.2	81.9	371.1
<b>Vietnam</b>							
Allianz/AGF 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 Group	Finance & Insurance	FY03	2.0	–	–	2.0	2.0
Franco-Vietnamese Hospital	Health Care	FY02	8.0	–	8.0	–	8.0
Glass Egg Digital Media	Professional, Scientific and Technical Services	FY03	1.8	–	–	1.8	1.8
Global CyberSoft, Inc.	Information	FY02	1.3	–	–	1.3	1.3
Holcim (Vietnam) Ltd.	Nonmetallic Mineral Product Manufacturing	FY96	30.0	66.6	18.5	–	18.5
Nghe An Tate & Lyle Ltd	Food & Beverages	FY00	20.0	20.0	16.8	–	16.8
Nghi Son Cement Corporation	Nonmetallic Mineral Product Manufacturing	FY99	21.2	18.8	17.0	–	17.0
RMIT Vietnam International University	Education Services	FY02	7.3	–	7.3	–	7.3
Saigon Thuong Tin Commercial Joint Stock Bank	Finance & Insurance	FY03	2.9	–	–	2.9	2.9
San Miguel Haiphong Glass Company	Nonmetallic Mineral Product Manufacturing	FY97	10.0	4.5	6.1	–	6.1
Vietnam Enterprise Investment Limited	Collective Investment Vehicles	FY02, 03	20.0	–	12.0	8.0	20.0
Vietnam International Leasing Company Limited	Finance & Insurance	FY97	0.8	–	–	0.8	0.8
Vinh Phat Company Limited	Textiles, Apparel & Leather	FY99	0.1	–	0.1	–	0.1
					85.8	23.0	108.9

# ASIA & THE PACIFIC

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
<b>Regional Investments</b>							
Asia Opportunity Fund L.P.	Collective	FY99	84.9	–	–	77.1	77.1
	Investment Vehicles						
Asian Debt Facility	Collective	FY99	100.0	–	100.0	–	100.0
	Investment Vehicles						
Asian Infrastructure Fund	Collective	FY95	50.0	–	–	41.8	41.8
	Investment Vehicles						
Asian Infrastructure Fund Management Company Ltd.	Collective	FY95, 98	0.1	–	–	0.1	0.1
	Investment Vehicles						
Asian Mezzanine Infrastructure Fund	Collective	FY97	2.3	–	–	0.8	0.8
	Investment Vehicles						
Asian Mezzanine Infrastructure Fund Management Company	Collective	FY97	0.1	–	–	0.1	0.1
	Investment Vehicles						
Chase Asia Equity Advisors, L. D.C.	Collective	FY99	+	–	–	+	+
	Investment Vehicles						
Emerging Asia CBO Limited	Finance & Insurance	FY02	17.5	–	16.7	–	16.7
Kula Fund Limited	Collective	FY98	3.0	–	–	2.4	2.4
	Investment Vehicles						
SEAVI Participation Certificate	Collective	FY92	–	–	–	+	+
	Investment Vehicles						
SMELoan	Finance & Insurance	FY02	20.0	–	15.0	5.0	20.0
Vital Solutions Pte Ltd	Information	FY01	1.0	–	–	1.0	1.0
					131.7	128.3	260.0
<b>Total equity and loans</b>					<b>2,283.7</b>	<b>1,196.3</b>	<b>3,480.0</b>
<b>Total guarantees and risk management products</b>							<b>758.8</b>
<b>Total IFC portfolio for Asia &amp; the Pacific</b>							<b>4,238.8</b>

# EUROPE & CENTRAL ASIA

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
<b>Albania</b>							
Anglo Albania Petroleum Limited	Oil, Gas and Mining	FY98	28.5	–	–	28.5	28.5
Eurotech Cement, Shpk.	Nonmetallic Mineral Product Manufacturing	FY99	1.2	–	0.6	–	0.6
FEFAD Bank	Finance & Insurance	FY00	1.0	–	–	1.0	1.0
National Commercial Bank Sh.A.	Finance & Insurance	FY00	2.0	–	–	2.0	2.0
					0.6	31.5	32.1
<b>Armenia</b>							
ACBA Leasing	Finance & Insurance	FY03	2.3	–	2.0	0.3	2.3
Armenia Hotel Closed Joint Stock Company	Accommodation & Tourism Services	FY01	3.6	–	–	3.6	3.6
					2.0	3.8	5.8
<b>Azerbaijan</b>							
Amoco Caspian Sea Finance Ltd	Oil, Gas and Mining	FY99	32.8	32.8	21.9	–	21.9
Azerigazbank	Finance & Insurance	FY98, 03	1.6	–	1.2	–	1.2
Baku Coca-Cola Bottlers Limited	Food & Beverages	FY98	12.8	–	2.3	–	2.3
Baku Hotel Company	Accommodation & Tourism Services	FY00	17.5	–	10.2	–	10.2
Early Oil Finance Company	Oil, Gas and Mining	FY99	15.4	15.4	10.3	–	10.3
Kocbank Azerbaijan Limited	Finance & Insurance	FY99	1.0	–	–	1.0	1.0
Microfinance Bank Azerbaijan	Finance & Insurance	FY02	1.8	–	–	1.8	1.8
Rabitabank	Finance & Insurance	FY98, 03	1.6	–	1.2	–	1.2
Turkish Petroleum Early Oil Finance Co. Ltd.	Oil, Gas and Mining	FY99	13.0	13.0	8.7	–	8.7
Unocal Chirag Finance Ltd.	Oil, Gas and Mining	FY99	19.4	19.4	12.9	–	12.9
					68.7	2.8	71.5
<b>Belarus</b>							
Priorbank Joint Stock Company	Finance & Insurance	FY03	14.0	–	14.0	–	14.0
					14.0		14.0
<b>Bosnia and Herzegovina</b>							
Akova Impex, d.o.o.	Food & Beverages	FY99	2.1	–	1.3	–	1.3
Bosnalijek, d.d. Sarajevo	Chemicals	FY99, 01	4.6	–	1.9	1.8	3.8
Central Profit Banka	Finance & Insurance	FY02	3.0	–	3.6	–	3.6
Fabrika Cementa Lukavac	Nonmetallic Mineral Product Manufacturing	FY03	10.8	2.7	11.5	–	11.5
Horizonte Bosnia–Herzegovina Enterprise Fund	Collective Investment Vehicles	FY98	1.9	–	–	1.9	1.9
INGA O.D.P.	Industrial & Consumer Products	FY98	0.1	–	1.8	–	1.8
Konjuh Preduzece za Proizvodnju i Promet Namjestaja D.D. se P.A.	Industrial & Consumer Products	FY98	(0.1)	–	2.6	–	2.6
Lignosper ODP	Industrial & Consumer Products	FY98	2.4	–	2.4	–	2.4
Lijanovici d.o.o.	Food & Beverages	FY99	2.5	–	1.6	–	1.6
Microenterprise Bank d.d. Sarajevo	Finance & Insurance	FY98, 99, 01, 03	4.5	–	3.4	1.2	4.7
O.D. Drvno Industrijsko Preduzece "KOZARA"	Industrial & Consumer Products	FY92	–	–	1.8	–	1.8
ODP Drvna Industrija Podgradci	Industrial & Consumer Products	FY92	–	–	1.3	–	1.3
Raiffeisen Bank Bosnia	Finance & Insurance	FY03	8.5	–	8.5	–	8.5
Sarajevo Privatization Venture	Finance & Insurance	FY02, 03	11.5	–	15.3	+	15.3

# EUROPE & CENTRAL ASIA

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
Sarajevska Pivara, D. D.	Food & Beverages	FY98	4.0	–	1.1	–	1.1
Sour Energoinvest	Industrial & Consumer Products	FY85	15.2	–	9.0	–	9.0
Tvornica Kartona I Ambalaze Cazin	Pulp & Paper	FY77	10.8	7.4	3.9	–	3.9
Vrbas M.D.P.	Industrial & Consumer Products	FY98	0.1	–	1.8	–	1.8
Wood Agency Credit Line*	Industrial & Consumer Products	FY98	14.0	–	5.2	–	5.2
					78.2	5.0	83.2
<b>Bulgaria</b>							
Bulbank AD	Finance & Insurance	FY01	17.5	–	–	17.5	17.5
Bulgarian–American Credit Bank, AD	Finance & Insurance	FY99, 03	10.0	–	7.0	–	7.0
Compagnie des Hotels de Luxe S.A.	Accommodation & Tourism Services	FY98	13.0	9.5	12.9	–	12.9
Devnya Cement A.D.	Nonmetallic Mineral Product Manufacturing	FY99	28.6	–	26.8	–	26.8
Doverie Brico	Agriculture & Forestry	FY01	4.6	–	5.3	–	5.3
Elex N.V.	Industrial & Consumer Products	FY01	8.7	–	9.7	–	9.7
EuroMerchant Balkan Fund SICAV	Collective Investment Vehicles	FY95	5.0	–	–	4.9	4.9
Florina Bulgaria S.A.	Food & Beverages	FY01	3.8	–	4.8	–	4.8
Kronospan Bulgaria EOOD	Industrial & Consumer Products	FY00, 01	19.1	11.9	19.2	–	19.2
Paper Factory Stambolijski	Pulp & Paper	FY02	25.5	–	22.0	2.0	24.0
Petresco S.A.R.L.	Oil, Gas and Mining	FY03	17.0	–	17.0	–	17.0
ProCredit Bank AD	Finance & Insurance	FY01, 03	2.3	–	–	2.3	2.3
Sofia Med	Primary Metals	FY01	14.1	–	15.5	–	15.5
Unionbank AD	Finance & Insurance	FY03	5.0	–	5.0	–	5.0
					145.1	26.6	171.7
<b>Croatia</b>							
Belisce D.D.	Pulp & Paper	FY73, 81, 98, 03	60.9	63.9	20.9	6.0	26.9
Brodogradiliste “Viktor Lenac” d.d.	Industrial & Consumer Products	FY00	12.1	9.0	6.0	6.1	12.1
Croatia Banka d.d.	Finance & Insurance	FY02	9.8	–	10.3	–	10.3
Erste & Steiermarkische Bank D.D.	Finance & Insurance	FY00, 03	34.6	–	34.6	–	34.6
Pliva d.d.	Chemicals	FY01	35.0	12.5	10.0	–	10.0
The Croatia Capital Partnership L.P.	Collective Investment Vehicles	FY99	5.0	–	–	5.0	5.0
					81.7	17.1	98.9
<b>Czech Republic</b>							
CDV–1 Holding Company, L.P.	Finance & Insurance	FY01, 03	17.9	–	–	2.9	2.9
Cekoslovenská Obchodní Banka a.s.	Finance & Insurance	FY99	77.7	–	–	77.7	77.7
Cembrit CZ, a.s.	Oil, Gas and Mining	FY95	5.0	–	1.7	–	1.7
Cembrit Moravia, a.s.	Oil, Gas and Mining	FY95	5.6	–	1.5	–	1.5
Energy Center Kladno Generating, s.r.o. (ECKG)	Utilities	FY97	58.3	24.2	49.8	–	49.8
Hayes Lemmerz Autokola, a.s.	Industrial & Consumer Products	FY94	16.4	22.1	3.7	–	3.7
Nová Hut, a.s.	Primary Metals	FY97, 98	85.6	159.6	86.4	–	86.4
					143.1	80.6	223.8

# EUROPE & CENTRAL ASIA

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)			
			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity	
<b>Estonia</b>								
AS Eesti Raudtee	Transportation and Warehousing	FY02	50.3	0.3	26.5	–	26.5	
AS Schlossie Hotel Group	Accommodation & Tourism Services	FY00	5.1	–	4.8	–	4.8	
Horizon Tselluloosi Ja Paberi Aktsiaselts	Pulp & Paper	FY98, 00	12.5	–	8.9	1.5	10.4	
Kreenholmi Valduse A.S.	Textiles, Apparel & Leather	FY01	7.2	10.2	9.2	–	9.2	
					49.4	1.5	50.9	
<b>Georgia</b>								
AES Telasi JSC	Utilities	FY00	30.0	–	28.5	–	28.5	
Bank of Georgia	Finance & Insurance	FY00, 03	7.2	–	6.8	–	6.8	
Georgian Glass and Mineral Water Company N.V.	Food & Beverages	FY97, 00	3.2	–	–	+	+	
Microfinance Bank of Georgia	Finance & Insurance	FY99, 01, 02	7.5	–	6.0	1.5	7.5	
Saaksio Sazogadoeba Mina	Nonmetallic Mineral Product Manufacturing	FY99	8.8	–	6.3	2.5	8.8	
TBC Bank	Finance & Insurance	FY98, 02	6.9	–	3.0	0.9	3.9	
Tbilcombank	Finance & Insurance	FY99	1.0	–	+	–	+	
					50.6	4.9	55.5	
<b>Hungary</b>								
Albadomu Malatatermelo Es Kereskedelmi BT	Food & Beverages	FY94	7.1	–	–	+	+	
Axon Vagyonkezelő Organizáció és Befektetői	Finance & Insurance	FY99	0.9	–	–	0.9	0.9	
Dexter Mold Making Company Limited	Plastics & Rubber	FY90	3.7	–	–	+	+	
The First Hungary Fund Limited	Collective Investment Vehicles	FY90	7.5	–	–	2.6	2.6	
Honeywell ESCO Hungary	Utilities	FY00	0.4	–	–	0.4	0.4	
Hungarian Telecommunications Company Limited	Information	FY94, 96	44.5	50.0	–	10.4	10.4	
Inter-Europa Bank Rt.	Finance & Insurance	FY96	10.0	5.0	1.0	–	1.0	
					1.0	14.2	15.2	
<b>Kazakhstan</b>								
ABN-AMRO (Kazakhstan)	Finance & Insurance	FY94, 96, 98, 03	15.3	1.0	10.0	4.6	14.6	
Astana Business and Shopping Center	Wholesale and Retail Trade	FY03	5.0	–	5.0	–	5.0	
CASPI Limited	Accommodation & Tourism Services	FY01	2.5	–	2.5	–	2.5	
CJSC Citibank Kazakhstan	Finance & Insurance	FY03	25.0	–	25.0	–	25.0	
First International Oil Corporation	Oil, Gas and Mining	FY01	+	–	–	+	+	
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	–	15.9	–	15.9	
Kazakhstan Construction Company CJSC	Nonmetallic Mineral Product Manufacturing	FY99	0.7	–	0.7	–	0.7	
Kazgermunai	Oil, Gas and Mining	FY98	41.0	–	25.6	0.7	26.3	
LP-Gaz Limited Liability Partnership	Utilities	FY00	1.0	–	0.6	–	0.6	
Lukoil Overseas Karachaganak B.V.	Oil, Gas and Mining	FY03	75.0	75.0	75.0	–	75.0	
OJSC Nefttebank	Finance & Insurance	FY01	2.5	–	2.5	–	2.5	
Open Joint Stock Company "Bank	Finance & Insurance	FY00	15.0	–	6.7	4.9	11.6	

# EUROPE & CENTRAL ASIA

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
Turanalem"							
Open Joint Stock Company "Kazkommertsbank"	Finance & Insurance	FY97, 00	12.5	20.0	–	1.0	1.0
Rambutya Limited Liability Partnership	Wholesale and Retail Trade	FY00, 02	12.9	–	9.9	–	9.9
Sazankurak Joint Stock Company	Oil, Gas and Mining	FY01	20.0	–	17.5	–	17.5
					200.2	11.3	211.5
<b>Kyrgyz Republic</b>							
Akun Ltd.	Food & Beverages	FY02	2.4	–	2.4	–	2.4
Demir Kyrgyz International Bank	Finance & Insurance	FY97	0.5	–	–	0.5	0.5
FINCA Microfinance Resource	Finance & Insurance	FY02	1.0	–	–	1.0	1.0
Kumtor Gold Company	Oil, Gas and Mining	FY95	40.0	–	10.0	–	10.0
Kyrgyz Investment & Commercial Bank	Finance & Insurance	FY01	1.4	–	–	1.4	1.4
Kyrgyz-Chinese Joint Venture Altyn-Ajydar	Pulp & Paper	FY00	0.3	–	0.2	–	0.2
					12.6	2.8	15.5
<b>Latvia</b>							
Linstow Varner SIA	Wholesale and Retail Trade	FY02	25.0	35.0	26.2	–	26.2
					26.2		26.2
<b>Lithuania</b>							
AB Drobe Wool	Textiles, Apparel & Leather	FY00	6.6	–	5.5	0.5	6.0
Viesbutis Lietuva	Accommodation & Tourism Services	FY02	10.4	10.4	11.5	–	11.5
Vilniaus Bankas AB	Finance & Insurance	FY99, 01	18.3	–	25.2	–	25.2
					42.1	0.5	42.6
<b>Macedonia, Former Yugoslav Republic</b>							
Alkaloid AD Skopje	Chemicals	FY00	9.0	–	9.1	–	9.1
Enterprise for Production, Trade, and Services "Nikol-Fert" Export-Import, D.O.O.	Primary Metals	FY98	3.8	–	3.8	–	3.8
Komercijalna Banka A.D. Skopje	Finance & Insurance	FY01	3.3	–	4.3	–	4.3
Makedonijaturist A.D.	Accommodation & Tourism Services	FY99	4.0	–	1.8	–	1.8
Makedonski Telekomunikacii	Information	FY98	25.0	25.0	–	11.3	11.3
Masinomont	Industrial & Consumer Products	FY98	0.8	–	0.8	–	0.8
Microfinance Bank of Macedonia	Finance & Insurance	FY03	1.1	–	–	1.1	1.1
SEAF-Macedonia LLC	Collective Investment Vehicles	FY00	2.5	–	–	2.5	2.5
Stopanska Banka a.d. Skopje	Finance & Insurance	FY98, 00, 01, 03	10.7	–	–	10.5	10.5
Teteks A.D.	Textiles, Apparel & Leather	FY98, 02	6.8	–	5.6	–	5.6
					25.4	25.5	50.9

# EUROPE & CENTRAL ASIA

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)			
			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity	
<b>Moldova</b>								
Banca Comerciala Victoriabank SA	Finance & Insurance	FY02	4.0	–	4.0	–	4.0	
FinComBank S.A.	Finance & Insurance	FY03	1.5	–	1.5	–	1.5	
Incon JSC, Cupchin JSC, Ungheni JSC, Floresti JSC	Food & Beverages	FY97	6.9	–	4.9	2.0	6.9	
Micro Enterprise Credit Bank Moldova S.A.	Finance & Insurance	FY02	1.4	–	–	1.4	1.4	
Micro Enterprise Credit din Moldova S.A	Finance & Insurance	FY00	1.0	–	0.9	0.1	1.0	
Moldinconbank S.A.	Finance & Insurance	FY01	3.0	–	2.8	–	2.8	
RED Chisinau, RED Centru & RED Sud	Utilities	FY02	25.0	–	25.0	–	25.0	
Voxel S.A.	Information	FY99, 00, 01	16.6	25.0	13.5	1.6	15.1	
					52.7	5.1	57.7	
<b>Poland</b>								
Baltic Malt Sp. zo.o	Food & Beverages	FY97	8.4	–	1.5	1.9	3.4	
Central Poland Fund, L.L.C.	Collective	FY98	1.6	–	–	1.6	1.6	
	Investment Vehicles							
Gaspol S.A.	Transportation and Warehousing	FY96, 97	6.0	–	–	6.0	6.0	
Global Hotels Development Group Poland S.A.	Accommodation & Tourism Services	FY99	11.2	–	8.6	3.2	11.8	
Honeywell ESCO Polska	Utilities	FY92	0.2	–	–	0.2	0.2	
Huta L.W. Sp. z o.o.	Primary Metals	FY93	22.8	–	2.6	–	2.6	
Intercell S.A.	Pulp & Paper	FY95, 97, 98, 01	13.6	–	–	13.6	13.6	
Norgips Opole SP z o.o.	Oil, Gas and Mining	FY97	11.4	21.4	9.3	–	9.3	
Peters A.G./GMT–Poland S.A.	Food & Beverages	FY94	6.6	–	0.6	0.1	0.7	
Pilkington Polska SP. z o.o.	Nonmetallic Mineral Product Manufacturing	FY93	44.7	25.4	5.4	–	5.4	
The Poland Investment Fund L.P.	Collective	FY95	2.5	–	–	1.5	1.5	
	Investment Vehicles							
					28.0	28.1	56.1	
<b>Romania</b>								
Ambro S.A.	Pulp & Paper	FY00	5.9	–	4.1	–	4.1	
Banc Post S.A.	Finance & Insurance	FY99, 02	20.0	–	10.0	–	10.0	
Banca Comerciala Romana	Finance & Insurance	FY03	75.0	–	75.0	–	75.0	
Banca Romaneasca S.A.	Finance & Insurance	FY01	5.9	–	5.3	–	5.3	
The Danube Fund	Collective	FY97	2.0	–	–	1.4	1.4	
	Investment Vehicles							
Demir Romlease S.A.	Finance & Insurance	FY95, 98, 01	9.8	–	3.9	–	3.9	
Dunapack Rambox Prodimpex S.R.L.	Pulp & Paper	FY99	4.1	–	0.8	2.0	2.8	
ICME ECAB S.A.	Primary Metals	FY02	14.8	–	17.2	–	17.2	
Krupp Bilstein Compa S.A.	Industrial & Consumer Products	FY98	2.8	2.8	0.9	–	0.9	
	Consumer Products							
Krupp Compa Arcuri S.A.	Industrial & Consumer Products	FY99	6.2	2.7	3.4	–	3.4	
	Consumer Products							
Microfinance Bank MIRO S.A.	Finance & Insurance	FY02, 03	2.6	–	–	2.6	2.6	
Mobil Rom S.A.	Information	FY92, 98, 01	52.1	162.9	30.2	–	30.2	
S.C. Arctic S.A.	Industrial & Consumer Products	FY03	11.7	–	11.5	–	11.5	
					162.2	6.0	168.2	

# EUROPE & CENTRAL ASIA

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
<b>Russian Federation</b>							
Agro-Industrial Finance Company	Finance & Insurance	FY03	5.5	7.5	5.0	0.5	5.5
Alpha Cement Open Joint Stock Company	Nonmetallic Mineral Product Manufacturing	FY96, 98	15.6	-	-	13.5	13.5
Aminex Plc	Oil, Gas and Mining	FY97, 99	13.2	-	-	5.5	5.5
AO Mosenergo	Utilities	FY98	20.0	-	14.6	-	14.6
Baltiskii Leasing ZAO	Finance & Insurance	FY02	2.0	-	1.8	-	1.8
The 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
Campina OOO	Food & Beverages	FY00	8.8	-	3.6	-	3.6
Commercial Bank DeltaCredit	Finance & Insurance	FY02, 03	50.0	-	50.0	-	50.0
DeltaLeasing	Finance & Insurance	FY02	10.0	-	10.0	-	10.0
Egar Technology	Information	FY02	1.5	-	-	1.5	1.5
First NIS Regional Fund	Collective Investment Vehicles	FY95	15.0	-	-	0.2	0.2
Framlington Russian Investment Fund	Collective Investment Vehicles	FY94	8.0	-	-	4.0	4.0
IBS Group Holdings Limited	Information	FY03	12.0	-	12.0	-	12.0
IKEA MOS (Retail and Property) OOO	Wholesale and Retail Trade	FY00	15.0	-	15.0	-	15.0
Industry & Construction Bank	Finance & Insurance	FY02	10.0	-	10.0	-	10.0
Moscow Narodny Bank, Ltd.	Finance & Insurance	FY03	100.0	-	100.0	-	100.0
NBD Bank	Finance & Insurance	FY02, 03	7.5	-	7.5	-	7.5
New Medical Center	Health Care	FY01	2.1	-	2.2	-	2.2
OA0 Borsky Stekolny Zavod	Nonmetallic Mineral Product Manufacturing	FY98, 03	42.2	-	28.6	15.0	43.6
Omsukchansk Mining and Geological Company	Oil, Gas and Mining	FY01	10.0	-	7.3	-	7.3
OOO Ruscam	Nonmetallic Mineral Product Manufacturing	FY02, 03	23.0	-	23.0	-	23.0
Open Joint Stock Company Commercial Bank "Center-invest"	Finance & Insurance	FY02	2.0	-	1.6	-	1.6
ProbusinessBank	Finance & Insurance	FY02	5.0	-	5.0	-	5.0
Ramenka OOO	Wholesale and Retail Trade	FY99, 01, 03	100.5	30.0	85.2	-	85.2
Ru-Net Holdings	Information	FY03	6.0	-	3.0	3.0	6.0
Russian Standard Bank	Finance & Insurance	FY02	10.0	-	-	10.0	10.0
The Russian Technology Fund L.P.	Collective Investment Vehicles	FY96	1.0	-	-	1.0	1.0
Sector Investment Holding Company Ltd.	Collective Investment Vehicles	FY92	-	-	-	1.1	1.1
Small Business Credit Bank (KMB Bank)	Finance & Insurance	FY02	7.0	-	7.0	-	7.0
Stavropolsky Broiler	Agriculture & Forestry	FY03	15.0	-	15.0	-	15.0
Swedwood Holding, BV	Industrial & Consumer Products	FY02	5.7	-	7.4	-	7.4
UralTransBank	Finance & Insurance	FY03	10.0	-	10.0	-	10.0
Volga-Dnepr Airlines	Transportation and Warehousing	FY02	16.9	13.0	16.9	-	16.9
ZAO Deutsche Leasing Vostok	Finance & Insurance	FY00	0.6	-	-	0.6	0.6
ZAO The National Registry Company	Finance & Insurance	FY95	1.5	-	-	1.5	1.5
ZAO Raiffeisenbank Austria	Finance & Insurance	FY03	80.0	-	80.0	-	80.0
ZAO Sonic Duo	Information	FY02	30.0	10.0	30.0	-	30.0
ZAO Stora Enso Packaging	Pulp & Paper	FY00, 02	14.5	-	10.6	-	10.6
					662.3	72.2	734.5

# EUROPE & CENTRAL ASIA

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Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
<b>Serbia and Montenegro</b>							
Fresh&Co	Food & Beverages	FY02	7.1	–	8.8	–	8.8
Institut Za Fizikalnu Medicinu I Rehabilitaciju "Dr. Simo Milosevic," Igalo	Health Care	FY82, 88	19.1	–	9.9	–	9.9
Jugobanka A.D. Beograd	Finance & Insurance	FY86	25.4	10.4	+	–	+
Loan to Eight Banks for Small-Scale Enterprises	Finance & Insurance	FY80	26.0	4.2	+	–	+
Micro Enterprise Bank Kosova	Finance & Insurance	FY02	1.1	–	–	1.1	1.1
Micro Finance Bank A.D.	Finance & Insurance	FY02, 03	14.0	–	12.6	2.0	14.7
Montenegro A.D. Podgorica	Accommodation & Tourism Services	FY80	21.0	–	2.0	–	2.0
Radoje Dakic	Industrial & Consumer Products	FY80	18.7	–	1.2	–	1.2
Raiffeisen International Beteiligungs AG	Finance & Insurance	FY02	2.4	–	–	2.4	2.4
Tigar Rubber Products Company A.D.	Plastics & Rubber	FY02	20.9	–	18.3	4.1	22.4
Vojvodjanska Banka — Udruzena Banka	Finance & Insurance	FY87, 89	56.0	31.2	46.9	–	46.9
					99.7	9.6	109.4
<b>Slovak Republic</b>							
Scametatra a.s.	Plastics & Rubber	FY98, 00	3.6	–	0.9	–	0.9
West Export Import Company v.o.s.	Chemicals	FY99	2.1	–	1.0	–	1.0
					1.8		1.8
<b>Slovenia</b>							
The Slovenian Development Capital Fund Limited	Collective Investment Vehicles	FY95	4.6	–	–	2.0	2.0
						2.0	2.0
<b>Tajikistan</b>							
Giavoni	Textiles, Apparel & Leather	FY03	3.0	–	–	3.0	3.0
Holland-Tajik Joint Venture M & P	Wholesale and Retail Trade	FY00	0.4	–	0.3	–	0.3
Nelson Resources Limited	Oil, Gas and Mining	FY97, 98, 03	5.7	–	–	3.7	3.7
Pamir Energy Development	Utilities	FY03	8.0	–	4.5	3.5	8.0
SugdAgroServ	Agriculture & Forestry	FY02	0.3	–	0.3	–	0.3
Telecom Technology Ltd.	Information	FY02	0.3	–	0.3	–	0.3
					5.4	10.2	15.6
<b>Turkey</b>							
Adana Çimento Sanayi Türk A.Ş.	Nonmetallic Mineral Product Manufacturing	FY99	15.0	10.0	5.0	–	5.0
AKBANK	Finance & Insurance	FY03	55.0	–	55.0	–	55.0
Alternatif Finansal Kiralama A.Ş.	Finance & Insurance	FY92	–	–	1.1	–	1.1
Alternatifbank A.Ş.	Finance & Insurance	FY92, 99	15.0	15.0	10.4	–	10.4
Arcelik-LG Klima Sanayi ve Ticaret A.Ş.	Industrial & Consumer Products	FY00	14.4	9.6	13.8	–	13.8
Arçelik, A.Ş.	Industrial & Consumer Products	FY96, 01, 03	94.8	90.1	76.7	–	76.7
Assan Demir ve Sac Sanayi A.Ş.	Primary Metals	FY94, 97, 02	54.7	10.0	28.5	–	28.5
Atilim University	Education Services	FY02	6.5	–	6.5	–	6.5
Banvit Bandirma Vitaminli Yem Sanayi A.Ş.	Agriculture & Forestry	FY01	25.0	–	15.0	5.0	20.0
Bayindirbank A.Ş.	Finance & Insurance	FY94, 97	30.0	60.0	7.5	–	7.5

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Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
Beko Elektronik A.Ş.	Industrial & Consumer Products	FY03	25.1	25.1	29.0	-	29.0
Borçelik Çelik Sanayii Ticaret A.Ş.	Primary Metals	FY92, 95, 96, 97	47.1	-	10.0	9.7	19.7
Çayeli Bakir İşletmeleri A.Ş.	Oil, Gas and Mining	FY93	30.0	45.0	4.2	-	4.2
CBS Boya Kimya Sanayii ve Ticaret A.Ş.	Chemicals	FY95, 96	0.7	-	-	3.7	3.7
CBS Holding A.Ş.	Chemicals	FY94	15.5	-	4.0	-	4.0
CBS Printas Baskı Mürekkepleri ve Gereçleri A.Ş.	Chemicals	FY96, 01	+	-	-	0.6	0.6
Demir Finansal Kiralama A.Ş.	Finance & Insurance	FY97, 98	15.0	-	1.1	-	1.1
Eczacıbaşı Karo Seramik	Nonmetallic Mineral Product Manufacturing	FY02	10.4	-	12.1	-	12.1
Elginkan Holding A.Ş.	Industrial & Consumer Products	FY88, 93, 97	47.8	1.9	0.4	-	0.4
Entek Elektrik Üretimi Otoprodüktör Grubu A.Ş.	Utilities	FY98	25.0	26.5	21.3	-	21.3
Finans Finansal Kiralama A.Ş.	Finance & Insurance	FY97, 98	11.0	-	1.1	-	1.1
Finansbank, A.Ş.	Finance & Insurance	FY92, 00	20.0	55.6	6.7	-	6.7
Garanti Finansal Kiralama A.Ş.	Finance & Insurance	FY95, 98, 00	19.3	43.4	1.1	-	1.1
Gunkol Gunes Enerjisi ve Klima Sanayi A.Ş.	Industrial & Consumer Products	FY02	10.8	-	13.4	-	13.4
Gümüssuyu Hali ve Yer Kaplamaları Sanayi ve Ticaret A.Ş.	Textiles, Apparel & Leather	FY99	7.0	-	7.2	-	7.2
Indorama İplik Sanayii ve Ticaret A.Ş.	Textiles, Apparel & Leather	FY99	10.7	-	6.9	0.7	7.5
İpek Kagit Sanayii ve Ticaret A.Ş.	Pulp & Paper	FY98, 00, 02	44.6	33.0	38.7	-	38.7
İstanbul Bilgi University	Education Services	FY01	12.0	-	12.0	-	12.0
Kepez Elektrik T.A.Ş.	Utilities	FY91	20.2	-	6.5	-	6.5
Kiris Otelcilik ve Turizm A.Ş.	Accommodation & Tourism Services	FY89, 90	23.4	-	25.0	-	25.0
Koy-Tur Holding A.Ş.	Food & Beverages	FY90, 92	12.7	-	-	+	+
Kula Mensucat Fabrikası A.Ş.	Textiles, Apparel & Leather	FY91	19.8	-	4.9	-	4.9
Medya Holding A.Ş.	Information	FY93, 96	28.6	-	7.5	-	7.5
Milli Reasürans T.A.Ş.	Finance & Insurance	FY02	50.0	-	50.0	-	50.0
Modern Karton Sanayii ve Ticaret A.Ş.	Pulp & Paper	FY98, 02	30.0	10.0	22.7	-	22.7
NASCO Nasreddin Holding A.Ş.	Textiles, Apparel & Leather	FY92	17.5	5.0	10.2	-	10.2
Pasabahçe Eskisehir Cam Sanayi ve Ticaret A.Ş.	Nonmetallic Mineral Product Manufacturing	FY99, 02	24.2	16.7	9.9	-	9.9
Pinar Entegre Et Ve Yem Sanayi A.Ş.	Food & Beverages	FY84, 94, 98	21.9	-	6.3	-	6.3
Pinar Sut Mamulleri Sanayii A.Ş.	Food & Beverages	FY94, 00	23.2	-	16.1	-	16.1
Sakosa Sabancı-Kosa Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş.	Textiles, Apparel & Leather	FY99	24.3	23.8	21.7	-	21.7
Silkar Turizm Yatırım ve İşletmeleri A.Ş.	Accommodation & Tourism Services	FY86, 90	19.3	9.8	3.0	+	3.0
Söktas Pamuk ve Tarım Ürünlerini Değerlendirme Ticaret ve Sanayi A.Ş.	Textiles, Apparel & Leather	FY98, 02	17.0	-	11.8	-	11.8
TEB Finansal Kiralama A.Ş.	Finance & Insurance	FY99	5.0	-	2.2	-	2.2
Trakya Cam Sanayii A.Ş.	Nonmetallic Mineral Product Manufacturing	FY79, 83, 84, 89, 91, 96, 99	66.7	31.4	-	3.4	3.4
Turkish Private Equity Fund I L.P.	Collective Investment Vehicles	FY02	10.0	-	-	10.0	10.0
Türk Ekonomi Bankası A.Ş.	Finance & Insurance	FY95, 99, 03	62.5	37.5	41.7	-	41.7
Türkiye Sise ve Cam Fabrikaları A.Ş.	Nonmetallic Mineral Product Manufacturing	FY93, 97, 02, 03	138.2	89.1	97.9	-	97.9

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Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
Unye Cimento Sanayi ve Ticaret A.Ş.	Nonmetallic Mineral Product Manufacturing	FY00	21.4	–	14.6	–	14.6
Uzel Makina Sanayii A.Ş.	Industrial & Consumer Products	FY99	11.4	8.5	9.5	–	9.5
Viking Kagit ve Seluloz, A.Ş.	Pulp & Paper	FY70, 71, 82, 83, 98	15.2	–	8.2	–	8.2
Yalova Elyaf ve Iplik A.Ş.	Textiles, Apparel & Leather	FY96	15.0	8.0	2.5	–	2.5
Yapi Kredi Finansal Kiralama A.O.	Finance & Insurance	FY97, 98	12.9	–	1.0	–	1.0
Yeditepe Beynelmillel Otelcilik Turizm ve Ticaret A.Ş.	Accommodation & Tourism Services	FY90, 94, 02	31.8	27.5	10.6	+	10.6
					772.1	33.0	805.2
<b>Ukraine</b>							
First Ukrainian International Bank	Finance & Insurance	FY98	5.0	–	–	5.0	5.0
Joint Stock Commercial Bank HVB Bank Ukraine	Finance & Insurance	FY98	2.3	–	–	2.3	2.3
JSC Damen Shipyards Okean	Industrial & Consumer Products	FY02	10.0	–	10.0	–	10.0
Microfinance Bank of Ukraine	Finance & Insurance	FY01	5.2	–	3.5	1.7	5.2
Ukraine Fund	Collective Investment Vehicles	FY94, 97	3.1	–	–	2.9	2.9
					13.5	11.9	25.4
<b>Uzbekistan</b>							
ABN–AMRO Bank NB Uzbekistan A.O.	Finance & Insurance	FY96	1.0	–	–	1.0	1.0
Fayz Holding Joint Stock Company of the Open Type	Industrial & Consumer Products	FY98	2.4	–	0.8	0.5	1.3
National Bank for Foreign Economic Activity the Republic of Uzbekistan	Finance & Insurance	FY00	15.0	–	14.5	–	14.5
Open Joint–Stock Commercial Bank “Hamkorbank”	Finance & Insurance	FY01	1.0	–	1.0	–	1.0
Osiyo Granite Ltd.	Nonmetallic Mineral Product Manufacturing	FY01	1.6	–	1.6	–	1.6
Private Closed JointStock Commercial Bank “Parvina Bank”	Finance & Insurance	FY01	1.0	–	1.0	–	1.0
State Joint–Stock Commercial Bank “Asaka”	Finance & Insurance	FY00, 03	15.0	–	13.0	–	13.0
The Uzbek–Dutch Joint Venture Uzdutch Cheese Ltd. Limited Liability Company	Food & Beverages	FY00	0.6	–	0.5	–	0.5
Uzbek Leasing International A.O.	Finance & Insurance	FY96, 01, 03	3.4	–	2.5	0.9	3.4
					35.0	2.4	37.4

# EUROPE & CENTRAL ASIA

at June 30, 2003

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			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
<b>Regional Investments</b>							
ABC Medicovert Holdings B.V.	Health Care	FY99	7.0	–	4.5	–	4.5
Advent Central and Eastern Europe II	Collective	FY98	15.0	–	–	14.2	14.2
	Investment Vehicles						
Advent Central Europe Management L.P.	Collective	FY95	+	–	–	+	+
	Investment Vehicles						
Advent Private Equity Fund – Central Europe Limited Partnership	Collective	FY95	10.0	–	–	4.8	4.8
	Investment Vehicles						
AIG Emerging Europe Infrastructure Fund	Collective	FY00	30.0	–	–	30.0	30.0
	Investment Vehicles						
Alliance ScanEast Fund, L.P.	Collective	FY94	4.9	–	–	3.8	3.8
	Investment Vehicles						
Baltic American Enterprise Fund	Finance & Insurance	FY03	50.0	–	50.0	–	50.0
Bancroft II L.P.	Collective	FY03	22.9	–	–	22.9	22.9
	Investment Vehicles						
Black Sea Fund L.P.	Collective	FY99, 02	14.5	–	–	14.4	14.4
	Investment Vehicles						
Central Europe Telecom Investments, L.P.	Collective	FY94	9.7	–	–	+	+
	Investment Vehicles						
The Czech and Slovak Private Equity Fund L.P.	Collective	FY95	2.5	–	–	2.5	2.5
	Investment Vehicles						
Euromedic International	Health Care	FY02	14.8	–	16.5	–	16.5
European Renaissance Capital, L.P.	Collective	FY94	5.0	–	–	3.8	3.8
	Investment Vehicles						
Hanseatic Capital, LLC	Finance & Insurance	FY03	8.6	–	8.6	–	8.6
MFI Facility – Central Asia	Finance & Insurance	FY03	45.0	–	45.0	–	45.0
New Europe–East Investment Fund	Collective	FY93	10.0	–	–	+	+
	Investment Vehicles						
NIS Restructuring Facility, L.P.	Collective	FY00	10.0	–	–	9.0	9.0
	Investment Vehicles						
The Romania & Moldova Direct Fund, LP	Collective	FY99	4.0	–	–	2.0	2.0
	Investment Vehicles						
SEAF Central and Eastern Europe Growth Fund LLC	Collective	FY01	3.3	–	–	3.2	3.2
	Investment Vehicles						
SEAF Central Asia Small Enterprise Fund LLC	Collective	FY03	2.5	–	–	2.5	2.5
	Investment Vehicles						
SEAF Trans–Balkan Fund LLC	Collective	FY01	4.8	–	–	4.8	4.8
	Investment Vehicles						
					124.6	117.9	242.5
<b>Total equity and loans</b>					<b>2,898.5</b>	<b>526.6</b>	<b>3,425.1</b>
<b>Total guarantees and risk management products</b>							<b>155.6</b>
<b>Total IFC portfolio for Europe &amp; Central Asia</b>							<b>3,580.7</b>

# LATIN AMERICA & THE CARIBBEAN

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
<b>Argentina</b>							
Aceitera General Deheza S.A.	Food & Beverages	FY95, 02	55.0	30.0	30.0	-	30.0
Acindar Industria Argentina de Aceros, S.A.	Primary Metals	FY60, 95, 97, 99	119.4	90.7	81.9	16.4	98.4
Aguas Argentinas S.A.	Utilities	FY95, 96	85.0	307.5	46.6	7.0	53.6
Aguas Provinciales de Santa Fé	Utilities	FY01	20.0	30.0	20.0	-	20.0
Alpargatas S.A.I.C.	Textiles, Apparel & Leather	FY77, 84, 86, 88, 94, 97	76.3	117.0	-	+	+
American Plast, S.A.	Plastics & Rubber	FY99	10.0	-	5.0	-	5.0
Argentina Equity Investments I Ltd	Collective Investment Vehicles	FY94	4.0	-	-	2.8	2.8
Asociación Civil Universidad del Salvador	Education Services	FY01	10.0	-	10.0	-	10.0
Asociación Unión Tamberos Cooperativa Limitada (AUCTL)	Food & Beverages	FY99	6.0	-	5.2	-	5.2
BACS (Banco de Credito y Securitizacion S.A.)	Finance & Insurance	FY00	59.1	-	19.1	12.5	31.6
Banco Bansud S.A.	Finance & Insurance	FY97	4.9	-	1.1	-	1.1
Banco de Galicia y Buenos Aires, S.A.	Finance & Insurance	FY97, 99, 00	80.0	245.0	65.0	-	65.0
Banco del Suquia S.A.	Finance & Insurance	FY98, 99	45.0	30.0	46.0	-	46.0
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
CCBA S.A.	Food & Beverages	FY96	18.5	33.0	10.6	-	10.6
Cefas S.A.	Oil, Gas and Mining	FY00	15.0	-	15.0	-	15.0
Cervecería y Maltería Quilmes S.A. (Quilmes)	Food & Beverages	FY94	15.0	15.0	4.0	-	4.0
Cerámica Zanón S.A.C.I. y M.	Nonmetallic Mineral Product Manufacturing	FY96	20.0	-	17.7	-	17.7
Compañía Elaboradora de Productos Alimenticios S.A.	Food & Beverages	FY95	15.0	6.0	9.7	-	9.7
Compañías Asociadas Petroleras S.A.	Oil, Gas and Mining	FY97	17.0	33.0	10.5	-	10.5
Concesiones y Construcciones de Infraestructura S.A.	Transportation and Warehousing	FY00	26.0	-	6.0	20.0	26.0
Correo Argentino S.A.	Transportation and Warehousing	FY99	75.0	54.0	57.4	6.8	64.2
Empresa Distribuidora Norte Sociedad Anónima S.A.	Utilities	FY94, 95	45.0	128.0	18.4	-	18.4
FAPLAC, S.A.	Industrial & Consumer Products	FY00	15.0	-	15.0	-	15.0
Fondo Agrícola de Inversión Directa 2003 y Unifund S.A.	Collective Investment Vehicles	FY98	2.8	-	-	1.2	1.2
Frigorífico Regional Industrias Alimenticias Reconquista (Friar) (S.A.)	Food & Beverages	FY98	12.5	7.0	12.5	-	12.5
Frigorífico Rioplatense S.A.I.C.I.F.	Food & Beverages	FY92	13.0	4.0	5.3	1.0	6.3
FV S.A.	Industrial & Consumer Products	FY99	16.0	-	10.8	-	10.8
Grunbaum, Rico y Daucourt S.A.I.C. y F.	Textiles, Apparel & Leather	FY96	10.0	5.0	8.0	-	8.0
Guipeba-Ceval S.A.	Food & Beverages	FY97	20.0	20.0	12.5	-	12.5
Hospital Privado Centro Médico De Córdoba S.A.	Health Care	FY99	9.6	-	9.1	-	9.1
HSBC Bank Argentina S.A.	Finance & Insurance	FY95, 98	50.0	-	36.0	-	36.0
Juan Minetti S.A.	Nonmetallic Mineral Product Manufacturing	FY 78, 81, 86, 87, 93, 94, 96, 99	101.8	197.5	30.4	+	30.4
Klepe S.A. y El Caldero S.A.	Agriculture & Forestry	FY95, 98	12.0	-	10.2	-	10.2
Maltería Pampa S.A.	Food & Beverages	FY93, 96	19.0	12.0	3.5	-	3.5

# LATIN AMERICA & THE CARIBBEAN

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Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
Merchant Bankers Asociados S.A.	Finance & Insurance	FY96	0.2	–	–	0.2	0.2
Milkaut S.A.	Food & Beverages	FY92, 97	20.0	5.0	15.6	5.0	20.7
Molinos Río 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	–	8.8	–	8.8
Nuevo Banco de Santa Fe S.A.	Finance & Insurance	FY01	5.8	–	4.1	–	4.1
Nuevo Central Argentino S.A.	Transportation and Warehousing	FY93	13.0	15.0	–	3.0	3.0
Patagonia Fund, L.P.	Collective Investment Vehicles	FY98	25.0	–	–	15.0	15.0
Patagonia Mint S.A.	Food & Beverages	FY98	6.0	5.0	3.1	–	3.1
Pecom Energia S.A.	Chemicals	FY97	20.0	30.0	3.6	–	3.6
Petrolera Argentina San Jorge S.A.	Oil, Gas and Mining	FY97, 99	73.4	35.0	–	58.4	58.4
S.A. San Miguel A.G.I.C.I. y F.	Agriculture & Forestry	FY99	12.0	–	8.3	–	8.3
Sancor Cooperativas Unidas Limitada	Food & Beverages	FY95	40.0	30.0	28.8	–	28.8
Sideco Americana S.A.	Transportation and Warehousing	FY95	–	–	–	15.0	15.0
Socma Americana S.A.	Transportation and Warehousing	FY95	40.0	60.0	6.3	–	6.3
T6 Industrial S.A.	Food & Beverages	FY98	15.0	30.0	11.7	–	11.7
Terminal 6, S.A.	Transportation and Warehousing	FY87, 90, 91, 96, 98	33.0	19.5	8.6	–	8.6
Terminales Portuarias Argentinas S.A.	Transportation and Warehousing	FY96	12.0	–	3.5	–	3.5
The Tower Fund, L.P.	Collective Investment Vehicles	FY95	25.0	–	–	19.8	19.8
Tower Investment Management Company	Collective Investment Vehicles	FY95	0.1	–	–	+	+
Transportadora De Gas Del Norte S.A.	Transportation and Warehousing	FY97	45.0	210.0	38.2	–	38.2
Vicentin S.A.I.C.	Food & Beverages	FY97, 03	55.0	40.0	45.6	–	45.6
Yacylec S.A.	Utilities	FY94	20.0	45.0	3.0	5.0	8.0
					909.5	194.7	1,104.3
<b>Barbados</b>							
Almond Resorts, Inc.	Accommodation & Tourism Services	FY95	7.1	–	–	1.1	1.1
						1.1	1.1
<b>Belize</b>							
Nova Companies (Belize) Ltd. and Ambergris Aquaculture Ltd.	Agriculture & Forestry	FY98	5.5	–	4.8	–	4.8
					4.8		4.8
<b>Bolivia</b>							
Agua del Illimani S.A.	Utilities	FY00	7.1	–	5.4	1.0	6.4
Banco Bisa, S.A.	Finance & Insurance	FY76, 88, 91, 92, 95, 98	28.7	5.5	3.0	3.2	6.2
Banco Mercantil S.A.	Finance & Insurance	FY96	10.0	–	4.3	–	4.3
Caja Los Andes S.A.	Finance & Insurance	FY99, 01, 03	10.0	–	8.6	–	8.6
Central Aguirre Portuaria S.A.	Transportation and Warehousing	FY92, 02	4.7	–	2.2	0.3	2.5
Compañía Boliviana de Gas	Chemicals	FY93	2.3	–	0.4	–	0.4
Natural Comprimido Genex S.A.							
Compañía Minera del Sur, S.A.	Oil, Gas and Mining	FY90, 94, 96, 00	40.6	5.0	6.3	–	6.3
Electropaz S.A.	Utilities	FY00	25.0	–	22.4	–	22.4

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F.I.E. Fondo Financiero Privado	Finance & Insurance	FY03	2.5	–	2.5	–	2.5
Minera S.A.	Oil, Gas and Mining	FY92	–	–	–	3.4	3.4
Telefonica Celular de Bolivia S.A. ("Telecel S.A.")	Information	FY97, 01	26.7	23.3	12.8	–	12.8
Transportadora de Electricidad S.A.	Utilities	FY03	30.0	–	30.0	–	30.0
Trenes Continentales S.A.	Transportation and Warehousing	FY92	–	–	–	2.9	2.9
					97.8	10.8	108.6
<b>Brazil</b>							
AG Concession	Utilities	FY02	30.0	–	15.0	15.0	30.0
Algar Telecom S.A.	Information	FY97	43.2	–	16.5	18.2	34.7
Amaggi Exportacao e Impotacao Limitada	Food & Beverages	FY03	30.0	–	30.0	–	30.0
Andrade Gutierrez SA	Collective Investment Vehicles	FY03	40.0	20.0	40.0	–	40.0
Apolo Produtos de Aco SA	Industrial & Consumer Products	FY02	8.0	–	8.0	–	8.0
Bahia Sul Celulose S.A.	Pulp & Paper	FY90, 91, 93	61.0	60.0	–	19.7	19.7
Banco Bradesco, S.A.	Finance & Insurance	FY97, 03	26.8	85.2	12.7	–	12.7
Banco Itaú, S.A.	Finance & Insurance	FY02, 03	119.1	150.0	90.0	–	90.0
Banco Itaú–BBA S.A.	Finance & Insurance	FY01, 02	40.0	60.0	34.3	–	34.3
Bompreco S.A. Supermercados do Nordeste	Wholesale and Retail Trade	FY98	30.0	–	15.4	–	15.4
Bulk Services Corporation	Transportation and Warehousing	FY98	14.0	7.5	7.4	–	7.4
Cambuh/MC	Food & Beverages	FY95	30.0	–	1.9	–	1.9
Ceval Alimentos S.A.	Food & Beverages	FY93, 96	90.0	130.0	–	16.1	16.1
Chapeco Companhia Industrial de Alimentos	Food & Beverages	FY94, 96	43.9	5.3	27.8	–	27.8
CIA Tecinos Norte de Minas – Coteminas	Textiles, Apparel & Leather	FY97, 98, 00	25.5	20.0	8.4	8.1	16.5
Companhia Petroquímica do Sul S.A.	Chemicals	FY98	40.0	180.0	17.5	–	17.5
Companhia Suzano Papel e Celulose S.A.	Pulp & Paper	FY90	–	–	–	1.3	1.3
Concessionária Da Rodovia Presidente Dutra S.A.	Transportation and Warehousing	FY98	35.0	79.5	21.4	–	21.4
Concessionária do Sistema Anhanguera Bandeirantes S.A.	Transportation and Warehousing	FY00	29.2	25.9	27.6	–	27.6
Construtora Norberto Odebrecht	Construction and Real Estate	FY02	80.0	165.0	71.8	–	71.8
CPFL Energia	Utilities	FY03	40.0	–	40.0	–	40.0
CRP Caderi Capital de Risco S.A.	Collective Investment Vehicles	FY95	0.8	–	–	0.5	0.5
Dende do Pará S/A — DENPASA — Agricultura, Indústria e Comércio de Olea	Food & Beverages	FY80, 94	5.3	–	–	1.1	1.1
Distel Holding S.A.	Information	FY95, 96, 98, 02	67.2	118.0	11.7	–	11.7
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	8.3	–	8.3
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 and 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	7.6	–	7.6

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Fras-le, S.A.	Industrial & Consumer Products	FY99	20.0	–	8.0	10.0	18.0
Gavea Hotelaria e Turismo S.A.	Accommodation & Tourism Services	FY94	16.8	7.5	9.3	–	9.3
Grupo Peixoto de Castro Participacoes S.A.	Industrial & Consumer Products	FY02	9.0	–	9.0	–	9.0
Hering Textile S.A.**	Textiles, Apparel & Leather	FY95	–	–	7.5	–	7.5
Icatu Equity Partners, L.P.	Collective Investment Vehicles	FY98	30.0	–	–	19.6	19.6
Indústrias Ardeb S.A.	Industrial & Consumer Products	FY98	27.0	20.0	20.0	7.0	27.0
Innova S.A.	Chemicals	FY00	25.0	60.0	16.3	5.0	21.3
Ipiranga Petroquímica S.A.	Chemicals	FY80, 87, 98	61.3	178.0	24.0	6.3	30.3
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
Klabin Bacel S.A.	Pulp & Paper	FY94	24.7	36.0	3.8	15.7	19.5
Labatório de Análises e Pesquisas Clínicas Gastao Fleury S/C Limitada	Health Care	FY00	15.0	–	14.4	–	14.4
Lojas Americanas S.A.	Wholesale and Retail Trade	FY96	33.0	20.0	13.0	–	13.0
Macaé	Utilities	FY03	75.0	–	75.0	–	75.0
Macedo Alimentos Nordeste S.A.	Food & Beverages	FY92	–	–	6.6	–	6.6
Maximilano Gaidzinski S.A.– Indústria de Azulejos Eliane	Nonmetallic Mineral Product Manufacturing	FY00	45.0	–	40.7	–	40.7
Microinvest S.A. Sociedade de Credito Ao Microempreendedor	Finance & Insurance	FY03	1.3	–	–	1.3	1.3
Minerações Brasileiras Reunidas S.A.	Oil, Gas and Mining	FY88, 93, 01	75.0	27.0	30.0	–	30.0
Net Servicos de Comunicacao S.A.	Information	FY02	5.0	–	–	36.7	36.7
New GP Capital Partners B L.P.	Collective Investment Vehicles	FY92	–	–	–	9.7	9.7
Oxiteno Nordeste S.A. Indústria e Comércio	Chemicals	FY75, 96	44.6	–	2.5	5.0	7.5
Pará Pigmentos S.A.	Oil, Gas and Mining	FY95	39.0	33.5	15.1	9.0	24.1
Perdigão S.A. and Perdigão Agroindustrial S.A.	Food & Beverages	FY88, 96	57.9	20.0	10.9	10.0	20.9
Petroflex Indústria e Comércio S.A.**	Plastics & Rubber	FY96	–	–	7.5	–	7.5
Politeno Indústria e Comércio S.A.	Chemicals	FY89, 96	42.6	–	1.5	–	1.5
Portobello S.A.	Nonmetallic Mineral Product Manufacturing	FY95, 00, 02	39.1	–	18.5	6.1	24.6
Puras do Brasil S.A.	Accommodation & Tourism Services	FY00	5.0	–	3.8	–	3.8
Queiroz Galvao Perfuracoes S.A.	Oil, Gas and Mining	FY03	40.0	–	40.0	–	40.0
Randon S.A. Implementose e Sistemas Automotivos	Industrial & Consumer Products	FY99	10.0	–	8.1	–	8.1
Ripasa S.A.	Pulp & Paper	FY91	25.0	–	–	5.0	5.0
Sadia Concórdia S.A. Indústria e Comércio	Food & Beverages	FY94, 95, 97	80.0	222.0	22.0	10.0	32.0
Samarco Mineração S.A.	Oil, Gas and Mining	FY97	18.0	16.0	9.0	–	9.0
Saraiva S.A. Livreiros Editores	Wholesale and Retail Trade	FY98	18.0	–	6.9	3.0	9.9
Satipel Industrial S.A.	Industrial & Consumer Products	FY03	25.0	–	25.0	–	25.0
Seara Alimentos S.A.	Agriculture & Forestry	FY93	–	–	–	3.9	3.9
Sepetiba Terminal de Containêres S.A.	Transportation and Warehousing	FY02	32.0	8.0	32.0	–	32.0

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Sucorrico S.A.	Food & Beverages	FY97	15.0	–	3.0	–	3.0
Sudamérica en Fiesta, S.A.	Accommodation & Tourism Services	FY00	15.0	–	–	15.0	15.0
Synteko Produtos Quimicos S.A.	Industrial & Consumer Products	FY02	18.0	–	18.0	–	18.0
São Paulo Alpargatas S.A.	Textiles, Apparel & Leather	FY87, 97, 03	90.0	–	46.7	–	46.7
Tecon Rio Grande S.A.	Transportation and Warehousing	FY99	12.1	16.0	11.3	–	11.3
Tecon Salvador S.A.	Transportation and Warehousing	FY01, 03	5.1	5.0	3.5	1.6	5.1
Trikem S.A.	Chemicals	FY92, 93	12.9	–	–	+	+
Tubos e Conexoes Tigre Ltda.	Plastics & Rubber	FY97	30.0	23.5	12.7	–	12.7
Unibanco — Uniao de Bancos Brasileiros S.A.	Finance & Insurance	FY88, 96, 02, 03	144.8	250.0	120.0	–	120.0
UP Offshore (Bahamas) Limited	Transportation and Warehousing	FY03	21.6	30.0	11.6	10.0	21.6
Usina Hidrelétrica Guilman– Amorim	Utilities	FY92, 98	30.0	91.0	24.3	–	24.3
Vulcabras do Nordeste S.A.	Textiles, Apparel & Leather	FY99	20.0	–	11.7	–	11.7
Weist S.A.	Industrial & Consumer Products	FY99	8.0	–	8.0	–	8.0
					1,293.9	298.1	1,591.9
<b>Chile</b>							
CB Transporte e Infraestructura S.A.	Transportation and Warehousing	FY99	2.0	–	0.8	–	0.8
Ferrocarril del Pacifico S.A.	Transportation and Warehousing	FY97	20.5	6.0	12.3	5.6	17.9
Hidroeléctrica Aconcagua S.A.	Utilities	FY92, 93	14.4	6.0	–	6.5	6.5
HQI Transelec Chile S.A.	Utilities	FY03	60.0	–	60.0	–	60.0
Lan Chile	Transportation and Warehousing	FY03	30.0	–	30.0	–	30.0
Minera Escondida Limitada	Oil, Gas and Mining	FY89, 93, 99	87.6	–	16.7	7.5	24.1
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	–	–	9.3	9.3
Proa Fondo de Inversión de Desarrollo de Empresas	Collective Investment Vehicles	FY96	8.3	–	–	6.6	6.6
San Antonio Terminal Internacional S.A.	Transportation and Warehousing	FY01	38.7	65.0	35.0	3.7	38.7
Transportes Ferroviarios S.A.	Transportation and Warehousing	FY92	–	–	–	4.4	4.4
					154.8	44.1	198.9
<b>Colombia</b>							
Banco Caja Social	Finance & Insurance	FY02	7.0	–	–	7.0	7.0
Bavaria	Food & Beverages	FY02	100.0	145.0	100.0	–	100.0
Cales y Cementos de Toluviejo, S.A.	Nonmetallic Mineral Product Manufacturing	FY01	3.3	7.1	3.3	–	3.3
Cementos del Caribe, S.A.	Nonmetallic Mineral Product Manufacturing	FY75, 01	17.6	13.0	4.0	10.0	14.0

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Colombian Home Mortgage Corp. (CHMC)	Finance & Insurance	FY02	13.0	–	2.3	10.6	13.0
Compania Suramericana de Arrendamiento Operativo S.A.	Finance & Insurance	FY99	5.1	–	–	5.1	5.1
Compañía Colombiana de Tejidos	Textiles, Apparel & Leather	FY63, 68, 69, 91	22.9	1.7	6.0	–	6.0
Corporación Financiera del Valle S.A.	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	88.8	–	38.1	25.0	63.1
Inversura S. A.	Finance & Insurance	FY02	15.0	–	–	15.0	15.0
Omimex de Colombia, Ltd.	Oil, Gas and 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 and Warehousing	FY77, 89, 93, 94, 97	38.3	69.5	3.8	1.1	4.9
Promotora de Inversiones de Santander, S.A.	Finance & Insurance	FY92, 94, 95	6.4	–	–	0.2	0.2
Protección S. A.	Finance & Insurance	FY02	10.0	–	–	10.0	10.0
Proyectos de Infraestructura S.A.	Transportation and Warehousing	FY97	9.5	–	–	5.0	5.0
Suramericana de Inversiones S.A.	Finance & Insurance	FY02	75.0	–	75.2	–	75.2
					267.7	97.1	364.8
<b>Costa Rica</b>							
Alterra Partners Costa Rica S.A.	Transportation and Warehousing	FY01	35.0	85.0	35.0	–	35.0
Banco Cuscatlan de Costa Rica	Finance & Insurance	FY03	5.0	–	5.0	–	5.0
Banco Interfin S.A.	Finance & Insurance	FY93, 01	20.0	–	13.8	–	13.8
Consorcio Hospitalario Internacional, S.A.	Health Care	FY99	1.2	–	–	1.2	1.2
Corporación Supermercados Unidos S.A.	Wholesale and Retail Trade	FY99	40.0	–	24.7	10.0	34.7
Hidroeléctrica Aguas Zarcas S.A. (Hidrozarcas)	Utilities	FY94	4.0	6.1	1.4	–	1.4
Productos Gutis S.A.	Health Care	FY03	7.0	–	7.0	–	7.0
					86.8	11.2	98.0
<b>Dominican Republic</b>							
Banco BHD, S.A.	Finance & Insurance	FY03	20.0	–	20.0	–	20.0
Caucedo Investments Inc.	Transportation and Warehousing	FY02	30.0	–	30.0	–	30.0
France Telecom Dominicana	Information	FY02	50.0	50.0	50.0	–	50.0
Inversora Internacional Hotelería, S.A.	Accommodation & Tourism Services	FY99	14.0	21.7	11.6	–	11.6
Pasteurizadora Rica C. por A.	Food & Beverages	FY00	15.0	–	14.0	–	14.0
Red Sanitaria Hospiten	Health Care	FY00, 03	14.0	10.0	13.9	–	13.9
Smith/Enron Cogeneration Limited Partnership	Utilities	FY95, 96	32.3	50.0	17.6	–	17.6
					157.1		157.1
<b>Ecuador</b>							
Agrocapital, S.A.	Agriculture & Forestry	FY97	3.5	–	3.5	–	3.5
Compañía Financiera Ecuatoriana de Desarrollo, S.A.	Finance & Insurance	FY69, 73, 75, 77, 81, 82, 88	3.0	–	–	+	+

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Concessionaria DHM, S.A.	Transportation and Warehousing	FY99	12.8	15.0	11.5	1.0	12.5
Ecuacobre-FV S.A.	Nonmetallic Mineral Product Manufacturing	FY00	9.0	–	7.8	–	7.8
Favorita Fruit Company, Ltd.	Agriculture & Forestry	FY99, 03	30.0	–	22.2	5.0	27.2
La Universal S.A.	Agriculture & Forestry	FY99	13.2	3.0	8,25.0	–	13.2
Rey Banano del Pacifico C.A. (Reybanpac)	Agriculture & Forestry	FY94	10.0	5.0	2.0	–	2.0
					55.2	11.0	66.1
<b>El Salvador</b>							
AFP Crecer, S.A.	Finance & Insurance	FY99	–	–	–	1.2	1.2
Banco Cuscatlan, S.A.	Finance & Insurance	FY99, 03	40.0	–	31.4	–	31.4
Baterias de El Salvador, S.A.	Industrial & Consumer Products	FY99	2.0	–	1.4	–	1.4
CAESS/EEO Distribution Companies	Utilities	FY02	45.0	75.0	44.2	–	44.2
Cemento de El Salvador, S.A.	Nonmetallic Mineral Product Manufacturing	FY97, 00	19.6	20.6	9.7	2.2	11.9
Financiera Calpia S.A.	Finance & Insurance	FY03	2.0	–	–	2.0	2.0
Implementos Agrícolas Centroamericanos, S.A.	Industrial & Consumer Products	FY98, 99	2.2	–	–	0.2	0.2
					86.8	5.6	92.4
<b>Grenada</b>							
Bel Air Plantation Limited	Accommodation & Tourism Services	FY02	2.0	–	2.0	–	2.0
					2.0	–	2.0
<b>Guatemala</b>							
Banco Cuscatlan 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	–	1.8	–	1.8
Frutera del Pacifico, S.A.	Agriculture & Forestry	FY00	7.0	–	5.6	–	5.6
Generadora de Occidente Ltda.	Utilities	FY03	15.0	12.0	15.0	–	15.0
Interforest S.A.	Industrial & Consumer Products	FY03	6.0	–	6.0	–	6.0
La Fragua	Wholesale and Retail Trade	FY99	20.0	–	15.8	–	15.8
Orzunil I de Electricada Limitada	Utilities	FY92, 98, 00	14.3	15.0	10.9	1.2	12.1
Pantaleón S.A.	Food & Beverages	FY97	20.0	–	6.3	–	6.3
Vidriera Guatemalteca, S.A.	Nonmetallic Mineral Product Manufacturing	FY93	11.0	–	0.7	–	0.7
					82.0	1.2	83.1
<b>Guyana</b>							
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
IDS Holdings Limited	Plastics & Rubber	FY99	1.2	–	1.3	–	1.3
					1.9	1.0	2.9
<b>Haiti</b>							
Micro Crédit National S.A.	Finance & Insurance	FY00	0.4	–	–	0.4	0.4
						0.4	0.4

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<b>Honduras</b>							
Electricidad de Cortés, S. de R.L. de C.V.	Utilities	FY95, 98	16.6	36.3	6.7	2.6	9.3
Grupo Granjas Marinas S.A. de C.V.	Agriculture & Forestry	FY87, 99	6.6	–	4.5	–	4.5
Multiplaza S.A.	Accommodation & Tourism Services	FY99	10.0	–	7.7	–	7.7
					18.9	2.6	21.5
<b>Jamaica</b>							
Jamaica Energy Partners	Utilities	FY97	23.9	48.0	11.7	–	11.7
Jamaica Public Service Company	Utilities	FY03	45.0	–	45.0	–	45.0
MBJ Airports Limited	Transportation and Warehousing	FY02	20.0	25.0	20.0	–	20.0
Mossel (Jamaica) Limited	Information	FY01, 02	50.0	21.8	42.0	8.0	50.0
					118.7	8.0	126.7
<b>Mexico</b>							
AES Méridia III, S. de R.L. de C.V.	Utilities	FY98	30.0	74.0	28.3	–	28.3
Agropecuaria Sanfandila S.A. de C.V.	Agriculture & Forestry	FY99	8.7	4.3	6.2	–	6.2
Allegro Grand Cozumel, S.A. de C.V.	Accommodation & Tourism Services	FY03	40.0	40.0	30.0	10.0	40.0
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, 93, 96	176.4	120.0	9.0	–	9.0
Banco BBVA – Bancomer	Finance & Insurance	FY92	–	–	42.4	–	42.4
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	47.7	–	47.7
Central Saltillo S.A. de C.V.	Utilities	FY00	35.0	43.0	33.3	–	33.3
Combustibles Ecologicos Mexicanos, S.A. de C.V.	Chemicals	FY02	6.5	–	5.0	1.5	6.5
Comercializadora La Junta S.A. de C.V.	Transportation and Warehousing	FY98	6.0	7.5	3.0	–	3.0
Compañía Tratadora de Aguas Negras de Puerto Vallarta, S.A. de C.V.	Utilities	FY95, 02	7.5	–	3.0	–	3.0
Consorcio International Hospital, S.A. de C.V.	Health Care	FY99	4.8	–	–	4.8	4.8
Coppel S.A. de C.V.	Wholesale and Retail Trade	FY02	30.0	–	30.0	–	30.0
Financiera Compartamos, S.A. de C.V.	Finance & Insurance	FY01	1.7	–	1.0	0.7	1.7
Fomento Económico Mexicano, S.A. de C.V.	Food & Beverages	FY89, 92	107.6	–	–	2.8	2.8
Fondo Chiapas Equity Agency Line	Finance & Insurance	FY98	5.0	–	–	4.2	4.2
Forja De Monterrey, S.A. De C.V.	Industrial & Consumer Products	FY99	16.0	13.0	9.3	3.0	12.3
Girsa, S.A. de C.V.	Chemicals	FY97, 00	85.0	175.0	52.1	–	52.1
Grupo Aceros Corsa, S.A. de C.V.	Primary Metals	FY00	16.0	–	9.3	3.0	12.3
Grupo Bimbo, S.A. de C.V.	Food & Beverages	FY92, 96	65.0	175.0	13.5	–	13.5
Grupo Calidra, S.A. de C.V.	Oil, Gas and Mining	FY98	18.0	10.0	8.7	6.0	14.7
Grupo Financiero Banorte, S.A. de C.V.	Finance & Insurance	FY03	50.0	–	50.0	–	50.0
Grupo Financiero BBVA Bancomer, S.A. (formerly Grupo Probursa)	Finance & Insurance	FY92	–	–	–	32.7	32.7
Grupo Idesa, S.A. de C.V.	Chemicals	FY94	23.0	42.5	–	+	+
Grupo Industrial Ayvi S.A. de C.V.	Agriculture & Forestry	FY99	10.0	–	7.1	–	7.1
Grupo Mexmal	Industrial & Consumer Products	FY03	10.0	–	10.0	–	10.0

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			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
Grupo Minsa, S.A. de C.V.	Food & Beverages	FY97	30.0	30.0	12.5	–	12.5
Grupo Posadas, S.A. de C.V.	Accommodation & Tourism Services	FY92, 93, 95, 96, 00	83.7	68.5	46.2	5.0	51.2
Hipotecaria Su Casita, S.A. de C.V. – SOFOL	Finance & Insurance	FY01	12.6	–	1.9	10.6	12.5
Industrias Innopack S.A. de C.V.	Plastics & Rubber	FY01	15.0	–	–	15.0	15.0
Invercap S.A. de C.V.	Finance & Insurance	FY00, 01	1.1	–	–	1.1	1.1
Medicus, S.A. de C.V.	Health Care	FY99	7.0	–	6.8	–	6.8
Mexico City – Toluca Toll Road	Transportation and Warehousing	FY92	13.8	–	1.8	–	1.8
Mexplus Puertos S.A. de C.V.	Transportation and Warehousing	FY93, 95, 99	4.5	–	–	4.5	4.5
Pan American Silver Corporation	Oil, Gas and Mining	FY00	9.0	–	–	9.0	9.0
Plata Panamericana, S.A. de C.V.	Oil, Gas and Mining	FY02	10.0	–	10.0	–	10.0
Polomex S.A. de C.V.	Industrial & Consumer Products	FY03	8.0	–	8.0	–	8.0
Promotora de Centros Educativos S.A. de C.V.	Education Services	FY01	6.5	–	6.5	–	6.5
Propalma Fondo Chiapas Equity Agency	Food & Beverages	FY98	0.2	–	–	1.0	1.0
Puertas Finas de Madera Montevalban, S.A. de C.V.	Industrial & Consumer Products	FY02	13.0	–	13.0	–	13.0
Qualita	Information	FY02	6.0	–	3.5	2.5	6.0
Servicios S.A. de C.V.	Transportation and Warehousing	FY01	12.4	10.0	9.8	1.9	11.7
Tenedora Nematik 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 and Warehousing	FY97	5.1	10.4	4.7	–	4.7
Turborreactores S.A. de C.V.	Industrial & Consumer Products	FY00	14.0	4.0	12.0	–	12.0
ZN Mexico Capital Growth Fund Ltd.	Collective Investment Vehicles	FY99	15.3	–	–	15.3	15.3
ZN Mexico Capital Management, LLC	Collective Investment Vehicles	FY92	10.0	–	–	10.0	10.0
					574.4	152.9	727.3
<b>Nicaragua</b>							
Casa Mantica S.A. and Inmuebles Diano Marina, S.A.	Wholesale and Retail Trade	FY99	4.5	–	3.9	–	3.9
Distribuidora Cesar Guerrero S.A.	Wholesale and Retail Trade	FY99	1.0	–	0.6	–	0.6
Financiera Arrendadora Centroamericana, S.A.	Finance & Insurance	FY00	2.0	–	1.0	–	1.0
Frutales del San Juan, S.A.	Agriculture & Forestry	FY99	2.0	–	0.4	0.4	0.8
					5.9	0.4	6.3
<b>Panama</b>							
Aguas de Panama S.A.	Utilities	FY03	6.0	10.0	6.0	–	6.0
Banco Del Istmo, S.A.	Finance & Insurance	FY00	20.0	38.0	16.5	–	16.5
Banco General S.A.	Finance & Insurance	FY98, 00	40.0	–	37.3	–	37.3
Banco Latinoamericano de Exportaciones, S.A.	Finance & Insurance	FY79, 85, 86, 88, 03	174.8	–	125.0	–	125.0
ICA Panama, S.A.	Transportation and Warehousing	FY00	35.0	35.0	35.0	–	35.0

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			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
Manzanillo International Terminal – Panama, S.A.	Transportation and Warehousing	FY95, 00	40.0	35.0	27.7	–	27.7
Panama Canal Railway Company	Transportation and Warehousing	FY00	20.0	30.0	15.0	5.0	20.0
Suleasing Internacional S.A.	Finance & Insurance	FY00	5.0	–	7.0	5.0	12.0
UBCI	Finance & Insurance	FY03	10.0	–	–	10.0	10.0
UP Offshore (Panama)	Transportation and Warehousing	FY03	13.1	5.3	13.1	–	13.1
					282.6	20.0	302.6
<b>Peru</b>							
Agraria El Escorial S.A.	Food & Beverages	FY00	7.0	–	7.0	–	7.0
Agro Industrial Paramonga S.A.	Food & Beverages	FY98	14.2	14.8	13.2	–	13.2
Alicorp S.A.	Food & Beverages	FY00	40.0	20.0	37.3	–	37.3
Banco Internacional del Perú	Finance & Insurance	FY98	20.0	100.0	8.0	–	8.0
Empresa Agroindustrial Laredo S.A.	Food & Beverages	FY00	15.0	–	13.6	–	13
Ferrocarril Transandino S.A.	Transportation and Warehousing	FY02	9.0	–	9.0	–	9.0
Inka Terra, Peru S.A.C.	Accommodation & Tourism Services	FY01	5.0	–	5.0	–	5.0
Interseguro Compania de Seguros de Vida S.A.	Finance & Insurance	FY02, 03	4.6	–	–	4.6	4.6
ISA Peru, S.A.	Utilities	FY02	18.0	8.0	17.7	–	17.7
MiBanco, Banco de la Micro-Empresa, S.A.	Finance & Insurance	FY02	3.0	–	2.3	–	2.3
Minera Quellaveco S.A.	Oil, Gas and Mining	FY93, 96, 00, 01	12.9	–	–	12.9	12.9
Minera Yanacocha S.A.	Oil, Gas and Mining	FY94, 95, 00	42.7	59.0	20.0	0.3	20.3
Norvial S.A.	Transportation and Warehousing	FY03	18.0	–	18.0	–	18.0
Peru OEH S.A.	Accommodation & Tourism Services	FY01	10.0	–	10.0	–	10.0
The Peru Privatization Fund Limited	Collective Investment Vehicles	FY95	13.9	–	–	9.7	9.7
The Peru Privatisation Fund Management Services Company Limited	Collective Investment Vehicles	FY95	+	–	–	+	+
Qualita Leasing, S.A.	Finance & Insurance	FY98	12.5	–	6.0	6.5	12.5
Ransa Comercial S.A.	Transportation and Warehousing	FY00	10.0	–	8.1	–	8.1
S.A. Minera Regina	Oil, Gas and Mining	FY85	3.0	–	0.4	–	0.4
Sociedad Agricola Drokasa S.A.	Agriculture & Forestry	FY00	6.0	–	5.4	–	5.4
Tecnofil S.A.	Industrial & Consumer Products	FY02	7.4	–	5.4	2.0	7.4
TIM Peru	Information	FY03	70.0	–	70.0	–	70.0
Universidad Peruana de Ciencias Aplicadas, S.A.	Education Services	FY01	7.0	–	7.0	–	7.0
					263.5	35.9	299.4
<b>Trinidad and Tobago</b>							
Caribbean Ispat Limited	Primary Metals	FY96	27.4	55.0	10.3	–	10.3
Republic Bank Limited	Finance & Insurance	FY03	70.0	–	70.0	–	70.0
Royal Merchant Bank and Finance Company	Finance & Insurance	FY02	20.0	–	20.0	–	20.0
Unicell Paper Mills Caribbean Ltd. (UPMCL)	Pulp & Paper	FY02	9.0	–	9.0	–	9.0
					109.3		109.3

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			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
<b>Uruguay</b>							
Azucitrus S.A.	Food & Beverages	FY85, 93	13.9	–	0.5	3.4	3.9
Banco Montevideo S.A.	Finance & Insurance	FY02	18.0	–	9.0	9.0	18.0
Consorcio Aeropuertos Internacionales S.A.	Transportation and Warehousing	FY96	8.0	10.0	5.6	–	5.6
Cooperativa Nacional de Productores de Leche	Food & Beverages	FY03	30.0	–	30.0	–	30.0
Granja Avicola Moro	Food & Beverages	FY92	3.8	–	1.8	0.8	2.5
Surinvest International Limited	Finance & Insurance	FY80, 87, 89, 97, 02	18.9	10.0	4.9	1.8	6.7
Universidad de Montevideo	Education Services	FY01	5.0	–	5.0	–	5.0
					56.8	15.0	71.8
<b>Venezuela, República Bolivariana de</b>							
Compañía Anónima Nacional Teléfonos de Venezuela	Information	FY96	43.4	131.6	25.0	–	25.0
Complejo Siderúrgico de Guayana, C.A.	Primary Metals	FY97, 98	45.0	121.0	21.0	10.0	31.0
Corporacion de Cemento Andino, C.A.	Nonmetallic Mineral Product Manufacturing	FY01	7.6	21.3	7.6	–	7.6
Corporación Industrial Montana, C.A., S.A.	Chemicals	FY91, 92	21.1	–	–	+	+
Electricidad de Caracas S.A.C.A.	Utilities	FY00, 01	70.0	35.0	53.5	–	53.5
Forestal Trillium de Venezuela, C.A.	Industrial & Consumer Products	FY00	22.8	10.0	16.8	6.0	22.8
Global Material Services Venezuela C.A./ ACBL Riverside Terminals C.A.	Transportation and Warehousing	FY02	3.2	–	2.5	–	2.5
Grupo Zuliano, S.A. C.A.	Chemicals	FY94	14.1	–	–	14.1	14.1
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	6.6	6.8	13.4
Minera Loma de Niquel, C.A.	Oil, Gas and Mining	FY98, 00	75.2	50.0	56.3	4.4	60.8
Productora de Alcoholes Hidratados, C.A.	Chemicals	FY91	39.4	2.0	7.5	–	7.5
Propileno De Falcon Profalca, C.A.	Chemicals	FY00	24.0	23.0	20.3	–	20.3
Telecomunicaciones Movilnet, C.A.	Information	FY98	35.0	60.0	19.7	–	19.7
					241.7	44.3	286.0
<b>Regional Investments</b>							
Advent Latin American Private Equity Fund II, L.P.	Collective Investment Vehicles	FY02	15.0	–	–	15.0	15.0
Bank of Nova Scotia	Finance & Insurance	FY01	25.0	25.0	25.0	–	25.0
Central America Growth Fund Investment Vehicles	Collective	FY03	8.3	–	–	8.3	8.3
Certifica.com	Information	FY01	1.5	–	–	1.5	1.5
Convergence Communications, Inc.	Information	FY00, 01, 02	7.9	–	–	7.9	7.9
Darby–BBVA Latin America Private Equity Fund	Collective Investment Vehicles	FY03	10.0	–	–	10.0	10.0
Eastern Caribbean Home Mortgage Bank	Finance & Insurance	FY97	0.4	–	–	0.4	0.4
HSBC Private Equity (South America) Ltd.	Collective Investment Vehicles	FY01	–	–	–	0.3	0.3
HSBC Tower Equity Partners, L.P.	Collective Investment Vehicles	FY01	20.0	–	–	19.7	19.7
LAAD	Finance & Insurance	FY02	20.0	–	20.0	–	20.0
The Latin America Enterprise Fund, L.P.	Collective Investment Vehicles	FY95	20.0	–	–	17.7	17.7

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			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
The Latin America Enterprise Fund II, L.P.	Collective	FY98	23.1	–	–	13.1	13.1
Marcopolo S.A.	Industrial & Consumer Products	FY03	30.0	–	30.0	–	30.0
Medical Systems Finance Holding Limited	Finance & Insurance	FY98, 01	17.0	39.6	15.0	–	15.0
PriceSmart, Inc.	Wholesale and Retail Trade	FY01, 02	42.0	–	30.6	10.0	40.6
Profund Internacional, S.A.	Collective	FY96	3.0	–	–	2.6	2.6
Salutia	Investment Vehicles						
Scudder Latin American Power Fund I	Health Care	FY02	2.7	–	–	2.7	2.7
Scudder Latin American Power Fund II	Collective	FY92, 93	25.0	–	–	21.0	21.0
TCW/Latin America Partners LLC	Collective	FY92, 98	7.0	–	–	4.9	4.9
Terra Capital Investors Limited	Investment Vehicles						
Trans Union Central America	Collective	FY00	70.0	–	–	20.0	20.0
UABL Bahamas Ltd.	Collective	FY99	5.0	–	–	5.0	5.0
	Investment Vehicles						
	Finance & Insurance	FY03	0.4	–	–	0.4	0.4
	Transportation and Warehousing	FY03	25.0	10.0	20.0	5.0	25.0
					140.6	165.5	306.1
<b>Total equity and loans</b>					<b>5,012.6</b>	<b>1,120.9</b>	<b>6,133.4</b>
<b>Total guarantees and risk management products</b>							<b>79.5</b>
<b>Total IFC portfolio for Latin America &amp; the Caribbean</b>							<b>6,212.9</b>

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			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity	
<b>Algeria</b>								
Algerian Cement Company	Nonmetallic Mineral Product Manufacturing	FY03	35.0	–	35.0	–	35.0	
Algiers Investment Partnership	Finance & Insurance	FY00	0.3	–	–	0.3	0.3	
Arab Banking Corporation Algeria	Finance & Insurance	FY98	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	
					60.0	3.6	63.6	
<b>Egypt</b>								
Abu Soma Development Company	Accommodation & Tourism Services	FY94, 97, 99	1.1	–	–	1.1	1.1	
Al-Amir for Sanitary Ware Production, S.A.E.	Nonmetallic Mineral Product Manufacturing	FY02	6.0	–	6.0	–	6.0	
Alexandria Carbon Black Company, S.A.E.	Chemicals	FY93, 97, 99, 03	27.5	–	13.6	3.0	16.5	
Alexandria National Iron & Steel Company S.A.E.	Primary Metals	FY84, 91, 93, 94, 96, 99	42.6	–	5.7	22.6	28.3	
Amreya Casting Company	Industrial & Consumer Products	FY02	4.9	–	6.1	–	6.1	
Club Ras Soma Hotel Company	Accommodation & Tourism Services	FY94	7.4	2.9	2.8	2.4	5.2	
Commercial International Bank (Egypt) S.A.E.	Finance & Insurance	FY94	15.6	–	–	15.6	15.6	
Commercial International Bank Legal & General Life Insurance Company	Finance & Insurance	FY00	1.7	–	–	1.7	1.7	
E.D.F. Port Said East Power S.A.E.	Utilities	FY01	45.0	152.5	45.0	–	45.0	
E.D.F. Suez Gulf Power S.A.E.	Utilities	FY01	45.0	152.5	45.0	–	45.0	
EFG – Hermes Holding SAE	Finance & Insurance	FY01	15.0	–	9.3	–	9.3	
HC Securities & Investment S.A.E.	Finance & Insurance	FY00	1.4	–	–	1.4	1.4	
IT Worx Ltd	Professional, Scientific and Technical Services	FY01	2.5	–	–	2.5	2.5	
Meleiha Oil Development and Exploration Project	Oil, Gas and Mining	FY87, 88, 93	41.7	–	–	30.8	30.8	
Metro Markets	Wholesale and 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	–	3.5	–	3.5	
Orix Leasing Egypt	Finance & Insurance	FY97, 02	6.9	–	5.7	0.9	6.6	
Sekem Holdings	Chemicals	FY03	5.0	–	5.0	–	5.0	
Unipak Nile Limited	Pulp & Paper	FY98, 01	8.0	–	7.1	–	7.1	
					204.6	81.9	286.4	

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			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity	
<b>Jordan</b>								
Arab International Hotels Company	Accommodation & Tourism Services	FY00	3.6	–	–	3.6	3.6	
Business Tourism Company Limited	Accommodation & Tourism Services	FY98	5.0	–	2.9	–	2.9	
El-Zay Ready Wear Manufacturing Co.	Textiles, Apparel & Leather	FY98	5.0	–	2.1	–	2.1	
Hikma Investment Company Ltd.	Chemicals	FY87, 91, 93, 95, 03	24.3	–	14.7	2.4	17.1	
Horizon Luggage Manufacturing Company	Textiles, Apparel & Leather	FY01	8.0	–	7.2	–	7.2	
Indo-Jordan Chemicals Company Limited	Chemicals	FY95	30.0	–	12.0	–	12.0	
Industry and Information Technology Park Development Co.	Construction and Real Estate	FY02	12.5	–	12.5	–	12.5	
Jordan Gateway Projects Co.	Construction and Real Estate	FY01	3.0	–	3.0	–	3.0	
Jordan Inter-Continental Hotel Project	Accommodation & Tourism Services	FY98	10.0	–	8.6	–	8.6	
Jordan Investment Trust Plc	Finance & Insurance	FY98	1.4	–	–	1.4	1.4	
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	4.3	–	2.1	–	2.1	
Middle East Regional Development Enterprise	Oil, Gas and Mining	FY02	5.0	–	4.4	0.6	5.0	
Modern Agricultural Investment Company	Transportation and Warehousing	FY99	1.0	–	–	1.0	1.0	
Rubicon	Information	FY03	1.0	–	–	1.0	1.0	
Specialized Investment Compounds Co. Plc	Construction and Real Estate	FY02	8.0	–	7.3	–	7.3	
Zara Investment (Holding) Company Limited	Accommodation & Tourism Services	FY97	18.0	–	13.8	3.0	16.7	
						109.7	12.9	122.6
<b>Lebanon</b>								
Agricultural Development Co. S.A.L.	Food & Beverages	FY98	5.0	–	2.1	–	2.1	
Bank of Beirut and the Arab Countries, S.A.L.	Finance & Insurance	FY93, 97	11.0	10.0	1.9	–	1.9	
Bank of Beirut S.A.L.	Finance & Insurance	FY98	17.1	–	11.8	–	11.8	
Banque Libano-Française S.A.L.	Finance & Insurance	FY94, 97	16.0	21.0	3.8	–	3.8	
Banque Saradar S.A.L.	Finance & Insurance	FY98, 99	21.0	–	4.4	11.0	15.4	
Byblos Bank S.A.L.	Finance & Insurance	FY93, 97, 00	38.8	40.2	23.3	–	23.3	
Fransabank S.A.L.	Finance & Insurance	FY93, 94, 97	16.5	15.4	1.8	–	1.8	
Idarat Investment Corporation, S.A.L.	Accommodation & Tourism Services	FY99	6.5	–	5.0	1.5	6.5	
Lebanese Leasing Company	Finance & Insurance	FY95, 99, 01	16.2	10.8	4.3	0.7	5.0	
Middle East Capital Group	Finance & Insurance	FY96	3.0	–	–	3.0	3.0	
Société Hotelière "De Vinci" S.A.L.	Accommodation & Tourism Services	FY99	3.0	–	2.1	–	2.1	
Société Générale Libano-Européenne de Banque S.A.L.	Finance & Insurance	FY94, 97	13.5	17.5	2.8	–	2.8	
Uniceramic S.A.L.	Nonmetallic Mineral Product Manufacturing	FY93	4.0	2.0	–	0.2	0.2	
						63.2	16.4	79.7

# MIDDLE EAST & NORTH AFRICA

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndications	Loans	Equity (at cost)	Total loans and equity
<b>Morocco</b>							
Maghreb Invest Management Ltd	Collective	FY00	+	-	-	+	+
	Investment Vehicles						
Maghreb Invest Private Equity Fund	Collective	FY00	5.0	-	-	5.0	5.0
	Investment Vehicles						
Medi Telecom S.A.	Information	FY01	88.5	296.7	78.5	-	78.5
					78.5	5.0	83.6
<b>Oman</b>							
Oman ORIX Leasing Company SAOG	Finance & Insurance	FY93, 99	6.4	-	0.6	-	0.6
United Power Company S.A.O.G.	Utilities	FY95, 00	20.5	57.0	6.9	5.5	12.4
					7.5	5.5	13.0
<b>Pakistan</b>							
Abamco Limited	Collective	FY95	0.3	-	-	0.3	0.3
	Investment Vehicles						
AES Lalpir Limited	Utilities	FY95	49.5	-	27.5	9.5	37.0
AES Pak Gen (Private) Company	Utilities	FY96	29.5	48.3	14.2	9.5	23.7
Atlas Investment Bank	Finance & Insurance	FY96	5.0	-	0.6	-	0.6
BRR International Modaraba	Finance & Insurance	FY92, 94, 96	15.8	3.8	5.0	0.8	5.8
BRR Investments (Pvt) Limited	Finance & Insurance	FY92	-	-	-	0.2	0.2
BSJS Balanced Fund	Collective	FY96	0.5	-	-	0.5	0.5
	Investment Vehicles						
Central Depository Company of Pakistan Limited	Finance & Insurance	FY93	0.2	-	-	0.2	0.2
Crescent Bahuman Limited	Textiles, Apparel & Leather	FY94, 97, 02	23.7	11.5	3.6	5.1	8.7
Dewan Salman	Textiles, Apparel & Leather	FY03	35.0	-	34.0	1.0	35.0
Engro Asahi Polymer and Chemicals (Private) Limited	Chemicals	FY98	8.0	-	5.7	-	5.7
Engro Chemical Pakistan Limited	Chemicals	FY91, 95, 97	55.1	14.0	3.9	3.9	7.8
Engro Vopak Terminal Limited	Transportation and Warehousing	FY97	10.9	4.5	5.1	-	5.1
Eni Pakistan Limited	Oil, Gas and Mining	FY02	30.0	-	30.0	-	30.0
Fauji Cement Ltd.	Nonmetallic Mineral Product Manufacturing	FY94, 02	32.7	20.0	6.8	8.7	15.5
First International Investment Bank Limited	Finance & Insurance	FY90, 92, 96	4.6	-	1.0	1.5	2.5
First Leasing Corporation Limited	Finance & Insurance	FY94, 97	5.7	-	0.3	1.7	1.9
First MicroFinanceBank Limited	Finance & Insurance	FY02	2.7	-	-	2.7	2.7
First UDL Modaraba	Finance & Insurance	FY96	10.0	7.5	6.7	-	6.7
Gul Ahmed Energy Limited	Utilities	FY96	31.1	35.0	16.2	4.1	20.3
International Housing Finance Limited	Finance & Insurance	FY92, 95	7.4	-	+	0.9	0.9
Jahangir Siddiqui & Co. Limited	Finance & Insurance	FY93, 96	1.1	-	-	1.1	1.1
Karachi Container Terminal	Transportation and Warehousing	FY03	9.3	-	9.3	-	9.3
Kohinoor Energy Limited	Utilities	FY95	31.3	36.6	13.8	6.3	20.1
Maple Leaf Cement Factory Limited	Nonmetallic Mineral Product Manufacturing	FY92, 94, 96, 97, 02	35.7	35.0	1.9	4.8	6.6
ORIX Investment Finance Company Pakistan Limited	Finance & Insurance	FY92, 96	0.6	-	-	0.6	0.6
Orix Leasing Pakistan Limited	Finance & Insurance	FY94	12.5	3.3	0.7	-	0.7
Packages Limited	Pulp & Paper	FY65, 80, 82, 87, 88, 92, 94, 95	44.8	20.1	-	0.4	0.4

# MIDDLE EAST & NORTH AFRICA

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
Pakistan Industrial & Commercial Leasing Limited	Finance & Insurance	FY94	5.0	–	0.6	–	0.6
Pakistan Industrial Leasing Corporation Limited	Finance & Insurance	FY91, 94, 95	15.5	2.2	0.6	–	0.6
Pakistan Petroleum Limited	Oil, Gas and Mining	FY83, 85, 95, 02	49.5	85.4	–	8.2	8.2
Regent Knitwear Limited	Textiles, Apparel & Leather	FY94	9.2	2.8	7.8	–	7.8
Rupafab Limited	Textiles, Apparel & Leather	FY96	11.0	–	0.9	–	0.9
Sarah Textiles Limited	Textiles, Apparel & Leather	FY93, 96, 02	7.7	–	–	+	+
Uch Power Limited	Utilities	FY96	40.0	75.0	38.1	–	38.1
					234.0	71.8	305.8
<b>Saudi Arabia</b>							
Saudi Orix Leasing Company (SOLC)	Finance & Insurance	FY00	1.6	–	–	1.6	1.6
						1.6	1.6
<b>Syrian Arab Republic</b>							
Arab Drip Irrigation Technology Company Limited (Adritec)	Plastics & Rubber	FY01	1.0	–	–	1.0	1.0
Daaboul Company for Petrochemicals Industries	Chemicals	FY02	13.2	–	13.2	–	13.2
Syrian Commercial Bank	Finance & Insurance	FY02	3.3	–	–	3.3	3.3
					13.2	4.3	17.5
<b>Tunisia</b>							
Banque Internationale Arabe de Tunisie	Finance & Insurance	FY98, 00	8.3	–	–	2.5	2.5
International Maghreb Merchant Bank S.A.	Finance & Insurance	FY95	0.3	–	–	0.3	0.3
Société Industrielle des Textiles (SITEX)	Textiles, Apparel & Leather	FY86, 92, 98	14.0	–	–	2.9	2.9
Tuninvest Private Equity Fund	Collective Investment Vehicles	FY98	4.6	–	–	4.3	4.3
						10.1	10.1
<b>West Bank and Gaza</b>							
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
Arab Palestine Investment Bank	Finance & Insurance	FY96	3.7	–	–	3.7	3.7
Arab Palestinian Storage and Cooling Co. Ltd	Transportation and Warehousing	FY99	0.2	–	0.1	–	0.1
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	–	–	0.9	–	0.9
Palestine Industrial Estates Development and Management Company	Construction and Real Estate	FY98	9.0	7.0	8.0	1.0	9.0
Palestine Mortgage Housing Corporation	Finance & Insurance	FY99	3.0	–	–	3.0	3.0
Palestine Tourism Investment Company Limited	Accommodation & Tourism Services	FY99	9.3	–	5.8	1.4	7.2
Peace Technology Fund	Collective Investment Vehicles	FY99	12.6	–	–	12.6	12.6

# MIDDLE EAST & NORTH AFRICA

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)		
			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity
Peace Technology Management Ltd.	Collective Investment Vehicles	FY98	0.2	–	–	0.2	0.2
					17.0	21.9	38.9
<b>Yemen, Republic of</b>							
Aden Company for Silos and Mills	Food & Beverages	FY99	12.0	–	12.0	–	12.0
Al-Ahila Mineral Water Company	Food & Beverages	FY03	1.5	–	1.5	–	1.5
Radfan Ceramics and Porcelain Manufacturing Company Limited	Nonmetallic Mineral Product Manufacturing	FY98	3.8	–	2.2	–	2.2
					15.7		15.7
<b>Regional Investments</b>							
Arab Insurance Group	Finance & Insurance	FY98	6.2	–	–	6.0	6.0
First ANZ International Modaraba Limited	Collective Investment Vehicles	FY97	5.0	–	–	0.6	0.6
Inter Arab Rating Company	Finance & Insurance	FY96	0.3	–	–	0.3	0.3
						6.9	6.9
<b>Total equity and loans</b>					<b>803.4</b>	<b>241.9</b>	<b>1,045.3</b>
<b>Total guarantees and risk management products</b>							<b>281.0</b>
<b>Total IFC portfolio for Middle East &amp; North Africa</b>							<b>1,326.3</b>

# WORLDWIDE

at June 30, 2003

Country, region or other area, and obligor	Sector	Fiscal Year in which commitments were made	Original commitments <sup>1</sup> (US\$ millions)		Investments held for IFC (US\$ millions)			
			Total IFC	Total syndi-cations	Loans	Equity (at cost)	Total loans and equity	
ACCION Investments in Microfinance	Finance & Insurance	FY03	3.0	–	–	3.0	3.0	
Emerging Markets Fixed Income Fund	Collective	FY98	10.0	–	–	7.7	7.7	
	Investment Vehicles							
Gerling Credit Insurance Group	Finance & Insurance	FY01	11.1	–	–	11.1	11.1	
InfrastructureWorld.com	Information	FY01	5.0	–	–	+	+	
Internationale Micro Investitionen Aktiengesellschaft	Finance & Insurance	FY01, 02, 03	6.7	–	–	6.7	6.7	
Novica United, Inc.	Information	FY03	1.5	–	–	1.5	1.5	
Round 1	Collective	FY01	3.0	–	0.5	+	0.5	
	Investment Vehicles							
Solar Development Capital Limited	Collective	FY01	5.5	–	–	5.5	5.5	
	Investment Vehicles							
State Street Bank and Trust Company	Collective	FY94	10.0	–	–	9.0	9.0	
IFC Emerging Markets Common Trust Fund	Investment Vehicles							
					0.5	44.5	45.0	
<b>Total for Worldwide</b>						<b>0.5</b>	<b>44.5</b>	<b>45.0</b>
<b>Total loans and equity for IFC</b>						<b>11,973.9</b>	<b>3,539.0</b>	<b>15,512.9</b>
<b>Total loans and equity for IFC (net of write-off adjustments)<sup>2</sup></b>						<b>11,925.3</b>	<b>3,517.2</b>	<b>15,442.5</b>
<b>Total guarantees and risk management products</b>								<b>1,334.9</b>
<b>Total IFC portfolio for its own account</b>								<b>16,777.4</b>

\* Financial intermediary through which IFC makes loans to, and equity investments in, various small-scale companies.

\*\* Subproject under an agency line or a multicountry loan facility. The corresponding commitment is shown for the agent.

+ 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 those 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, 2003, net of cancellations.
2. Of the total \$290,414,425 in write-offs for FY03, write-off adjustments are \$48,617,160 in loans and \$21,835,727 in equity (at cost) for a total of \$70,452,887.

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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# innovation impact sustainability

IFC's COMMITMENT

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/ar2003](http://www.ifc.org/ar2003), is a companion to this printed edition. It provides easy navigation and downloading of data related to IFC investment projects.



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