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**IFC**

**INTERNATIONAL  
FINANCE  
CORPORATION**

*A Member of The World Bank Group*

**ANNUAL REPORT**

**1969**



*“The purpose of the Corporation is to further economic development by encouraging the growth of productive private enterprise in member countries, particularly in the less developed areas, thus supplementing the activities of the International Bank for Reconstruction and Development. . . . In carrying out this purpose, the Corporation shall:*

- i. in association with private investors, assist in financing the establishment, improvement and expansion of productive private enterprises which would contribute to the development of its member countries by making investments, without guarantee of repayment by the member government concerned, in cases where sufficient private capital is not available on reasonable terms;*
- ii. seek to bring together investment opportunities, domestic and foreign private capital, and experienced management; and*
- iii. seek to stimulate, and to help create conditions conducive to, the flow of private capital, domestic and foreign, into productive investment in member countries.*

*“The Corporation shall be guided in all its decisions by the provisions of this Article.”*

*Article One  
Articles of Agreement  
International Finance Corporation*

## **International Finance Corporation**

OFFICE OF THE PRESIDENT

1818 H Street, N.W.  
Washington, D.C. 20433  
September 29, 1969

Dear Mr. Chairman:

The Annual Report of the International Finance Corporation for the period July 1, 1968 to June 30, 1969 is submitted herewith to the Board of Governors by the Board of Directors in accordance with Section 8 of the By-Laws of the Corporation.

The Report describes the activities of IFC during the fiscal year, summarizes its position as of June 30, 1969 and includes a description of commitments made during the year. Appendices to the Report include financial statements and data on each of IFC's commitments.

Sincerely,



Robert S. McNamara

Chairman  
Board of Governors  
International Finance Corporation

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# **Annual Report**

## **International Finance Corporation**

### **1969**

#### **The**

#### **Year in Summary**

Total commitments to development projects assisted by IFC in Fiscal 1969, taking account of the commitments of others and of IFC at the time of the IFC investments, came to \$500 million, for the first time. Total commitments made together with IFC in all of the 131 development enterprises assisted by IFC since its inception passed the \$2,000 million mark during the fiscal year.

IFC's 27 commitments during Fiscal 1969—made to 24 companies in 16 countries—reached \$92.9 million, compared with \$50.4 million in Fiscal 1968 and an average of \$36.2 million in the five years, Fiscal 1964-1968.

Of the 27 investments, 15 were major commitments, that is, those of \$500,000 or more. During the previous five years, total commitments averaged 17 annually, and major commitments averaged 11 a year.

The addition of \$92.9 million in new commitments in Fiscal 1969 meant that in the one fiscal year the Corporation completed a fourth of the \$364.7 million commitments it has made since its inception in 1956.

A quarter of the amount of IFC's commitments during the fiscal year were to agribusiness enterprises: investments that added or expanded an industry in the economy of a member country while at the same time helping to improve or expand agriculture. Over half of the year's investments were other industrialization projects. The remainder were investments in tourism and development banking.

Strong support for IFC's investments from private investors helped replenish the Corporation's funds. Sales to financial institutions and other private investors of portions of IFC commitments amounted to 44 per cent of the year's commitments, returning some \$40.9 million to IFC for further use in development investments. This includes \$1.1 million acquisition by others of securities covered by IFC standby or underwriting commitments.

To reach a wider range of development projects, IFC continued to diversify its investments, and to increase the flexibility of its operations. In Fiscal 1969, the Corporation:

—Undertook wider responsibilities in the promotional field, so as to meet needs for pre-investment

help in a number of different situations: pioneering, in Tunisia, tourism development through a specialized holding company set up to promote tourism on a national basis, investing in promotional companies in Colombia and Honduras, and undertaking to help in the development, from the ground up, of an industrial project in Indonesia.

—Made the largest commitment in its history, amounting to \$22.1 million, to finance simultaneously four industrial expansion programs of the Siam Cement Group Companies, in Thailand, recovering over two-thirds of the commitment through participation of 19 financial institutions in the United States, the Caribbean, Europe and Asia.

—Made first investments in three fields: printing and publishing, in Argentina; raw silk production, in Korea; and animal feed additives, in Venezuela.

—Helped set up a petrochemicals industry in Brazil with the object of producing the raw materials for a series of further development enterprises in the country.

—Made its third largest investment—approximately \$16 million—in a new Indian fertilizer enterprise.

Net income rose to \$7.5 million in Fiscal 1969 from \$6.2 million in Fiscal 1968, and the average annual return on all investments held in IFC's portfolio at June 30, 1969 was 8.45 per cent, compared to 7.61 per cent in the previous year.

During the year the Republic of China, Mauritius, Singapore, Uruguay and Yugoslavia joined IFC, bringing its membership to 91 at June 30, 1969.

## Main Facts/Fiscal 1969

During the year July 1, 1968 through June 30, 1969 IFC:

- Made 27 commitments totaling \$92.9 million, raising gross commitments to \$364.7 million in 131 development enterprises in 39 countries.
- Took part in financings totaling \$500 million to establish or expand private enterprises in developing member countries.
- Recovered \$54.3 million—or over half of the funds it committed—\$40.9 million through sales to financial institutions and other private investors of portions of its commitments, the remainder chiefly through repayments.
- Made its largest investment to date—\$22.1 million in a Thai building materials complex of industries.
- Undertook wider responsibilities for promotion of development enterprises:

—Organizing, in Tunisia, a new type of investment company designed to develop the tourism potential of a country, or region, as a whole;

—Investing in promotional companies in Colombia and Honduras;

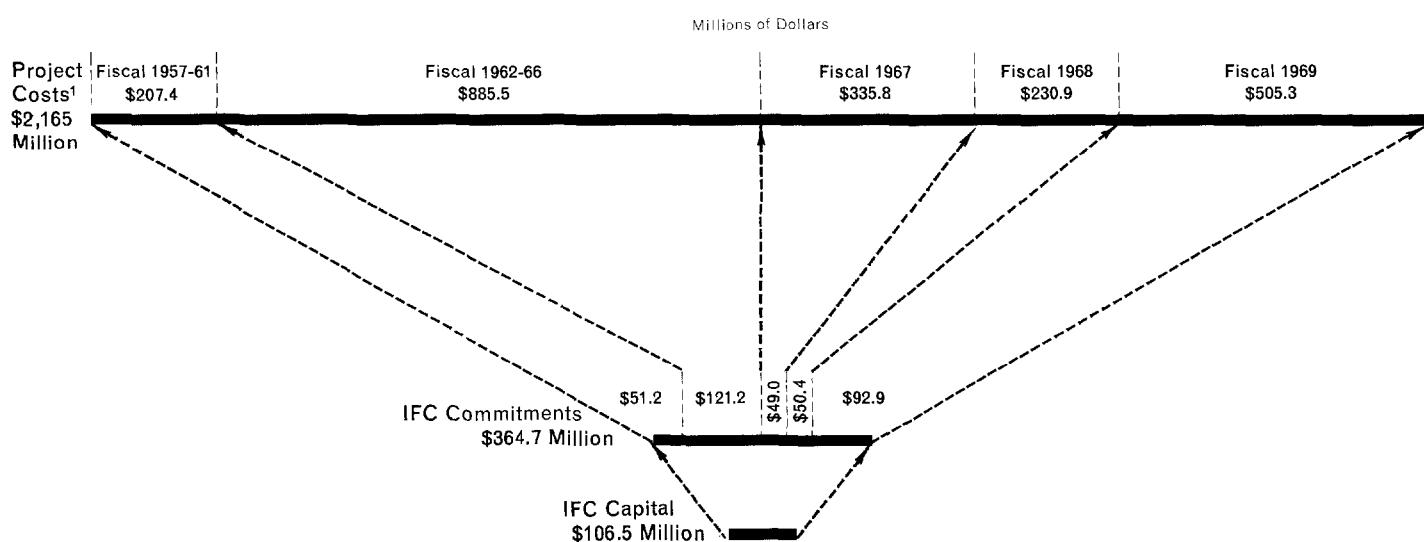
—Undertaking primary responsibility for organizing a joint venture in cement production in Indonesia.

- Showed an average annual return of 8.45 per cent over the present life of all investments held in portfolio on June 30, 1969 . . . Had net income of \$7.5 million.

- Increased total resources available to \$404 million, from \$340 million in Fiscal 1968.

- Increased membership to 91 countries.

### Project Cost<sup>1</sup> of Development Enterprises Assisted by IFC Through Fiscal 1969 Was Twenty Times IFC's Capital and Six Times IFC Commitments



<sup>1</sup>Total of commitments by IFC, and by others at the time of IFC commitment, to projects assisted by IFC.

## **Development and the Development Enterprise**

The widening scope, greater flexibility and increasing volume of IFC activities correspond to changes in the context for economic growth in many parts of a large number of developing member nations. These changes tend to place increasing responsibility for continued growth, and for improvement of living standards, upon the use of private enterprise in the development process.

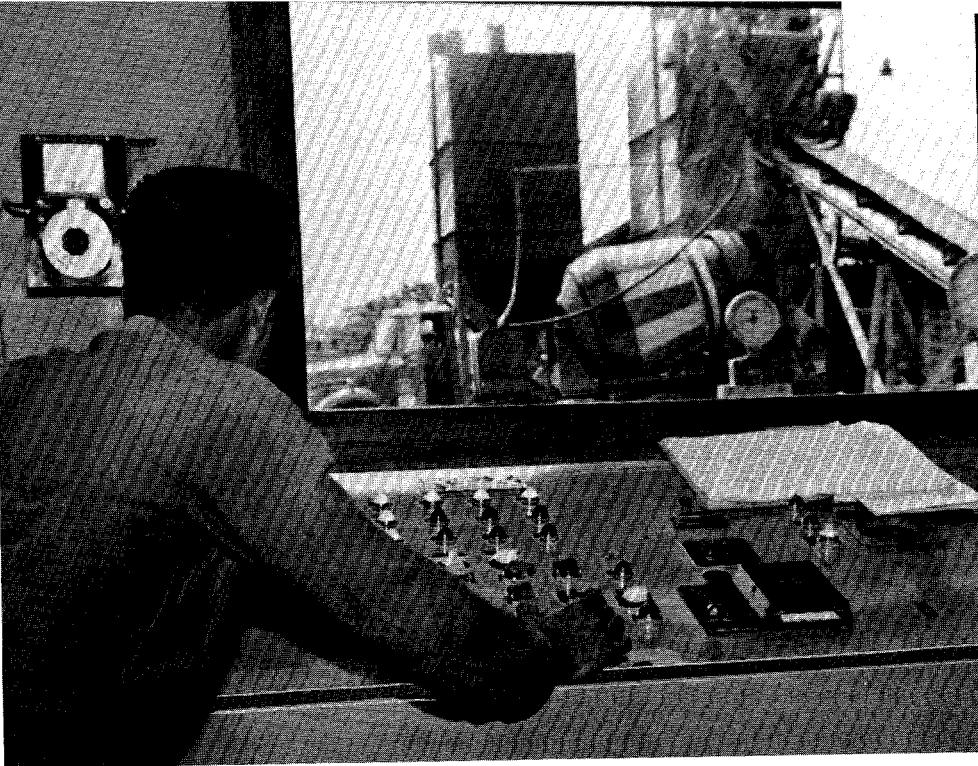
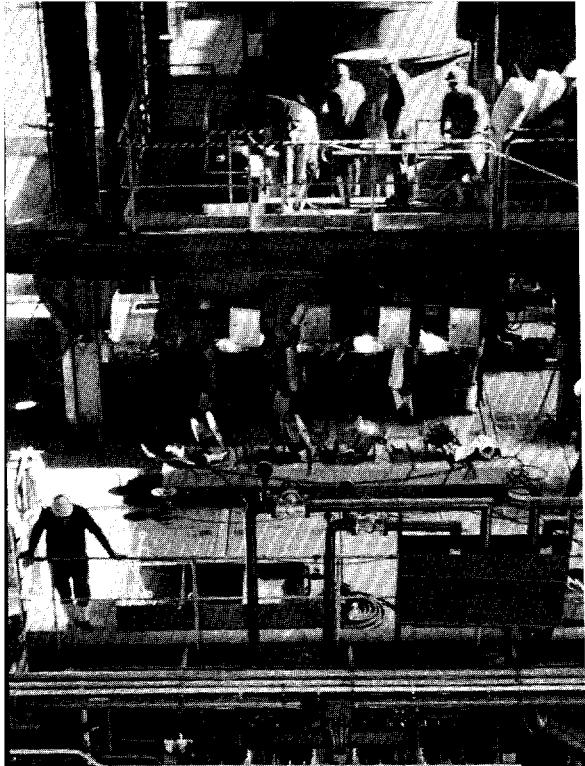
Chief among these changes, and a change with pervasive effect, is the fact that over the past two decades a great deal of progress has been made in building basic economic facilities.

This preparation for industrialization, and the growth of commerce, has been financed, for the most part, with funds supplied—as funds have traditionally been supplied for most infrastructure—through the public sector, by governments, and by international agencies, chiefly, among the latter, by the World Bank. The building of these foundations, such as roads, harbors, railways, power producers, and the like, makes ready for a second phase of the

development effort. In this phase it becomes possible, in many places, to build a superstructure of businesses and industries—development enterprises—that put to productive use the work skills and the basic economic improvements made earlier.

Development enterprises produce the goods and services by which living standards are raised. They must be financed, in large part, by the private sectors of the developing and the industrialized nations. At this stage of development, therefore, IFC's assignment to supplement the work of the World Bank by strengthening the private sector of developing member nations becomes both more feasible (because of the supporting infrastructure that has been built) and more critical (because without expansion of productive enterprise economic development, and—particularly—the rise of living standards, cannot continue as it should).

The role of private investment in the development task goes beyond the production of goods and



**Control room of the ready-mixed concrete operation (above)** at Siam Cement Company Limited, one of the six-company Siam Cement Group, Thailand. In Fiscal 1969 IFC committed \$22.1 million to the Group's multi-project expansion program, the largest commitment the Corporation has made.

New four-strand continuous casting machine (left) at Dálmine Siderca S.A., part of the Argentine steel company's expansion project which IFC is helping to finance.

The Hotel Nairobi Intercontinental (below), IFC's first tourism investment, was inaugurated in May 1969. The Corporation's commitment to the Kenya hotel project, which also included game lodges and a beach hotel, was made in Fiscal 1967.



services to raise living standards, the employment of people and their skills, and the employment of the energy and basic service facilities provided when infrastructure is built.

A rising standard of living requires rising per capita consumption. Per capita consumption can rise only if per capita production rises, and higher productivity usually proceeds from the improvement of technology, and production and management methods, chiefly available from producers in the private sectors of the developing and the industrialized countries.

Rapidly increasing use of advanced technology to produce more efficiently and more economically is making world trade increasingly competitive. If their products are to compete, the developing countries need—no less than the industrialized countries—the means to produce at low unit cost. Even where labor costs are low, this will often require the introduction of advanced production and management methods.

Many developing nations are heavily in debt for their infrastructure. They need development investments that can pay for themselves out of income created by production the investment makes possible. As the private investment is made only if the investors believe it will make profits, it is such a self-financing project. When the investors' expectations are not borne out, it is they, and not the nation, that are burdened with new debt.

The desirability of using private investment to an increasing degree in the development process, or the need for doing so, runs up against the fact that there is currently a world shortage of capital. The better developed as well as the less developed countries are making extensive—and capital consuming—efforts to better the conditions of life. This forces up the cost of capital, as evidenced by interest rates, in addition to making capital harder to find. This situation faces capital using projects everywhere with a more and more insistent question as to whether the intended use of the capital will repay its scarcity value; that is, will it be profitable?

IFC takes the question to mean: will the proposed use of capital yield both public and private profits? The Corporation requires that the answer be yes in both cases: it believes that in the current stage of development, and under present and foreseeable conditions of capital markets, the continued success of development in raising living standards will turn, in many places, to an increasing degree upon locating, and bringing into operation, development enterprises that satisfy both public and private profit motives.

By satisfactory private profits in a development enterprise is meant money profits in the usual sense

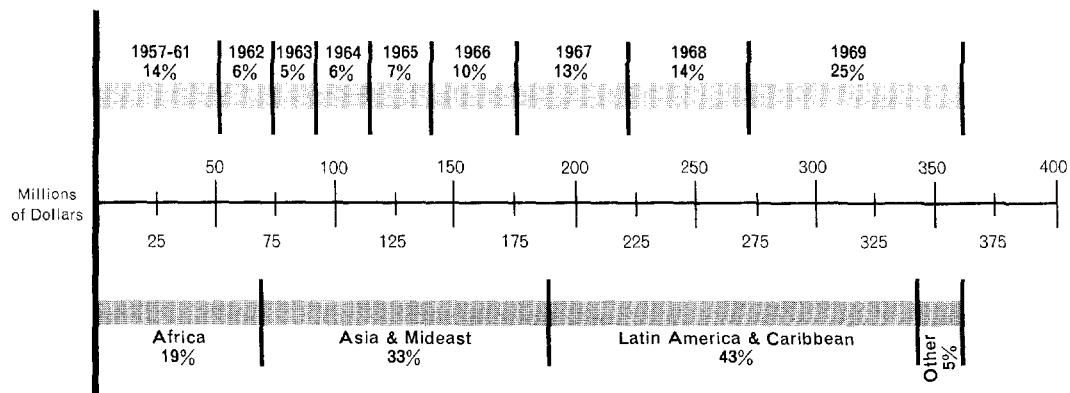
of the word: returns regarded as satisfactory by an investor responsible to stockholders for the integrity and the increase of capital entrusted to him, weighing the risks involved and the value of the management and technology accompanying the investment. As is the case elsewhere, the profits of a development enterprise, if they are to be an incentive to investment, have to be realizable, and the capital invested recoverable at a satisfactory rate, in convertible form.

Public profits are conceived of as the usual objectives a public sector planner would have in putting to use scarce and costly capital for national purposes, including: higher national income; higher foreign exchange earnings or reduced foreign exchange outlays; higher productivity of capital and labor; higher employment; increased supplies of industrial and agricultural goods and services needed by the country; expanded and improved labor and management skills; growth of financial, service and trade businesses to connect up, finance and handle the products of the country's growing economy; growth of a national capital market and of its connections to the rest of the world, and achievement of such gains with minimum addition to the national debt service burden.

This leaves the question whether private enterprise takes a form permitting it to serve both public and private profit motives. The joint venture, in the shape of the multinational company, has the elements of such an enterprise. It calls for the marriage of local and foreign know-how, the use of foreign management to develop local management where such development is needed, and the joining of local and foreign production and marketing techniques. Its ownership is substantially local as well as foreign. Its stockholders are therefore property owning and income earning citizens of the country in which the development enterprise is located, as well as of the country or countries from which capital is exported for the enterprise. The multinational company is consequently exposed to the priorities of stockholders in both developing and industrialized countries.

Of the 31 principal development enterprises in which IFC has been associated in the past three years, 19—or 61 per cent—were, from their outset, joint venture, multinational companies. By its emphasis upon this form of development enterprise the Corporation is an influence in the capital exporting countries for continuing the trend toward acceptance of the multinational company as the way to do business in developing countries. While there have been, and there will be, exceptions dictated by individual needs of particular projects, the joint venture, multinational company will continue to be the development enterprise into which IFC typically puts its resources.

### IFC Commitments by Years and by Areas 1957-1969



## The Year's Operations

The major increase in IFC operations in Fiscal 1969 has its roots in a buildup of capabilities, and in diversification of the Corporation's activities, over the past several years.

The rise in the annual amount of commitments has been gathering momentum. While IFC commitments averaged slightly above \$10 million a year in the Corporation's first five years, 1957-1961, and just over \$24 million a year in the next five years, through Fiscal 1966, commitments rose in Fiscal Years 1967-1969 to an average of \$64 million.

The size of commitments has been growing. IFC made three commitments in Fiscal 1967 between \$10 and \$12 million compared to a previous high of about \$6 million. In 1968, the size of IFC's largest single commitment rose to \$20 million, succeeded in Fiscal 1969 by an investment of over \$22 million.

A parallel rapid increase in the association of private funds in IFC investments has helped keep IFC liquid for financing more and larger investments. Further, as favorable judgments upon the quality of projects in which the Corporation takes part, private participations have helped bring more projects to IFC.

Diversification has taken several forms:

The Corporation has been reaching out to new geographical areas, making first investments in 10

countries during the past five years. In Fiscal 1969, IFC made its first major investment in Iran, extended its investments in Pakistan to the East Wing, and extended its tourism investments to the Mediterranean, the Caribbean and Central American areas.

In 1967 more than half of total IFC investment went to Asia and the Middle East. In 1968, more than half of the investment total went to Africa, and IFC's largest investment to that time was made in Africa. In 1969, IFC's largest investment to date was in Asia, it made seven major investments in the Latin America-Caribbean area, six in Asia, one in the European area and one—in a pioneering tourism promotion company—in Africa.

Since its establishment in 1956, the Corporation has committed \$155.8 million, or 43 per cent of its total investments, in Latin America and the Caribbean, \$119.4 million, or 33 per cent, in Asia and the Middle East, and \$69.1 million, or 19 per cent, in Africa. The remaining 5 per cent of IFC's investments were in Europe and Australia.

Diversification into new fields has also helped lay the basis for a growing number of investments annually. In 1966/67 IFC began committing funds to tourism development; placed major emphasis—through fertilizer investments in Latin America, Asia and Africa—upon assisting industry and agriculture simultaneously; and began investment in services

such as electricity supply. Diversification continued in 1968/69 with increased promotional work, and with first investments in three fields: animal feed additives and printing and publishing in Latin America, and silk production in Asia.

To assist projects of growing size and complexity, and projects in new fields, IFC has been increasing the flexibility and variety of its financing methods. As a result, IFC has become known as a source of financing techniques for packaging together the funds, the management, the national, multinational and intergovernmental backing, local and foreign interests, and, of primary importance, the advanced technology, that a modern business needs—in the developing country no less than elsewhere—if it is to be of a size and capability to make significant contributions to economic development.

IFC's growth and diversification has built on removal, in 1961, of restrictions upon its ability to supply capital to development investment projects in the form of equity, and upon the availability to IFC, since 1966, of the right to borrow some \$400 million from the World Bank, for use in IFC's lending operations. \$100 million of these available funds has been placed at IFC's disposal, but, due to the high recovery of the Corporation's funds through sales of portions of its commitments to other investors, IFC has not been required as yet to draw upon this credit, despite

the large increase in IFC commitments. However, commitments have been made that would not have been possible without the availability of the credit.

By the end of Fiscal 1969, 106 projects assisted by IFC, with a total cost of over \$1,276 million, had begun operations. Fifty-two of these projects, with a total cost of approximately \$671 million, were in Latin America, and 24 operative projects in Asia and the Middle East had a total cost of \$301 million. Fourteen operative projects in Africa cost \$124 million, and 13 projects in Europe had a total cost of \$178 million. Three other IFC supported projects that have become operative, in the Caribbean and Australia, cost over \$2 million.

## Promotion of Development Enterprises

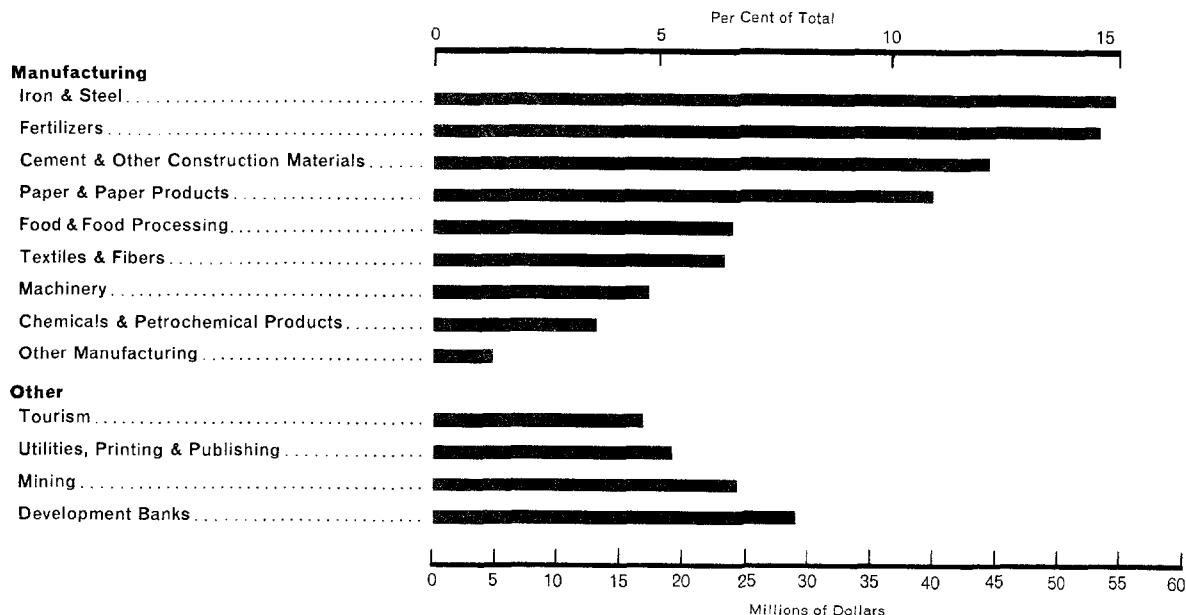
To these bases for increasing the size and variety of its investments, IFC in Fiscal 1969 added wider responsibilities for the promotion of development enterprises in member countries.

This springs from the need of many potentially sound projects for financial and technical help in the preinvestment stage, and is aimed at making possible projects that might otherwise not be realized.

Under the new policy, IFC committed funds during the year to two industrial and two tourism

### IFC Commitments by Type of Business

Fiscal 1957 Through Fiscal 1969



## **IFC Investments in Brief/Fiscal 1969**

During Fiscal 1969, the Corporation made 15 principal commitments. They were:

### **ARGENTINA:**

- A \$3 million standby loan, with stock option, to Dálmine Siderca S.A., a leading Argentine steel company, to help raise, through a stock offering, \$6 million for expansion and working capital.
- An equity and loan commitment of \$7 million—IFC's first in a printing and publishing project—to Editorial Codex Sociedad Anónima, as part of a \$25.7 million project to enlarge, integrate and consolidate production and expand sales.

### **BRAZIL:**

- A second investment, of \$1.1 million in convertible debentures, in Papel e Celulose Catarinense S.A., as part of new financing of \$6.8 million for the \$33.8 million kraft pulp and paper project in southern Brazil.
- An \$8.4 million equity, loan and contingency commitment in Petroquímica Uniao S.A., a new \$61.5 million company to refine naphtha into a variety of chemical raw materials, to be used by other manufacturers to produce a wide range of industrial and consumer products.

### **EL SALVADOR:**

- A loan, equity and contingency commitment of \$933,400 in Hoteles de Centro América Sociedad Anónima for a \$3.7 million, 224 room, tourist and convention hotel in San Salvador to be called the Camino Real.

### **INDIA:**

- A \$15.9 million loan, equity and contingency commitment—IFC's biggest single investment in India—in Zuari Agro Chemicals Limited for a urea and compound fertilizers plant costing over \$70 million and expected to contribute to India's efforts to become self-sufficient in food.

### **IRAN:**

- A loan, equity and contingency commitment of \$3.9 million—the Corporation's first major Iranian investment—in the \$18 million Sherkate Sahami Navard va Luleh Ahwaz plant, which will provide Iran with its first hot-rolled steel strip capacity.

### **JAMAICA:**

- A loan, equity and contingency commitment of \$2.9 million, in conjunction with private Jamaican investors and with British hotel, airline and financial organizations, in Pegasus Hotels of Jamaica Limited, an \$8.5 million, 350 room, convention and tourist hotel in Kingston.

### **KOREA:**

- The Corporation's first investment in silk production: A \$1.7 million equity and loan commitment in Honam Silk Industry Company involving agricultural financing to develop mulberry plantations and industrial financing for a silk mill to produce 350 metric tons of raw silk annually.

### **PAKISTAN:**

- An equity and contingency commitment of \$3.9 million in conjunction with a \$32 million World Bank loan for Dawood Hercules Chemicals Limited, which will build a urea fertilizer plant near Lahore at an estimated cost of \$78 million.
- A \$6.2 million equity, loan and contingency commitment—IFC's first investment in East Pakistan—to assist Karnaphuli Paper Mills Limited, the country's leading paper manufacturer, in establishing a \$17 million project to increase capacity by 17,000 tons a year.

### **THAILAND:**

- A new high commitment of \$22.1 million in the Siam Cement Group Companies, to help finance a \$60 million multi-purpose project to expand Thailand's building material industry, including cement, asbestos sheet, concrete pipe and steel reinforcing bars. This investment drew record total participation in an IFC project: 19 institutions purchasing \$14.9 million, or more than two-thirds of the Corporation's commitment.

### **TUNISIA:**

- IFC's first investment in a specialized investment institution: A \$9.9 million investment in Compagnie Financière et Touristique, S.A. to promote and finance hotel and other tourism projects, on a nationwide basis, to assist the continued growth of tourism as Tunisia's largest foreign exchange earner.

### **TURKEY:**

- A loan and equity commitment in Sentetik Iplik Fabrikalari, A.S. of \$1.9 million to help the company—for the second time in three years—to double its nylon spinning capacity, and increase production of its raw material, nylon chips, by 80 per cent.

### **VENEZUELA:**

- A \$2.1 million underwriting commitment as part of a \$5.5 million offering of debentures, part of which are convertible, by Protinal C.A., Venezuela's leading producer of concentrated animal feeds, IFC's first assistance to this type of agribusiness industry.

promotional ventures, in Latin America, Africa and Asia. The commitments took the form of investments in three promotional companies and commitment of funds to a project in Indonesia in which IFC has undertaken primary responsibility for determining the feasibility of an industrial project, and organization of the financial and technical support for it.

### Tunisia

In a new departure in building up tourism facilities for economic development, IFC took the lead in organizing in Tunisia, with strong support from Tunisian authorities, Compagnie Financière et Touristique, S.A., a \$39.3 million specialized development company designed both to promote and finance hotel and other tourism projects, across the nation. The objective is to permit full development of Tunisia's tourism potential through integrated assistance to it as an industry of high development potential. The nation's present tourist inflow is substantial and is expected to grow in the future if tourist facilities, such as those which Compagnie Financière et Touristique plans to assist, are ready to accommodate the increase.

### Honduras

IFC's first investment in an industrial promotion was a commitment to Compañía Pino Celulosa de Centro América, S.A. (Copino) in Honduras. Copino was organized in Tegucigalpa with an initial capital of \$500,000 equivalent. It is conducting studies and negotiations intended to make possible completion of a projected pulp, paper and lumber operation that would utilize Honduras' richest known natural resource, its three million acre Olancho forest preserve. If the full-scale project is implemented it will require an additional \$77 million in capital and will be one of Central America's largest industrial enterprises.

### Colombia

In Colombia IFC joined 12 Colombian companies and organizations to form Compañía de Desarrollo de Hoteles y Turismo Limitada—Hoturismo. Hoturismo was established with an initial capital of \$78,000 equivalent to plan, promote and assist in setting up hotel and other tourism projects; mobilize technical and financial sponsors for individual ventures; and foster an integrated tourist program.

### Indonesia

In Indonesia, at the request of the Government, and together with Gresik Cement Corporation, of Indonesia, IFC has undertaken primary responsibility for promoting the establishment of a cement plant, involving general study of the feasibility of the proposal, and selection of an industrial partner

to invest in the new company and take management responsibility. IFC is designing the financing and, in general, putting the venture together. Supply of raw materials has been found adequate and a feasibility study has been circulated to potential foreign partners.

## Tourism

IFC put some \$14 million—or 15 per cent of the funds it committed in Fiscal 1969—into tourism projects. The previous high was \$2.9 million, or 6 per cent of total commitments, in Fiscal 1967.

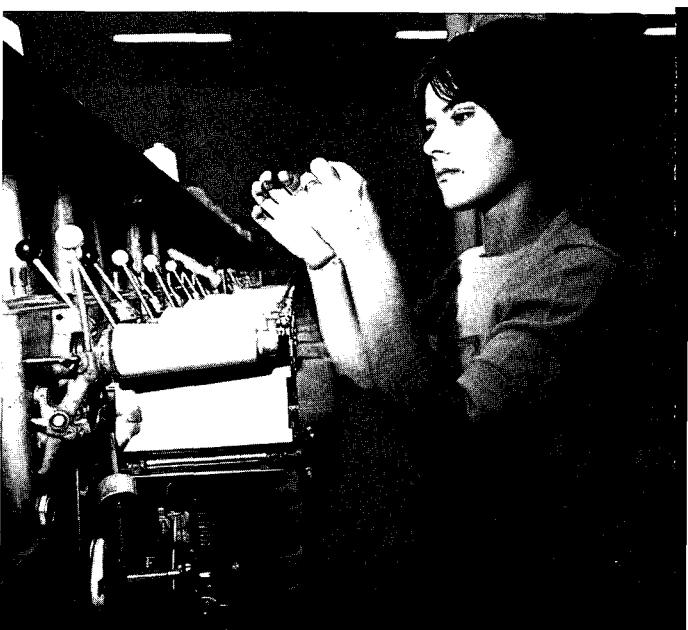
IFC is giving emphasis to the development of tourism facilities in member countries as an industry with special developmental impact. The potential of tourism for development in many countries is illustrated by the case of Tunisia. Tourism has in the last few years grown rapidly in Tunisia from a minor factor to one that has replaced rock phosphate exports as the country's leading foreign exchange earner, and currently provides 10,000 jobs. It is estimated that tourism can provide a further 15,000 jobs in Tunisia in the very near future—the next four years—if the industry receives large scale, integrated support and encouragement.

Moreover, tourism is a field in which the developing countries often have special advantages such as warm climates, distinctive ways of life, archeological treasures, and waters and beaches offering bathing, fishing and boating sports much of the year. Jet air transport is making those advantages accessible to people in the northerly industrialized countries.

Continuing its assistance in this promising field in Fiscal 1969, IFC:

—In Tunisia, organized the specialized tourism development institution described earlier.

—In Jamaica, invested in a new \$8.5 million project that will give the island nation convention



**Well Over Half of The Development Enterprises IFC Has Helped Finance Have Been Completed—Project Costs<sup>(1)</sup> of These Enterprises, Shown Here by Area, Are Many Times IFC's Investment**

facilities now lacking, while it supplies Kingston with a major new hotel for the accommodation of business and governmental visitors, as well as tourists.

—In El Salvador, invested in a \$3.7 million hotel fitting into a design for development of tourism on a Central America wide scale.

—In Colombia, invested in a small promotional company for tourism development.

The Hotel Nairobi Intercontinental, with satellite game lodges and beach hotel elsewhere in Kenya, to which IFC made its first tourism commitment, in Fiscal 1967, was inaugurated in May 1969.

## Agribusiness

A further major part of IFC investment in Fiscal 1969 was for the support of agribusinesses. In this field also, the Corporation regards investment as having special developmental potential, since the result is an addition or expansion of an industry, which serves the purpose of agricultural as well as industrial improvement.

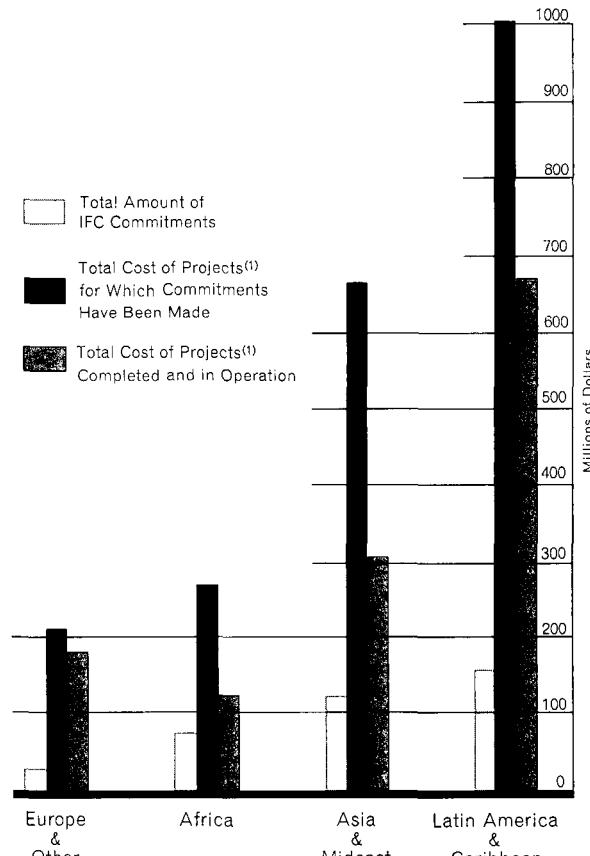
IFC made two commitments to combined industrial-agricultural growth in Fiscal 1969 through investments in added fertilizer capacity in member countries. A third agribusiness commitment assisted a producer of animal feed additives and a fourth assisted silk production. Together, these commitments amounted to \$23.6 million or approximately a fourth of total 1969 commitments.

New commitments to fertilizer production were made in India—where the investment was IFC's second largest of the year and the third largest in its history—and in Pakistan. Both investments are aimed at helping the countries concerned succeed in their plans to achieve adequate food supply, and higher agricultural productivity.

In both Korea and Venezuela IFC entered new business fields in agribusiness ventures. In Korea, it gave support to a project involving financing of agricultural production and new industrial capacity, to expand production of raw silk. In Venezuela, IFC took part in underwriting a debenture offering by the country's leading producer of concentrates to increase the nutritional value of animal feeds.

## Standby and Underwriting

The IFC underwriting commitment in Venezuela covered \$2.1 million of a \$5.5 million equivalent debenture offering by Protinal C.A. for expansion and working capital. The Corporation in Fiscal 1969 also gave assistance to the expansion of steel output in Argentina by a \$3 million standby commitment to



(1) IFC commitments, plus commitments of others to development enterprises assisted by IFC, at the time of IFC investment.

the financing of the first sizable offering of an industrial security in that nation in 20 years.

In its 13 years IFC has assisted 14 companies in 11 countries with standby and underwriting commitments totaling \$39.2 million.

Together, these standby and underwriting operations—in addition to their effect upon the growth of capital markets—have assisted steel-making in Argentina and Mexico; seamless steel tubing in Mexico; steel forging in Colombia; concrete products in Costa Rica; pulp and paper, and sugar, in Ethiopia; metal can production and animal feed additives in Venezuela, as well as development finance companies in Finland, Liberia, Malaysia, Nigeria and the Philippines.

## Continuing Support

During the fiscal year IFC gave further help to six development projects assisted earlier. Additional investments totaling more than \$3.7 million were made in Papel e Celulose Catarinense S.A., paper making, in Brazil; Compañía Colombiana de Tejidos, S.A., a

Nylon yarn cone winding operation at Sentetik Iplik Fabrikalari, A.S. (Sifas), Turkey. IFC investments in Sifas have twice helped finance doubling of its spinning capacity in the past three years.

textile producer of Colombia; the Malaysian company, Malayawata Steel, Berhad; industrial financing in Pakistan and Turkey through new commitments to Pakistan Industrial Credit and Investment Corporation Limited, and Turkiye Sinai Kalkinma Bankasi, A.S.; and for manufacture of synthetic fibers in Turkey, through a second investment in Sentetik Iplik Fabrikalari, A.S. By this last commitment, IFC helped the Turkish fiber maker to double output for the second time in three years.

## Development Finance Companies

IFC made equity commitments of \$1.6 million equivalent to five development banks during the fiscal year. The Corporation has committed \$29.0 million to 21 private development finance companies since it initiated assistance to these institutions in 1961.

IFC made first investments of \$432,028 each in Corporación Financiera del Norte and Corporación Financiera del Valle in Colombia. With these commitments, IFC has now invested in five Colombian development banks. The others are Corporación Financiera Colombiana, Corporación Financiera Nacional and Corporación Financiera de Caldas. During the fiscal year IFC also made a first investment, of \$251,371, in Ecuatoriana de Desarrollo, S.A. (Compañía Financiera), Ecuador. As already noted, IFC made third and second investments, respectively, in Turkish and Pakistan development banks consisting of \$417,222 to Turkiye Sinai Kalkinma Bankasi, A.S. and \$36,846 to the Pakistan Industrial Credit and Investment Corporation Limited.

Other IFC investments in development finance companies were in: Teollistamisrahasto Oy, Finland;

National Investment Bank for Industrial Development, S.A., Greece; Banque Ivoirienne de Développement Industriel, S.A. Ivory Coast; Korea Development Finance Corporation; Liberian Bank for Industrial Development and Investment; Malaysian Industrial Development Finance, Berhad; Banque Nationale pour le Développement Economique, Morocco; Nigerian Industrial Development Bank Limited; Private Development Corporation of the Philippines; Banco de Desarrollo Económico Español, S.A.; Industrial Finance Corporation of Thailand; Société Nationale d'Investissement, Tunisia; and C.A. Venezolana de Desarrollo (Sociedad Financiera), Venezuela.

## Sponsors

Thirty-three companies became principal financial and, in most cases, also technical, sponsors of projects assisted by IFC during the year. These principal sponsors added their own separate commitments of \$412 million to IFC's commitments of \$92.9 million, in helping to finance IFC assisted projects in Fiscal 1969. Some 114 private and public financial institutions, including financial institutions participating in the IFC portion of the financing, plus shareholders in existing companies being expanded, also contributed to financing these projects.

Of the 33 principal sponsors, 27 were industrial companies, financial institutions, or private investors in developing member countries:

The Klabin Group and the Monteiro Aranha Group in Papel e Celulose Catarinense S.A., in Brazil;

Petrobras Química, S.A., Refinaria e Exploracao de Petroleo Uniao, S.A., Companhia Sao Fernando de Administracao e Participacoes, and Administracao e Participacoes Cotil II Limitada in Petroquímica Uniao S.A., in Brazil;

## Development Enterprises Assisted by IFC That Had Begun Operations by the End of Fiscal 1969

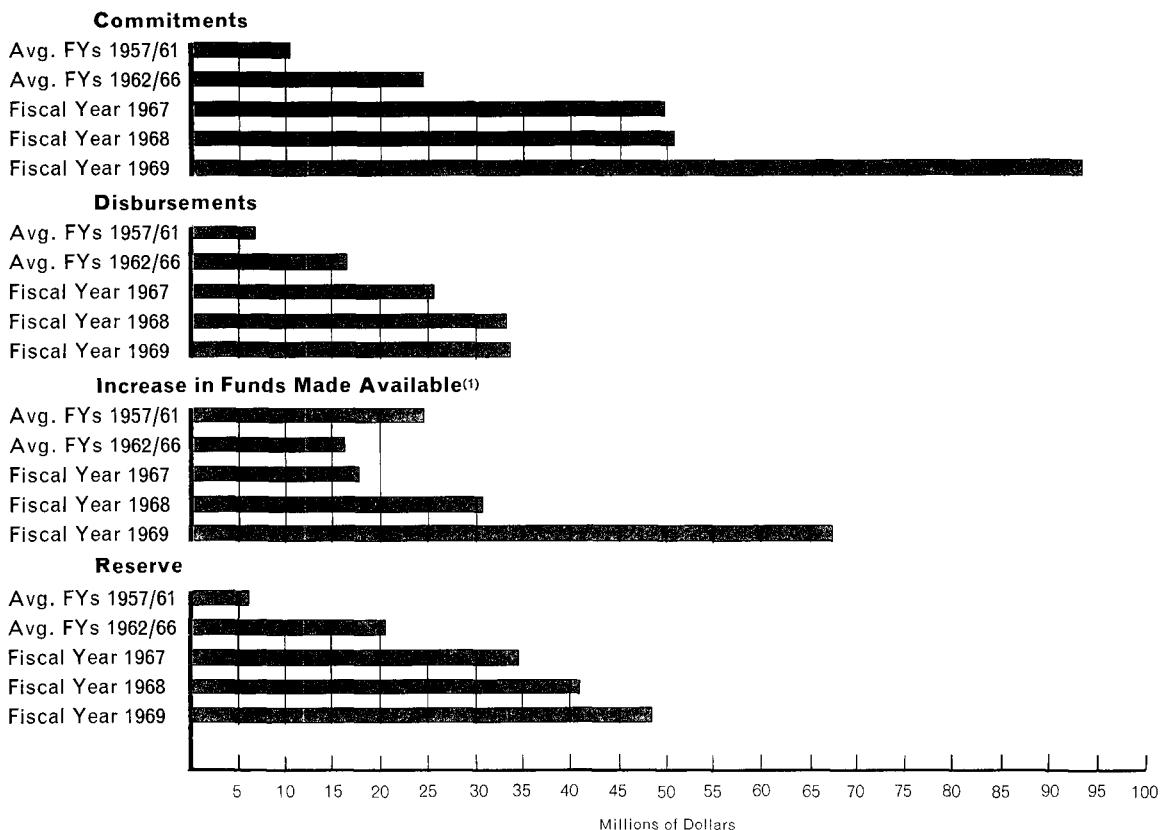
(In Millions of US Dollars)

|                           | Project Cost of Completed<br>Enterprises Assisted by IFC <sup>(1)</sup> | Gross IFC<br>Commitment to<br>these Ventures | Net IFC<br>Commitment to<br>these Ventures <sup>(2)</sup> |
|---------------------------|---|--|---|
| Latin America .....       | \$ 671.0  | \$116.0                                      | \$ 68.6   |
| Asia & the Middle East .. | 301.0   | 64.0   | 52.2  |
| Africa .....              | 124.0   | 37.3   | 25.9  |
| Europe .....              | 178.0   | 17.0   | 11.1  |
| Other .....               | 2.1   | 1.2  | 0.9   |
| <b>TOTALS</b>             | <b>\$1,276.1</b>  | <b>\$235.5</b>                               | <b>\$158.7</b>  |

<sup>(1)</sup> Funds put into the enterprises together with IFC commitments, at the time of IFC investments.

<sup>(2)</sup> Gross IFC commitments less sales of portions of commitments.

## Commitments, Disbursements, Increase in Funds Made Available and Reserve



<sup>(1)</sup>Proceeds of sales of portions of investments; repayments; capital subscriptions; net income; net profits on sales of investments; cancellations of commitments.

Aerovías Nacionales de Colombia (Avianca), Bavaria, S.A., Cervecería Andina, S.A., Compañía Colombiana de Seguros, Compañía de Seguros Bolívar, Corporación Financiera Colombiana, Corporación Financiera Nacional, Corporación Financiera del Norte, Corporación Financiera del Valle, Corporación Nacional de Turismo, Cuéllar Serrano Gómez, and Instituto de Fomento Industrial, in Compañía de Desarrollo de Hoteles y Turismo Limitada—Hoturismo, in Colombia;

Financiera Roble, S.A., in Hoteles de Centro América Sociedad Anónima in El Salvador;

the Birla Group, in Zuari Agro Chemicals Limited, in India;

the Hedayat/Laleh Group, in Sherkate Sahami Navard va Luleh Ahwaz (Ahwaz Rolling and Pipe Mills Company), in Iran;

Jamaican Development Finance Corporation, in Pegasus Hotels of Jamaica Limited, in Jamaica;

Pan Nam Koh and the Agricultural and Fishery Development Corporation of Korea, in Honam Silk Industry Company, in Korea;

the Dawood Industrial Group, in Dawood Her-

cules Chemicals Limited, in Pakistan; Dawood Industries Limited, in Karnaphuli Paper Mills Limited, in Pakistan; C.A. Venezolana de Desarrollo (Sociedad Financiera), in the underwriting of a debenture issue by Protinal C.A., in Venezuela.

Six principal sponsors were from outside the country of investment: Western International Hotels Company, of the United States, in the Hoteles de Centro América Sociedad Anónima project in El Salvador; International Paper Company, of the United States, in Compañía Pino Celulosa de Centro América, S.A., the promotional company formed to lay the groundwork for a pulp, paper and lumber operation in Honduras; United States Steel Corporation, in the Zuari fertilizer project in India; BOAC Associated Companies, Limited, a subsidiary of British Overseas Airways Corporation, and Forte's (Holdings) Limited, a leading British hotel and restaurant organization, in the Jamaica Pegasus Hotel project in Jamaica; and Hercules Incorporated, a United States chemical company, in the Dawood Hercules fertilizer project in Pakistan.

## Commitments and Resources Available for Commitment

(In Millions of US Dollars)

|  | <u>Fiscal 1969</u> | <u>Total</u>  |
|--|--------------------|---------------|
| Funds available for commitment at June 30, 1968  |                    | \$81.5        |
| New commitments .....  | \$92.9             |               |
| Less: Sales of commitments to financial<br>institutions and other private investors <sup>(1)</sup> ..... | \$40.9             |               |
| Other sale .....   | 3.9                |               |
| Repayments of investments .....  | 6.1                |               |
| Cancellations, terminations and write-offs .....   | 3.4                | 54.3          |
| Net increase in portfolio .....  |                    | 38.6          |
| New resources  |                    |               |
| Capital subscriptions .....  | 5.2                |               |
| Net income .....   | 7.5                |               |
| Net profit on sales of investments .....   | 0.2                | 12.9          |
| Reduction in funds available during the fiscal year ....   |                    | 25.7          |
| Funds available for commitment at June 30, 1969 .....  |                    | <u>\$55.8</u> |

<sup>(1)</sup> Includes \$1.1 million acquisition by others of securities covered by standby and underwriting commitments.

## The Year's Financial Record

Commitments of \$92.9 million brought cumulative gross commitments by the Corporation since its establishment in 1956 to \$364.7 million. New commitments during the year were 84 per cent greater than in Fiscal 1968. Cumulative net commitments—which reflect cancellations, terminations and write-offs—increased from \$259.0 million to \$348.5 million during the same period. Disbursements of \$33.4 million, compared with \$33.1 million last fiscal year, brought the cumulative total of disbursements to \$206.5 million. Net income rose to \$7.5 million from \$6.2 million in Fiscal 1968.

During the fiscal year the amount of funds available to IFC for new commitments increased by \$67.2 million compared to \$31.4 million a year earlier. Because of this increase and the fact that disbursements lag behind commitments, IFC on June 30, 1969 still had funds available for disbursement and had not yet drawn on its first \$100 million line of credit from the World Bank, although commitments had been made against it.

The \$67.2 million made available in Fiscal 1969 for commitment included: \$40.9 million in sales to financial institutions and other private investors of portions of IFC commitments (including \$1.1 million acquisition by others of securities covered by standby

and underwriting commitments); \$3.9 million from sale to the Tanzanian Government of IFC holdings in Kilombero Sugar Company Limited; \$6.1 million in repayments; \$5.2 million of new capital subscriptions; net income of \$7.5 million; net profit on sales of investments of \$0.2 million and cancellations of \$3.4 million of previous commitments, which became available for re-use. This increased cumulative funds available for use in the Corporation's operations to over \$400 million.

At the year's end, reserve against losses stood at \$48.6 million compared with \$40.9 million a year earlier.

### Association of Private Funds in IFC Investments

Sales to other investors of portions of IFC's loan or equity commitments have thus far been the single largest means of making funds available to IFC for new commitments.

Sales of portions of IFC commitments to financial institutions and other private investors in Fiscal 1969 totaled \$40.9 million, rising at an even faster rate than did commitments. This includes \$1.1 million

of acquisitions by others of securities covered by standby and underwriting commitments. It does not include the amount received by IFC on account of an investment closed out during the year.

IFC has sold \$123.5 million, or one-third, of its cumulative gross commitments. A portion, or in some cases all, of 92 of IFC's commitments, in 36 countries, out of a total of 181 commitments in 39 countries, has been sold to financial institutions or other investors. Included in these totals were commitments of \$39.2 million for standby or underwriting of securities offerings. Of this, \$26.1 million was taken over by other institutional and individual investors.

The potential of sales of commitments may be illustrated in two ways:

—Total commitments (by IFC and by others at the time of IFC investments) in projects IFC assisted in Fiscal 1969 were more than five times as great as IFC commitments: \$500 million total commitments compared to some \$93 million committed by IFC. The approximately \$44 million revolved back to the Corporation through sales of commitments to other investors, used similarly, would finance an additional \$200 million of development enterprises.

—At the end of Fiscal 1969, the total cost of IFC-assisted development enterprises that have started operations stood at just over \$1,276 million. Gross IFC investment in these projects was \$236 million. IFC's investment in them at the end of Fiscal 1969, net of sales of commitments to others, was \$159 million, or approximately an eighth of the total cost of these operational projects. The difference between gross and net commitments of \$77 million, used similarly, would result in other completed projects of some \$600 million total value.

During Fiscal 1969 there were 122 transactions in which portions of IFC commitments were taken up by business investors. Forty-seven of these transactions were participations at the time of IFC's original commitment, and 75 were sales from portfolio.

Five institutions each took portions of six IFC commitments during the year. They were the Bank of America Group; the First National City Bank Group; the Arab African Bank; Handelsfinanz, A.G., a member of the Banca Commerciale Italiana Group; and Banque Francaise du Commerce Extérieur. Commerzbank, A.G., of Germany, purchased portions of five commitments. Detroit Bank & Trust Company and Banca Nazionale del Lavoro, of Italy, each took up portions of four commitments.

Participations and sales of investments in Fiscal 1969 helped diversify the international flow of capital to private enterprises in the developing countries. Portions of IFC commitments were taken up by 52 financial institutions in 19 countries and territories—

the Bahamas, Canada, Colombia, France, Germany, Hong Kong, Italy, Japan, Kuwait, Luxembourg, Mexico, Pakistan, Panama, Sweden, Switzerland, the United Arab Republic, the United Kingdom, the United States and Venezuela.

These participation and sales transactions involved IFC commitments to 39 projects in 22 countries. Of the sales of \$40.9 million in Fiscal 1969, \$23 million involved projects in Asia and the Middle East; \$12.1 million, projects in Latin America and the Caribbean; \$5.3 million, projects in Africa; and \$0.5 million, projects in Europe.

## IFC's Portfolio in Fiscal 1969

Portfolio, including both effective and non-effective commitments as of June 30, 1969, stood at \$199.4 million compared to \$160.8 million a year earlier, including a \$1.4 million outstanding underwriting commitment. The portfolio included \$72.4 million, or 36 per cent, in equity and \$127.0 million, or 64 per cent, in loans. A year earlier the equity portion was \$55.2 million, or 34 per cent, and the loan portion was \$105.6 million, or 66 per cent.

The Corporation's portfolio of net effective commitments amounted to \$152.7 million on June 30, 1969 while a year earlier net effective commitments were \$157.8 million.

A total of \$54.3 million, compared with \$23.8 million in Fiscal 1968, became available for re-use by the Corporation from participations and portfolio sales, repayments, and cancellations and other adjustments of commitments. The addition in Fiscal 1969 of \$92.9 million in new commitments, adjusted for these factors, resulted in a \$38.6 million net addition to portfolio.

At year's end, the average annual return on equity investments in portfolio over their present life was 8.67 per cent while the return on loans was 8.31 per cent. This resulted in an 8.45 per cent overall return—compared with 7.61 per cent a year earlier—reflecting dividends, interest and other charges; profits and losses on sales of portions of investments, the remaining portions of which are still held by the Corporation; and miscellaneous charges and credits.

## Profit and Loss on Investments

During the fiscal year, IFC closed out five of its investments, bringing the total number of its investments closed out to 32, in 17 countries, representing \$34.9 million.

Four investments totaling \$2,134,000 were closed out in Fiscal 1969 by reason of full repayment of loans. They were: a loan of \$1 million, made in 1965,

to Almacenes Generales de Depósito Santa Fé, S.A., "Almaviva", of Colombia; a loan of \$224,000 made in 1961 to Jamaica Pre-Mix, Limited, of Jamaica; a loan of \$630,000 made in 1958 to Steel Corporation of Pakistan, Limited, of Pakistan, and a loan of \$280,000 made in 1959 to Luren, S.A. and Ladrillos Calcáreos, S.A., of Peru.

The other investment closed out in Fiscal 1969 was one of \$4,657,485, made partly in 1960 and partly in 1964, in Kilombero Sugar Company Limited in Tanzania. The investment consisted of loans of \$3,957,485 equivalent and equity of \$700,000 equivalent. IFC liquidated its investment in the company jointly with its foreign partners. Termination of this investment resulted from the sale of IFC's holdings to the Tanzanian Government, after the company had experienced agricultural and marketing difficulties for several years. Of the total committed by IFC to the company, \$292,500 equivalent had not been disbursed. Sales of its holdings in Kilombero resulted in a net loss to the Corporation equivalent to \$178,206, which was charged to reserve against losses.

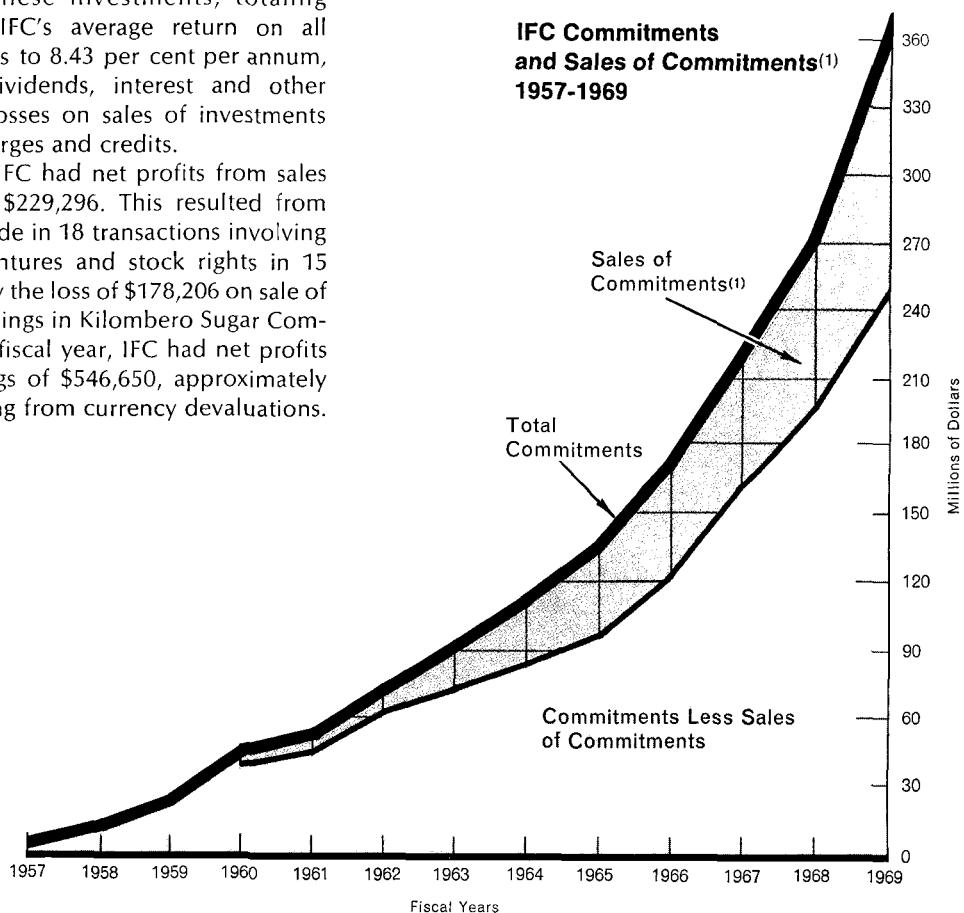
The closeout of these investments, totaling \$6,791,485, brought IFC's average return on all closed out investments to 8.43 per cent per annum, taking account of dividends, interest and other charges, profits and losses on sales of investments and miscellaneous charges and credits.

During Fiscal 1969 IFC had net profits from sales of its investments of \$229,296. This resulted from profits of \$407,502 made in 18 transactions involving sales of equity, debentures and stock rights in 15 companies, reduced by the loss of \$178,206 on sale of the Corporation's holdings in Kilombero Sugar Company. In the previous fiscal year, IFC had net profits on sales of its holdings of \$546,650, approximately offset by a loss resulting from currency devaluations.

By reason of default in payment, IFC has pre-matured its loans to Aevol Industrial Company of Organic Fertilizers, S.A., Greece, of which \$480,000 is outstanding, and to D.L.R. Plásticos do Brasil, S.A., of which \$200,000 is outstanding.

Fertilizantes Sintéticos, S.A., of Peru although it is current on its primary debt, is in arrears on payment of \$98,879 interest due on convertible subordinated debentures.

Shortly after the end of the fiscal year IFC received a principal instalment of £8,700 and interest of £4,913 from Arewa Textiles, Limited, due on June 30, 1969.



(1) Sales to financial institutions and other private investors.

## **Administration and Membership**

Mr. Eugene H. Rotberg became Treasurer of IFC on January 1, 1969, at the same time as he became Treasurer of the World Bank.

As from May 1, 1969, certain functions of the Treasurer's Department were transferred to a newly established Controller's Department. Mr. Francis R. Poore was appointed Controller of the World Bank and IFC, on June 11, 1969.

Mr. John H. Adler was appointed Director of the Programming and Budgeting Department, serving both the World Bank and IFC.

Mr. Henry Koch was promoted to Director of Participations and Portfolio Sales.

Mr. Augusto Guillermo Arango joined the Board of Directors of Ecuatoriana de Desarrollo, S.A. (Compañía Financiera), of Ecuador.

Mr. Nelson Schaenen was nominated by IFC to the Board of the National Investment Bank for Industrial Development, S.A., of Greece, and Mr. Ali Akbar Khosropur was nominated by IFC to the Board of Société Nationale d'Investissement, of Tunisia, and to the Board of Banque Nationale pour le Développement Economique, of Morocco, replacing Mr. Esgo T. Kuiper, who resigned.

The Development Finance Companies Department was transferred from IFC to the World Bank.

IFC's international advisory panel met with the Corporation's officers and management on October 8, 1968 for a discussion of IFC's activities. The panel

members are: Dr. Hermann J. Abs, Chairman of the Supervisory Board of the Deutsche Bank, A.G., Frankfurt; Viscount Harcourt, Managing Director, Morgan Grenfell & Company Limited, London; Dr. Raffaele Mattioli, Chairman, Banca Commerciale Italiana, Milan; Mr. André Meyer, Senior Partner, Lazard Frères & Company, New York; and Baron Guy de Rothschild, Partner, de Rothschild Frères, Paris.

At the end of Fiscal 1969, IFC had a regular staff of 132 including nationals of 30 countries. Of these, 71 were professionals and 61 were in the general service category. In addition, IFC shares service departments of the World Bank.

### **Membership**

Five countries joined IFC during the course of the year, raising total membership to 91 countries. Yugoslavia became a member in July, with a subscription of \$591,000. In August, Uruguay joined, with a subscription of \$155,000. Singapore and Mauritius became members in September, with subscriptions of \$177,000 and \$95,000, respectively. The Republic of China, with a subscription of \$4,154,000, became the 91st member in January. IFC's paid-in share capital at June 30, 1969 stood at \$106,540,000. During the year, Cambodia and Swaziland applied for membership in IFC.

## Commitments Fiscal 1969

|   | Loan                | Equity              | Total               |
|---|---------------------|---------------------|---------------------|
| <b>Argentina</b>  |                     |                     |                     |
| Dálmine Siderca S.A.<br>(Steel products)                                      |                     |                     |                     |
| Standby Commitment .....  | \$ 3,000,000        | \$ —                | \$ 3,000,000        |
| Editorial Codex Sociedad Anónima<br>(Printing and publishing)                 | 5,000,000           | 2,000,000           | 7,000,000           |
| <b>Brazil</b>   |                     |                     |                     |
| Papel e Celulose Catarinese S.A.<br>(Pulp and paper)                          | 1,059,000           | —                   | 1,059,000           |
| Petroquímica Uniao S.A.<br>(Petrochemicals)                                   | 5,500,000           | 2,880,000           | 8,380,000           |
| <b>Colombia</b>   |                     |                     |                     |
| Compañía Colombiana de Tejidos, S.A.<br>(Textiles)                            | —                   | 81,647              | 81,647              |
| Compañía de Desarrollo de Hoteles y Turismo Limitada—Hoturismo..<br>(Tourism) | —                   | 5,935               | 5,935               |
| Corporación Financiera del Norte .....  | —                   | 432,028             | 432,028             |
| Corporación Financiera del Valle .....  | —                   | 432,028             | 432,028             |
| <b>Ecuador</b>  |                     |                     |                     |
| Ecuatoriana de Desarrollo, S.A. (Compañía Financiera) .....                   | —                   | 251,371             | 251,371             |
| <b>El Salvador</b>  |                     |                     |                     |
| Hoteles de Centro América Sociedad Anónima .....                              | 600,000             | 333,400             | 933,400             |
| <b>Honduras</b>   |                     |                     |                     |
| Compañía Pino Celulosa de Centro América, S.A.<br>(Lumber, pulp and paper)    | —                   | 37,500              | 37,500              |
| <b>India</b>  |                     |                     |                     |
| Zuari Agro Chemicals Limited .....  | 12,150,000          | 3,790,000           | 15,940,000          |
| <b>Iran</b>   |                     |                     |                     |
| Sherkate Sahami Navard va Luleh Ahwaz .....                                   | 3,000,000           | 873,980             | 3,873,980           |
| <b>Jamaica</b>  |                     |                     |                     |
| Pegasus Hotels of Jamaica Limited .....                                       | 2,180,000           | 733,000             | 2,913,000           |
| <b>Korea</b>  |                     |                     |                     |
| Honam Silk Industry Company .....   | 1,400,000           | 307,500             | 1,707,500           |
| <b>Malaysia</b>   |                     |                     |                     |
| Malayawata Steel, Berhad .....  | —                   | 230,767             | 230,767             |
| <b>Pakistan</b>   |                     |                     |                     |
| Dawood Hercules Chemicals Limited .....                                       | 1,000,000           | 2,919,523           | 3,919,523           |
| Karnaphuli Paper Mills Limited .....  | 5,600,000           | 630,001             | 6,230,001           |
| Pakistan Industrial Credit and Investment Corporation Limited .....           | —                   | 36,846              | 36,846              |
| <b>Thailand</b>   |                     |                     |                     |
| Siam Cement Group Companies .....   | 18,000,000          | 4,081,649           | 22,081,649          |
| <b>Tunisia</b>  |                     |                     |                     |
| Compagnie Financière et Touristique, S.A.<br>(Tourism)                        | 8,000,000           | 1,904,762           | 9,904,762           |
| <b>Turkey</b>   |                     |                     |                     |
| Sentetik Iplik Fabrikalari, A.S.<br>(Textiles)                                | 1,500,000           | 428,333             | 1,928,333           |
| Turkiye Sinai Kalkinma Bankasi, A.S.<br>(Industrial financing)                | —                   | 417,222             | 417,222             |
| <b>Venezuela</b>  |                     |                     |                     |
| Protinal C.A.<br>(Concentrated animal feeds)                                  |                     |                     |                     |
| Underwriting Commitment .....   | 2,079,178           | —                   | 2,079,178           |
| <b>TOTALS</b> .....   | <u>\$70,068,178</u> | <u>\$22,807,492</u> | <u>\$92,875,670</u> |

## The Year's Principal Investments

### ARGENTINA

#### \$3,000,000—Dálmine Siderca S.A.

IFC's investment in Dálmine Siderca S.A. had the dual objectives of helping a leading Argentine private steel company raise \$6 million equivalent in new funds and assisting development of Argentina's capital market.

The IFC commitment to Dálmine Siderca's financing was a \$3 million standby loan with a stock option feature. Seven North American and European financial institutions participated in the IFC commitment, taking up more than two-thirds of its commitment. They are Philadelphia International Investment Corporation, an affiliate of Philadelphia National Bank; Banque Francaise et Italienne pour l'Amerique du Sud, France, through an affiliate, Compañía Financiera y Comercial "Panameris" S.A.; Handelsfinanz, A.G. of the Banca Commerciale Italiana Group, Italy; Istituto Mobiliare Italiano, Italy; The Royal Bank of Canada; Banca Nazionale del Lavoro, Italy, through a subsidiary, Banca Nazionale del Lavoro Holding, S.A.; and Banco Ambrosiana, Italy, through an affiliate, Ultrafin, S.A.

The IFC standby loan covers the second of two 1,050 million peso (\$3 million equivalent) issues of Special Preferred Shares of Dálmine Siderca, with secondary offerings to the public. The two issues are the first sizable offering of an industrial security in Argentina in over two decades and are intended to test the absorptive capacity of the capital market, and develop a position in the market for Dálmine Siderca.

The company is the only Argentine producer of seamless steel pipe. Its annual capacity of 140,000 metric tons is the second largest in Latin America. Part of the funds raised will be used for the addition of a 50-ton electric arc furnace which will increase steel ingot production to 300,000 metric tons a year. The balance will be used for working capital.

The company is an important supplier of pipe to the Argentine petroleum industry. It is also active in the export market with pipe exports increasing from 24,000 metric tons in 1967 to 42,000 metric tons in 1968.

## \$7,000,000—Editorial Codex Sociedad Anónima

The Corporation's first commitment in the printing and publishing field was made during Fiscal 1969 with a \$7 million equivalent investment in a leading Latin American publisher of educational and cultural books and magazines, Editorial Codex Sociedad Anónima of Buenos Aires.

The company, established a quarter of a century ago, is owned by Argentines. It produces a wide variety of books and magazines on art, history, natural sciences, technology, food and the home, as well as textbooks, encyclopedias and dictionaries. Editorial Codex has more than 3,600 full-time and 1,950 part-time employees. Its export sales in 1968 were approximately \$6 million out of total sales of \$17 million.

Equity investors in Editorial Codex are IFC, \$2 million, and private investors, \$2 million. IFC is also making a \$5 million loan to the company towards the total loan requirements of \$17.1 million equivalent. The rest is being met by suppliers' and construction credits of \$6.5 million equivalent and Argentine sources, including Banco de Galicia, \$900,000 equivalent.

Proceeds from sales of \$1.2 million equivalent of existing assets that will not be required after the expansion and consolidation, plus cash generation of \$3.4 million equivalent, complete the financing.

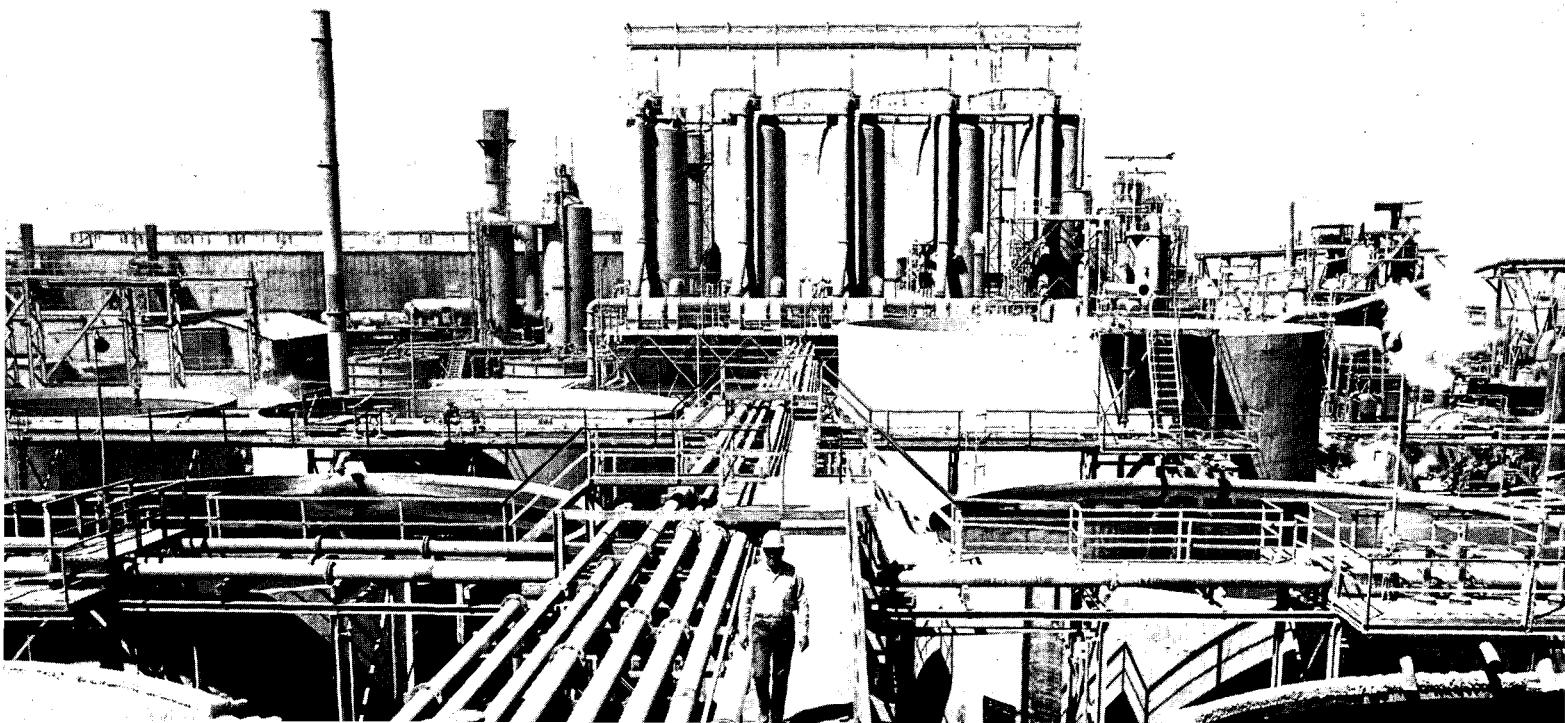
Approximately \$11.2 million equivalent of the new funds will be used to enlarge and integrate the company's printing, binding, storage and shipping facilities and consolidate them at a single plant at Martínez, on the outskirts of Buenos Aires. The balance is to be used for working capital, principally to support expansion of sales in the Spanish and Portu-

guese speaking countries—partly through large-scale introduction of computerized marketing techniques and partly on intensification of traditional selling methods.

Nine North American and European financial institutions are participating in the IFC commitment to the Editorial Codex project. They include: Bamerical International Financial Corporation, investment subsidiary of the Bank of America N.T. & S.A., San Francisco; Handelsfinanz A.G. of Switzerland, a member of the Banca Commerciale Italiana Group, Italy; Girard International Investment Corporation, a subsidiary of Girard Trust Bank of Philadelphia; Provident International Corporation, a subsidiary of Provident National Bank, Philadelphia; Allied Bank International, New York, overseas investment affiliate of a group of United States banks; Berliner Handels-Gesellschaft, Germany; Dresdner Bank, A.G. and its subsidiary, Deutsch-Sudamerikanische Bank Aktiengesellschaft, Germany; and Banque Francaise du Commerce Extérieur, France.

The financial plan was as follows:

|  | (pesos million) |
|--|-----------------|
| <b>Share Capital</b>                             |                 |
| International Finance Corporation ..             | 700             |
| Existing shareholders .....                      | <u>700</u>      |
|  | 1,400           |
| <b>Loan Capital</b>                              |                 |
| Suppliers' and construction credits..            | 2,275           |
| International Finance Corporation ..             | 1,750           |
| Argentine banks .....                            | 1,960           |
| —including Banco de Galicia<br>315 million pesos | 5,985           |
| <b>Cash Generation .....</b>                     | 1,190           |
| <b>Sales of Existing Assets .....</b>            | 420             |
| <b>TOTAL .....</b>                               | <u>8,995</u>    |



## BRAZIL

### \$1,059,000—Papel e Celulose Catarinense S.A.

A second investment in Papel e Celulose Catarinense S.A. was made by IFC as part of \$6.75 million new financing for the kraft pulp and paper project in southern Brazil. The Corporation agreed to take \$1,059,000 of a \$3 million equivalent convertible debenture issue, while the Klabin Group, a leading Brazilian industrial organization which is sponsoring the \$33.75 million project, took the balance of the convertible debenture issue, in association with the Monteiro Aranha Group. ADELA Investment Company, S.A. has taken a \$370,650 participation in the IFC commitment.

Banco Nacional do Desenvolvimento Economico, Brazil's national development bank, made a new loan that will provide \$2.75 million equivalent of the supplementary financing, which is to cover working capital requirements during the first year of opera-

tion and overrun costs stemming principally from the effects of currency devaluation.

The new mill, located in the State of Santa Catarina where economic progress has lagged in comparison with some other Brazilian states, has a capacity of 57,000 metric tons of output per year. At full production it is expected to provide jobs for 1,600 workers. It will provide further economic benefit by making use of local raw materials.

IFC's initial investment in Catarinense was made in 1966. At that time, the Corporation committed approximately \$6.1 million and ADELA participated in the commitment in the amount of \$1.1 million.

The financial plan was as follows:

|   |          | (cruzeiros thousand) |
|---|----------|----------------------|
| <b>Loan Capital</b>                         |          |                      |
| Banco Nacional do Desenvolvimento Economico |          |                      |
| Economico .....                             | 11,055.0 |                      |
| Klabin and Monteiro Aranha Groups .....     | 7,804.8  |                      |
| International Finance Corporation .....     | 4,257.2  |                      |
| Sponsors—short-term funds .....             | 4,020.0  |                      |
| TOTAL .....                                 | 27,137.0 | <u>      </u>        |

### \$8,380,000—Petroquímica Uniao S.A.

IFC supported a major addition to Brazil's petrochemical industry—expected to lay the basis for a series of further additions—in committing \$8.38 million to the financing of Petroquímica Uniao S.A., a new \$61.5 million project at Capuava, near Sao Paulo, for cracking naphtha. The IFC investment consists of \$2.4 million equivalent in equity, a \$5 million loan, and a \$980,000 contingency commitment.

Petroquímica will be one of the largest private enterprise ventures in Brazil. It is scheduled for completion in early 1972 and will use naphtha to produce, primarily, ethylene, benzene and propylene, and smaller quantities of butadiene, toluene and aromatic oils. Market developments in Brazil since Petroquímica was established have been such that expansion of the project, planned for implementation at a later date, is now likely to take place sooner than estimated.

Petroquímica will permit the establishment or expansion of a number of other companies utilizing Petroquímica's products to manufacture a wide variety of plastics, synthetic textiles, solvents, pesticides and detergents for the Brazilian market. Petroquímica is thus expected to spur some \$300 million new investment in Brazil over the next decade and make possible major foreign exchange savings.

Petroquímica's ownership is entirely Brazilian with the exception of IFC. It includes Petrobrás Química, S.A., a wholly-owned subsidiary of the Brazilian state oil company, Petrobrás, which invested in a private enterprise venture on a minority basis for the first time in Petroquímica; Refinaria e Exploracao de Pe-

tróleo Uniao, S.A., a privately owned and operated refinery, in which the Soares Sampaio Group has a major interest; Companhia Sao Fernando de Administracao e Participacoes, holding and administration company of the Moreira Salles Group, and Administracao e Participacoes Cotil II Limitada, holding and administration company of the Igel and Monteiro Aranha Groups.

Five institutions participated in the IFC commitment: Bamerical International Financial Corporation, a subsidiary of Bank of America N.T. & S.A., San Francisco; Provident International Corporation, a subsidiary of Provident National Bank, Philadelphia; First National City Bank and its subsidiary, First National City Overseas Investment Corporation, New York; and Banque Nationale de Paris, France.

A consortium of French banks is supplying the bulk of the loan capital and a Brazilian bank group is providing a cruzeiro working capital loan.

The financial plan was as follows:

|   |       | (cruzeiros million) |
|---|-------|---------------------|
| <b>Share Capital</b>  |       |                     |
| Refinaria e Exploracao de Petróleo Uniao, S.A. .....          | 24.1  |                     |
| Petrobrás Química, S.A. .....                                 | 24.1  |                     |
| Companhia Sao Fernando de Administracao e Participacoes ..... | 24.1  |                     |
| Administracao e Participacoes Cotil II Limitada .....         | 14.5  |                     |
| International Finance Corporation ....                        | 9.6   | 96.4                |
| <b>Loan Capital</b>   |       |                     |
| French Bank Consortium .....                                  | 118.6 |                     |
| International Finance Corporation ....                        | 20.1  |                     |
| Brazilian Bank Group .....                                    | 12.1  | 150.8               |
| TOTAL .....   |       | <u>      </u> 247.2 |

**Solution tanks (foreground) and precipitation towers (background) of the Empresa Minera de Mantos Blancos, S.A., Chile, copper processing plant. IFC helped finance the project and later made an additional commitment for expansion.**

**EL SALVADOR**  
**\$933,400—Hoteles de Centro**  
**América Sociedad Anónima**

IFC joined with a Salvadoran real estate development firm, a United States hotel company, and a number of Central American investors to establish a new company that will build a \$3.7 million equivalent, 224 room, tourist and convention hotel in San Salvador.

The new hotel, to be called the Camino Real, is being built on a five acre site in the prime Miramonte residential area of San Salvador and is scheduled to open in the first half of 1971. It will be the largest hotel in San Salvador and will increase first class accommodations in the city by 60 per cent. The Camino Real will employ a staff of 270, almost all of whom will be Salvadorans, and is expected to contribute to the economic development of El Salvador by generating an estimated \$1.2 million in foreign exchange annually. The Camino Real is one of a network of hotels planned for principal Central American cities with the objective of spurring tourism throughout the Central American Common Market area, and Panama.

In addition to IFC, which made a \$933,400 equivalent loan, equity and cost overrun commitment to the project, the principal sponsors of Hoteles de Centro América Sociedad Anónima are Financiera Roble, S.A. of San Salvador and Western International Hotels Company (Western) of Seattle. The two firms are jointly responsible for developing plans for the new hotel and for coordinating and implementing the project. Western, which already owns or manages some 65 hotels in a number of countries including Ecuador, Guatemala, Mexico and Venezuela, is also responsible for the commercial management of the Camino Real and for training personnel.

The Banco Central de Reserva de El Salvador, through its agent Financiera de Desarrollo y Inversión, S.A., is making a loan to the project covering more than one-third of the total cost. Suppliers' credits will complete the financing.

The financial plan was as follows:

(colones million)

**Share Capital**

|  |            |
|--|------------|
| Financiera Roble, S.A. ....            | 2.05       |
| Central American private investors ... | .70        |
| Western International Hotels Company   | .50        |
| International Finance Corporation ...  | <u>.50</u> |
|  | 3.75       |

**Loan Capital**

|   |             |
|---|-------------|
| Banco Central de Reserva de<br>El Salvador (through Financiera de<br>Desarrollo y Inversión, S.A.) .... | 3.40        |
| International Finance Corporation....   | 1.50        |
| Suppliers' credits .....  | <u>.60</u>  |
| TOTAL .....   | <u>5.50</u> |
|   | <u>9.25</u> |



**Extension of Manila Electric Company's transmission and distribution system was assisted by a \$12 million IFC equity and loan commitment to the Philippine utility.**

## INDIA

### \$15,940,000—Zuari Agro Chemicals Limited

IFC made its largest single commitment in India in March 1969, when it joined private investors in the United States and India to establish a fertilizer plant in Goa, southwest India. The plant, estimated to cost in excess of \$70 million, is the second fertilizer project in India to receive loan and equity funds from IFC.

The project is expected to contribute to India's efforts to become self-sufficient in food. It will save foreign exchange for India by replacing part of the large volume of fertilizer now imported annually. Using naphtha as raw material, the plant will have an annual output of 340,000 tons of urea, and will have facilities to produce 150,000 tons of compound fertilizers.

Zuari Agro Chemicals Limited, the new company formed to build and operate the plant and market its output, is sponsored by the United States Steel Corporation, of Pittsburgh, Pennsylvania, and the Birla Group, one of the largest industrial groups in India. The sponsors are supplying over 50 per cent of the new company's common share capital, which totals \$16.6 million equivalent. United States Steel will provide technical assistance for engineering, production and marketing operations, and Birla will provide assistance in marketing and sales arrangements.

Zuari plans to sell most of its output in southern and western India, particularly in the territory of Goa, and in the States of Mysore, Andhra Pradesh and Maharashtra. A recent market study indicated a good demand for the company's production in its principal sales area.

IFC's commitment of up to \$15.94 million provides the largest single portion of foreign exchange funds required by the project. The IFC investment consists of a common share subscription of \$3.19 million equivalent, a loan of \$12.15 million, and a contingent commitment for a further \$600,000.

Two North American institutions participated in the IFC commitment. They were First National City Bank, New York, and Vantage Ten Ninety Fund, Inc., Washington, D.C.

Subscriptions to Zuari's common shares totaling \$1.55 million equivalent are to be made by three United States private investors—the Bank of America, New York (Edge Act subsidiary of the Bank of America N.T. & S.A.); Armour and Company, of Chicago; and the First Chicago International Corporation, of Chicago.

To complete the equity financing for the new company, a public offering will be made in India of \$3.45

million equivalent of Zuari's common shares, and \$5.5 million equivalent of preferred shares. The share offering, one of the largest to be made in India, is expected to be underwritten by a consortium of Indian financial institutions.

A syndicate of five United States institutions organized under the leadership of the Bank of America will provide \$12 million of loan funds to the project. In addition to the Bank of America, this group includes the Connecticut General Life Insurance Company, of Hartford, Connecticut; The First National Bank of Saint Paul, of St. Paul, Minnesota; the Northwestern National Life Insurance Company, of Minneapolis, Minnesota; and The First National Bank of Chicago.

A large portion of the financing provided by United States investors is being guaranteed by the United States Agency for International Development (AID). In addition, AID has made available to the project approximately \$29.8 million of rupee loan funds from United States Government-owned balances in India.

The financial plan was as follows:

|  |  |       | (rupees million) |
|--|--|-------|------------------|
| <b>Share Capital</b>   |  |       |                  |
| Common Shares:   |  |       |                  |
| United States Steel Corporation .....  |  | 45.0  |                  |
| Public share offering in India<br>(to be underwritten by<br>Indian financial institutions) ..... |  | 25.9  |                  |
| International Finance Corporation ...  |  | 23.9  |                  |
| Birla Group .....  |  | 17.8  |                  |
| Bank of America, New York .....  |  | 7.5   |                  |
| Armour and Company .....   |  | 2.3   |                  |
| First Chicago International<br>Corporation .....   |  | 1.9   | 124.3            |
| Preferred Shares:  |  |       |                  |
| Public share offering in India<br>(to be underwritten by<br>Indian financial institutions) ..... |  |       | 41.2             |
| <b>Subordinated Shareholder Loans</b>  |  |       |                  |
| United States Steel Corporation .....  |  | 7.5   |                  |
| Birla Group .....  |  | 2.3   | 9.8              |
| <b>Loan Capital</b>  |  |       |                  |
| Senior Debt:   |  |       |                  |
| United States Agency for<br>International Development .....                                      |  | 148.1 |                  |
| International Finance Corporation ...  |  | 91.1  |                  |
| Bank of America Syndicate .....  |  | 90.0  | 329.2            |
| Subordinated Debt:   |  |       |                  |
| United States Agency for<br>International Development .....                                      |  | 75.3  |                  |
| TOTAL .....  |  |       | 579.8            |

## IRAN

### \$3,873,980—Sherkate Sahami Navard va Luleh Ahwaz

IFC's first major commitment in Iran, announced in February 1969, will help provide Iran with its first facility for making hot-rolled steel strip.

The plant, to cost \$18 million equivalent, is being built near the town of Ahwaz, in southwestern Iran, in furtherance of the Iranian Government's policy of encouraging establishment of industrial centers away from the Teheran area. It will employ some 300 Iranians.

The plant will be able to produce, from billets, 140,000 metric tons of steel strip and 40,000 metric tons of pipe a year, meeting most needs of Iran's construction and light metal manufacturing industries. The facilities being constructed by Sherkate Sahami Navard va Luleh Ahwaz (Ahwaz Rolling and Pipe Mills Company) include a rolling mill for the production of hot-rolled steel strip and a pipe mill which will make a part of the strip into black and galvanized pipe.

The project is sponsored by the Hedayat/Laleh Group, comprising individual investors engaged mainly in the construction business in Iran, and two Iranian financial institutions—Bank Kar and Kar Insurance.

IFC's investment includes a loan of \$3 million and the purchase of 6,000 shares of common stock of par value 10,000 rials each (equivalent to about \$792,000). IFC has agreed to a contingent commitment of up to 6 million rials (equivalent to approximately \$79,000) to finance, together with other major shareholders, overruns up to \$580,858 above anticipated costs.

Approximately \$1.3 million, or a third, of the IFC commitment was taken up by seven participating financial institutions. These institutions were the Bank of America N.T. & S.A., London; Commerzbank, A.G., of Germany; Handelsfinanz, A.G., of Switzerland, a member of the Banca Commerciale Italiana Group; Banca Nazionale del Lavoro, of Italy, through a subsidiary, Banca Nazionale del Lavoro Holding, S.A.; The Chartered Bank of London, United Kingdom; Banque Francaise du Commerce Extérieur, of France; and Centrale Credit, A.G., of Germany, an affiliate of Bank of America.

Besides the sponsoring Hedayat/Laleh Group and IFC, the other shareholders in Ahwaz Rolling and Pipe Mills Company are the Industrial and Mining Development Bank of Iran (IMDBI), a private development bank associated with the World Bank Group; the Iranian Investment Corporation, which was formed in 1966 by members of the Iranian Oil Consortium to promote private sector industrial projects;

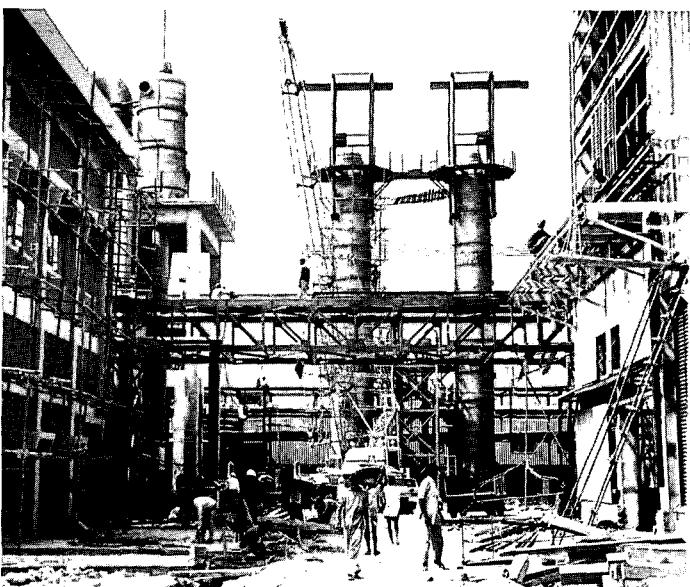
and three Iranian Government agencies—the Plan Organization, the Social Service Organization, and the Iran Insurance Company. The shares of the new company will be listed on the newly formed Teheran Stock Exchange, giving Iranians an opportunity to invest in an Iranian industry.

Loan financing from IMDBI and IFC was supplemented by credits from United Kingdom machinery suppliers. The Ahwaz project is IFC's first joint investment with IMDBI, which brought together the private sponsors.

The financial plan was as follows:

|   | (rials million) |
|---|-----------------|
| <b>Share Capital</b>                    |                 |
| Hedayat/Laleh Group .....               | 230             |
| Plan Organization .....                 | 80              |
| Industrial and Mining Development       |                 |
| Bank of Iran .....                      | 70              |
| International Finance Corporation ..... | 60              |
| Social Service Organization .....       | 50              |
| Iranian Investment Corporation .....    | 40              |
| Iran Insurance Company .....            | 30              |
|   | <u>560</u>      |
| <b>Loan Capital</b>                     |                 |
| Industrial and Mining Development       |                 |
| Bank of Iran .....                      | 300             |
| Suppliers' credits .....                | 275             |
| International Finance Corporation ..... | 225             |
|   | <u>800</u>      |
| TOTAL .....                             | <u>1,360</u>    |

Fertilizer for India's program to attain self-sufficiency in food will be produced at the new Indian Explosives Limited plant which IFC helped finance.



## JAMAICA

### \$2,913,000—Pegasus Hotels of Jamaica Limited

Both short and long-term economic benefits are expected to result from the Jamaica Pegasus, a new, 350 room Kingston convention and tourist hotel for which IFC supplied approximately one-third of the financing.

The \$8.5 million project is expected to give renewed impetus to the growth of Jamaica's tourist industry—by helping growth of accommodations to match growth of demand—and to help Kingston realize its potential as a center for business meetings.

The Jamaica Pegasus will be one of the island nation's largest hotels and provide facilities now lacking in Kingston for conventions. It will create more than 500 jobs for a two-year period during construction and generate about \$2 million in purchases of local raw materials. When the hotel is in operation it will provide some 450 jobs and bring an estimated \$3 million in foreign exchange earnings into the country yearly by 1972.

The IFC investment was made in a new company, Pegasus Hotels of Jamaica Limited. It consists of \$620,000 equivalent in equity, a loan of \$2.18 million, and a contingency commitment of up to \$113,000.

Sponsors of the new hotel, in addition to IFC, are BOAC Associated Companies Limited (BOAC A.C.), a subsidiary of British Overseas Airways Corporation; Forte's (Holdings) Limited (FHL), a leading British hotel and restaurant organization; and Barclays Overseas Development Corporation Limited (BODC) of London. BOAC A.C. and FHL are providing technical and managerial leadership as well as participating in the financing.

BODC, besides making its own equity investment in the project, participated in IFC's commitment, as did several other financial institutions. These included The Citizens and Southern National Bank of Atlanta, Georgia, through a subsidiary, Citizens and Southern International Corporation; Banca Nazionale del Lavoro Holding, S.A., a subsidiary of Banca Nazionale del Lavoro, of Italy; The Royal Bank of Canada International, Limited of Nassau, the Bahamas; and Internationale Finanzierungs Aktiengesellschaft, of Switzerland.

A substantial portion of the equity was made available to Jamaican private investors in April 1969 through an offering underwritten by the Jamaican Development Finance Corporation. The issue was quickly oversubscribed.

Barclays D.C.O. of London made a loan to the project. Suppliers' credits are providing additional long-term financing.

The financial plan was as follows:

| Share Capital                             |           | (Jamaican pounds)      |
|---|-----------|------------------------|
| BOAC Associated Companies Limited         | 500,000   |                        |
| Jamaican investors                        | 300,000   |                        |
| International Finance Corporation         | 258,333   |                        |
| Forte's (Holdings) Limited                | 250,000   |                        |
| Barclays Overseas Development Corporation | 100,000   | 1,408,333              |
|   |           | <hr/>                  |
| Loan Capital                              |           |                        |
| Barclays D.C.O.                           | 1,000,000 |                        |
| International Finance Corporation         | 908,333   |                        |
| Suppliers' credits                        | 250,000   | 2,158,333              |
| TOTAL                                     |           | <hr/> <u>3,566,666</u> |

## KOREA

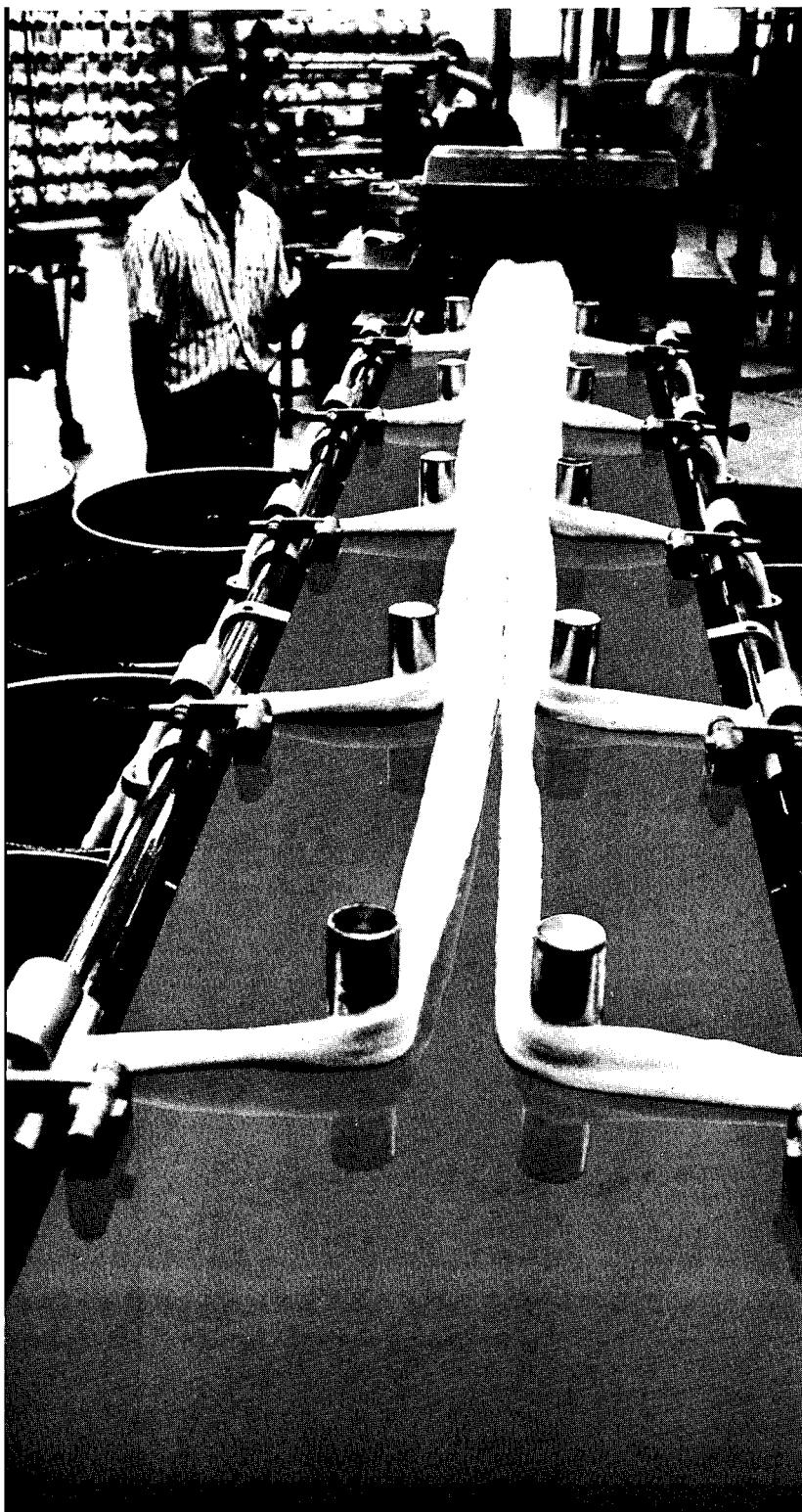
### \$1,707,500—Honam Silk Industry Company

IFC's first investment in the silk industry, announced in June 1969, was made in Korea, where skill in sericulture—the production of raw silk by raising silkworms—is widespread and traditional.

Honam Silk Industry Company will build a silk mill to produce 350 metric tons of raw silk annually, 90 per cent to be exported, and 10 per cent to be consumed locally. A distinctive feature of the project, to be established at Kimje-Gun, Cholla-Pukdo in southwest Korea, is that it includes both agricultural and industrial financing. The operations to be as-

sisted consist of integrated mulberry plantations to be developed by farmers on their own land, and silk-worm production, both to receive financial and technical assistance from the Korean Government and from the company, plus silk yarn filature, a factory operation. The project will provide seasonal employment for 7,500 Korean farm households, create 800 new factory jobs, and earn for Korea \$5 million a year in foreign exchange. It will help Korean farmers develop new sources of cash income on land unsuited for traditional crops. The mulberry plantations will cover some 3,000 hectares (7,410 acres) of land.

The new company is sponsored jointly by Mr. Pan Nam Koh, a Korean businessman, and the



Agricultural and Fishery Development Corporation (AFDC), of Korea, owned by the Korean Government.

The cost of the project up to 1974, when it is expected to become financially self-sustaining, is estimated at \$5.8 million. The funds to be provided will be used 1) to build and operate a 350 tons per year silk filature, and 2) to assist Korean farmers, by loans and grants, in developing mulberry plantations and in purchasing silkworm growing equipment.

IFC is providing \$1.7 million, or about 30 per cent of the \$5.8 million project cost. IFC's commitment consists of a subscription to 86,100 common shares of the company, amounting to approximately \$307,500 equivalent, and a loan of \$1.4 million.

The Agricultural and Fishery Development Corporation will receive loans of \$1 million each from the Bank of America and Manufacturers Hanover Trust Company. AFDC will re-invest these amounts in Honam Silk.

In addition to Honam Silk's financial assistance of \$3.2 million equivalent to farmers, included under project costs, the Korean Government is providing approximately \$4 million equivalent in loans and grants to farmers. Participating farmers will also make a small cash contribution, to be used mainly for the purchase of mulberry seedlings, fertilizers, and cocoon raising equipment. The average cash contribution per household is estimated at \$110 equivalent, spread over a period of about five years.

The financial plan was as follows:

|  | (won million)  |       |
|--|----------------|-------|
| <b>Share Capital</b>                     |                |       |
| Pan Nam Koh .....                        | 143.5          |       |
| Agricultural and Fishery                 |                |       |
| Development Corporation .....            | 114.8          |       |
| International Finance Corporation ...    | <u>86.1</u>    | 344.4 |
| <b>Loan Capital</b>                      |                |       |
| Agricultural and Fishery                 |                |       |
| Development Corporation .....            | 420.0          |       |
| International Finance Corporation ...    | <u>392.0</u>   | 812.0 |
| <b>Cash Generation</b> .....             | 432.6          |       |
| <b>Repayment of Farmers' Loans</b> ..... | <u>47.9</u>    |       |
| <b>TOTAL</b> .....                       | <u>1,636.9</u> |       |

Fiber processing at the Enka de Colombia, S.A. nylon and polyester manufacturing plant at Girardota. IFC joined Dutch and Colombian interests in this project.

## PAKISTAN

### \$3,919,523—Dawood Hercules Chemicals Limited

The World Bank and IFC agreed in July 1968 to provide up to \$36 million to help finance a \$78 million fertilizer plant in Pakistan, a project expected to contribute substantially to Pakistan's drive to achieve self-sufficiency in food in the 1970s. IFC's commitment to Dawood Hercules Chemicals Limited, the new company formed to build and operate the plant, is the Corporation's first investment in a fertilizer project in Pakistan.

The plant is being built near Lahore, in the heart of West Pakistan's principal agricultural region. Its establishment comes at a time when the new high-yielding varieties of wheat and rice are being introduced on a large scale in Pakistan. Pakistan's plans for rapid expansion of its food grain production are based upon the use of these new varieties, particularly the Mexican wheat variety, which require intensive fertilizer application.

The plant will produce 345,000 tons of urea annually and will employ some 600 workers. The plant's output will replace imports, and thus will result in substantial foreign exchange savings by Pakistan. The use of locally available natural gas in production of the fertilizer will add to these savings. Expansion of the natural gas pipeline system in the northern part of West Pakistan, for which the World Bank has made a loan, is geared to the construction schedule of the Dawood Hercules plant.

To ensure that investment in fertilizers will be attractive to Pakistani farmers, the Government of Pakistan is implementing coordinated programs to make additional credit available for the purchase of fertilizers, seeds and insecticides; provide more water for irrigation purposes; and maintain production incentives by stabilizing prices of food grains. The Government has initiated construction of additional storage facilities for fertilizer stocks, and Pakistan's private sector is now engaged in setting up efficient distribution arrangements for fertilizers.

The project is sponsored by the Dawood Industrial Group, of Pakistan, and Hercules Incorporated, a United States chemical company. The sponsors will each subscribe to 40 per cent of the \$29.2 million share capital of Dawood Hercules Chemicals Limited.

IFC committed up to \$3.9 million, of which \$2.9 million is a subscription to share capital and up to \$1 million is a contingency commitment. IFC's equity investment accounted for about 10 per cent of the new company's share capital.

A further 10 per cent of the capital will be offered

to private Pakistani investors. This share offering will be underwritten by the Dawood Industrial Group.

A foreign currency loan of \$32 million has been made by the World Bank. The United States Agency for International Development provided a \$14.2 million loan, in local currency. In line with a general policy of encouraging high priority projects, the Government of Pakistan has agreed to defer, against debentures, up to \$2.8 million equivalent in customs duties on equipment and materials imported for the project.

The financial plan was as follows:

|  | (rupees million)  |
|--|-------------------|
| <b>Share Capital</b>   |                   |
| Dawood Industrial Group .....                                  | 55.6              |
| Hercules Incorporated .....                                    | 55.6              |
| International Finance Corporation ..                           | 13.9              |
| Public share offering in Pakistan ....                         | <u>13.9</u> 139.0 |
| <b>Loan Capital</b>  |                   |
| World Bank, foreign exchange equivalent to approximately ..... | 152.3             |
| United States Agency for International Development .....       | 67.6              |
| Customs debentures .....                                       | <u>13.3</u> 233.2 |
| <b>TOTAL</b> .....   | <u>372.2</u>      |

### \$6,230,001—Karnaphuli Paper Mills Limited

IFC's first investment in East Pakistan's industrial expansion, announced in January 1969, was in the modernization and expansion program of Karnaphuli Paper Mills Limited, Pakistan's leading paper manufacturer. The IFC commitment provided the largest share of the foreign exchange funds required by the project.

The \$17 million modernization and expansion program will increase Karnaphuli's paper making capacity by 17,000 tons a year—11,000 tons of kraft paper and paperboard, to be used in the manufacture of bags, multiwall sacks and corrugated boxes, and 6,000 tons of printing and writing papers. By 1971, when the program is completed, Karnaphuli will have an annual capacity of 50,000 tons of paper, and will be the major supplier of kraft paper to the Pakistan market. Lower operating costs and improved product quality will also enable Karnaphuli to help meet increasing demand in Pakistan for printing and writing papers. The company at present is the only major producer of groundwood-free printing and writing paper in Pakistan.

Since the additional paper to be produced by Karnaphuli will replace imports, the project is expected to save Pakistan over \$2 million a year in foreign exchange expenditures.



Including the Karnaphuli project, total paper making capacity financed by IFC in Pakistan amounts to 72,000 tons annually.

The project will help develop East Pakistan's forest reserves. Karnaphuli produces kraft paper from bamboo and hardwoods grown in East Pakistan and, to obtain more of these raw materials, it plans intensive development of bamboo forests leased from the East Pakistan Government, and establishment of forest plantations on idle hilly lands near the mill site, to be leased from the Government.

The project is sponsored by Dawood Industries Limited, Karnaphuli's managing agent, which controls about half of Karnaphuli's share capital.

IFC is making a basic commitment of \$5.6 million to Karnaphuli's expansion and modernization program, consisting of a commitment to purchase 300,000 ordinary shares of Karnaphuli at par value, amounting to approximately \$630,000 equivalent, and a \$5 million loan, with a stock option. In addition to this basic commitment, provision has been made by IFC for a contingent loan of \$600,000. Participating in the IFC investment were the First National City Bank and its overseas investment affiliate, First National City Overseas Investment Corporation, New York; Bamical International Financial Corporation, the wholly-owned investment subsidiary of the Bank of America N.T. & S.A., San Francisco; the Kuwait Foreign Trading, Contracting & Investment Company (S.A.K.); Commerzbank, A.G., of Germany;

National & Grindlays Bank, Limited, of the United Kingdom; Banca Nazionale del Lavoro, of Italy, through a subsidiary, Banca Nazionale del Lavoro Holding, S.A.; and Banque Francaise du Commerce Extérieur, of France.

The balance of Karnaphuli's financing consists of a foreign currency loan of \$3.37 million from the Pakistan Industrial Credit and Investment Corporation Limited (PICIC), and a \$910,000 local currency loan from Dawood Industries, Limited. IFC is a substantial shareholder in PICIC.

Because of the importance of the project to expansion of Pakistan's paper industry—resulting in an increase in paper making capacity by 17,000 tons a year—the Government of Pakistan has agreed to defer, against debentures, up to \$1.03 million equivalent in customs duties on equipment imported for the project.

The financial plan was as follows:

|  | (rupees million) |
|--|------------------|
| <b>Share Capital</b>   |                  |
| International Finance Corporation ..                             | 3.00             |
| <b>Loan Capital</b>  |                  |
| International Finance Corporation ..                             | 23.78            |
| Pakistan Industrial Credit and Investment Corporation Limited .. | 16.06            |
| Customs debentures .....   | 4.91             |
| Dawood Industries Limited .....                                  | 4.34             |
| <b>Cash Generation .....</b>                                     | <b>49.09</b>     |
| <b>TOTAL .....</b>   | <b>80.09</b>     |

**A technician prepares medicine in a sterilized chamber at Laboratoire des Produits Pharmaceutiques de l'Afrique du Nord. The company was modernized and expanded with the assistance of Banque Nationale pour le Développement Economique, a Moroccan development finance company in which IFC has invested.**

## THAILAND

### \$22,081,649—Siam Cement Group Companies

IFC's largest investment to date, a \$22.1 million commitment to help finance a \$60 million expansion of Thailand's construction materials industry, was announced in April 1969. The construction materials industry is a key factor in Thailand's rapid industrial expansion, which has averaged about 15 per cent a year over the past several years.

IFC's transaction was with the six-company Siam Cement Group, Thailand's biggest building materials producer, and one of the largest cement manufacturers in Asia. It involved simultaneous financing of five separate but interrelated companies of the Group, which are carrying out four industrial expansion programs. Participations by 19 banks and financial institutions in North America, Europe and Asia in the IFC investment totaled \$14.9 million, or more than two-thirds of the IFC commitment. This exceeded considerably participations in any previous IFC investment.

The Siam Cement Group's expansion program, scheduled to be completed by the end of 1971, includes the following new projects: 1) The Siam Cement Company Limited—a 1,500 metric tons per day cement factory to serve markets in northeast Thailand; 2) The Siam Fibre-Cement Company Limited—a 58,000 metric tons per year asbestos sheet plant, expansion of pipe making facilities, and addition of a line of "Asbestolux" fireproof products; 3) Concrete Products and Aggregate Company Limited—a pipe plant to produce large diameter pipes for drainage and sewage lines, expansion of concrete block-making facilities, and addition of a line to produce "Sakrete," a dry ready-mix mortar; and 4) The Siam Iron and Steel Company Limited—a 150,000 metric tons per year rolling mill to produce reinforcing bars, including facilities to produce 80,000 metric tons of billets from domestic and imported scrap, and expansion of existing foundry and refractory plants.

IFC's commitment consists of an \$18 million loan, and equity investment totaling approximately \$4.1 million. The IFC loan is being provided to Siam Cement Company Limited, the leading member of the Group, which will lend portions of the loan to three other members of the Group: Siam Fibre-Cement Company Limited, Concrete Products and

Aggregate Company Limited, and Siam Iron and Steel Company Limited. All member companies of the Group are individually as well as jointly responsible for repayment of the loan.

With its equity investment, IFC acquired approximately 6 2/3 per cent of the shares of each of five members of the Group: Siam Cement Company Limited, Siam Fibre-Cement Company Limited, Concrete Products and Aggregate Company Limited, Construction Materials Marketing Company Limited, and the Siam Iron and Steel Company Limited. In addition to these five companies, the Group includes Siam Industrial Credit Company Limited.

IFC and participants in its investments received options for additional shares in two companies in the Group.

The institutions participating in the IFC commitment are:

The Bank of America Group, consisting of the Bank of America, New York, Bamerical International Financial Corporation, San Francisco, and the World Banking Corporation Limited, in Nassau, the Bahamas;

Manufacturers Hanover Trust Company, of New York, and its affiliates, Manufacturers Hanover International Finance Corporation, and Manufacturers Hanover International Banking Corporation;

Dresdner Bank, A.G., of Germany;

The First National City Bank Group, New York, consisting of the First National City Bank International, the First National City Bank, and the First National City Overseas Investment Corporation;

Continental Illinois National Bank and Trust Company of Chicago;

Irving Trust Company and its affiliate, Irving International Financing Corporation, of Philadelphia;

Philadelphia International Investment Corporation;

Banque de l'Indochine, S.A.;

Skandinaviska Banken, of Sweden;

Bank fur Gemeinwirtschaft, A.G., of Germany;

Commerzbank, A.G., of Germany;

Private Investment Corporation for Asia, of Japan.

The participations in IFC's commitment to Siam Cement by the Bank of America Group and by the



Manufacturers Hanover Trust Company Group involved the largest participations ever made by a United States group, and the participation by the Dresdner Bank was the second largest participation by a European bank or group.

In addition to IFC's investment, funds for the Group's expansion program will come from credits of \$14.5 million equivalent from suppliers in Denmark, Germany, Switzerland and the United Kingdom; \$13.1 million from cash generation and bank borrowings; and equity investments of \$7 million equivalent by the present shareholders in the Group companies. Shares in the Group companies are widely held by the Thai public.

The financial plan was as follows:

|  | (baht million)                |
|--|-------------------------------|
| <b>Share Capital</b>   |                               |
| Subscriptions by present shareholders .....                            | 148.0                         |
| International Finance Corporation subscriptions and share purchases .. | <u>85.2</u> 233.2             |
| <b>Loan Capital</b>  |                               |
| International Finance Corporation ...                                  | 374.4                         |
| Suppliers' credits .....   | <u>300.9</u> 675.3            |
| <b>Cash Generation and Bank Borrowings</b>                             |                               |
| Expenditures already incurred .....                                    | 278.1                         |
| TOTAL .....  | <u>67.6</u><br><u>1,254.2</u> |

Workers raising one of the new buildings for the Textiles Fabricato de Nicaragua, S.A. plant in Managua. The project, which IFC helped finance, is expected to benefit both Nicaragua and the other Central American Common Market nations.

## TUNISIA

### \$9,904,762—Compagnie Financière et Touristique, S.A.

IFC's commitment to Compagnie Financière et Touristique, S.A., a tourism development and holding company, was the Corporation's first investment in a specialized institution to finance and to promote hotel and other tourism projects in a developing country on a nationwide scale. The new institution, with initial resources of \$39.3 million, will provide equity and long-term funds required to establish tourism enterprises, chiefly hotels, in Tunisia.

Tunisia's tourism industry, bringing in \$40 million yearly, has replaced phosphate rock exports as the largest single earner of foreign exchange. In addition, it has stimulated the country's building and equipment industry and has created thousands of new jobs. At present, some 10,000 employees work in hotel and other tourism enterprises; in the next four years, the tourism sector is expected to provide 15,000 new jobs.

Tunisia's year-round favorable climate and its scenic attractions, together with its nearness to Europe and the relatively moderate level of hotel prices in resort areas, have brought about a rapid expansion of tourism. From 1964 to 1968, the number of tourists entering Tunisia rose to over 380,000, representing an increase of some 226,000, or more than 146 per cent. Most of these tourists came from France, Germany, Great Britain, and the Scandinavian countries. The tourist inflow is expected to grow over the coming years. To accommodate this increase, additional hotel facilities, particularly in the moderately priced tourist-class categories, must be built.

Generally, Compagnie Financière et Touristique will finance and promote three types of operations—the construction of new hotels, the expansion or financial reorganization of existing hotels, and other activities related to the tourism sector, such as transportation facilities for tourists.

IFC's commitment includes a subscription to 200,000 shares of the new company, amounting to just over \$1.9 million equivalent, and a loan of \$8 million. IFC's subscription corresponds to 20 per cent of the company's share capital, totaling \$9.5 million equivalent. Participations in the IFC investment were purchased by the Arab African Bank, of the United Arab Republic, and Kuwait Foreign Trading, Contracting & Investment Company (S.A.K.), both also members of the principal investment group.

A share offering of 200,000 shares to private Tunisian investors will be underwritten by a syndicate of Tunisian banks. Other Tunisian investors in the share capital of the new company are Tunisian financial institutions, including local banks and insurance companies, and Société Nationale d'Investissement, a private development bank in which IFC has a substantial shareholding.

Foreign investors with wide experience in tourism are subscribing to shares of the company. These are American Express Company, of the United States; Caisse Centrale de Coopération Économique, of France; Deutsche Entwicklungsgesellschaft, of Germany; Industrial Promotions Services, of Switzerland, a member company of the Aga Khan Group; a Scandinavian group under the leadership of Stockholms Enskilda Bank; Arab African Bank, of the United Arab Republic; and Kuwait Foreign Trading, Contracting & Investment Company (S.A.K.).

The project is strongly supported by the Government of Tunisia, which will provide the company with \$21.8 million equivalent, in three separate funds: 1) an interest-free advance of \$3.8 million, to be deemed a quasi-equity fund, and to be at the disposal of the company during its entire life; 2) a \$12 million subordinated loan, and 3) additional loans totaling \$6 million. The Government is also making important tax concessions to the company.

The financial plan was as follows:

|  | (dinars million)          |
|--|---------------------------|
| <b>Share Capital</b>   |                           |
| Private Tunisian investors .....   | 1.0                       |
| International Finance Corporation ...                                      | 1.0                       |
| Société Nationale d'Investissement ..                                      | 0.825                     |
| Tunisian institutional investors .....                                     | 0.75                      |
| American Express Company .....   | 0.25                      |
| Caisse Centrale de Coopération<br>Économique .....                         | 0.25                      |
| Deutsche Entwicklungsgesellschaft ...                                      | 0.25                      |
| Industrial Promotions Services .....                                       | 0.25                      |
| Scandinavian Group .....   | 0.175                     |
| Arab African Bank .....  | 0.125                     |
| Kuwait Foreign Trading, Contracting<br>and Investment Company (S.A.K.) ... | <u>0.125</u> 5.0          |
| <b>Loan Capital</b>  |                           |
| Tunisian Government—   |                           |
| subordinated loans .....   | 6.3                       |
| International Finance Corporation....                                      | 4.2                       |
| Tunisian Government—other loans ..   | <u>3.2</u> 13.7           |
| <b>Advance from the Tunisian Government</b>                                |                           |
| TOTAL .....  | <u>2.0</u><br><u>20.7</u> |

## TURKEY

### \$1,928,333—Sentetik Iplik Fabrikalari, A.S.

During Fiscal 1969 IFC—for the second time in three years—helped Turkey's leading producer of nylon yarn to double its spinning capacity.

The project will increase the nylon spinning facilities of Sentetik Iplik Fabrikalari, A.S. (Sifas) from 3,675 to 7,875 metric tons a year and will also raise production of nylon chips, the company's raw material, by 80 per cent, from 5,180 to 9,380 metric tons a year.

The new commitment was IFC's second investment in Sifas. In 1966 the Corporation took part in financing a \$5.9 million project which doubled the company's spinning capacity at that time, and helped finance construction of Sifas' first polymerization plant for the production of nylon chips.

Total cost of the new expansion will be \$6.5 million equivalent, of which IFC is providing \$428,333 equivalent in equity and \$1.5 million in loan. The balance of the equity is being supplied by other Sifas shareholders and by cash generation. The Turkish Government is assisting the project by deferring certain duties and surcharges on imported equipment.

Turkiye Sinai Kalkinma Bankasi, A.S. (TSKB), the nation's leading private development bank, is providing additional loan financing. TSKB, itself, has received substantial assistance from the World Bank Group, including, in Fiscal 1969, a World Bank loan of \$25 million and (See Table, Page 18) an IFC equity commitment of \$417,222.

Sifas was established in 1962 at Bursa, a major textile center south of Istanbul. The company is 80 per cent owned by Turkish nationals. Its products are expected to be competitive in the international market. Last year Sifas instituted an export program which it plans to expand, to contribute to Turkey's capacity to earn foreign exchange.

The financial plan was as follows:

|  | (liras million) |               |
|--|-----------------|---------------|
| <b>Share Capital</b>                   |                 |               |
| Existing shareholders .....            | 8.945           |               |
| International Finance Corporation ...  | <u>3.855</u>    | 12.800        |
| <b>Loan Capital</b>                    |                 |               |
| International Finance Corporation ...  | 13.500          |               |
| Turkiye Sinai Kalkinma Bankasi, A.S... | 4.050           |               |
| Deferment of duties and charges ...    | <u>3.908</u>    | 21.458        |
| <b>Cash Generation</b> .....           |                 | 24.338        |
| <b>TOTAL</b> .....                     |                 | <u>58.596</u> |

## VENEZUELA

### \$2,079,178—Protinal C.A.

IFC entered a new sector of the agribusiness industry by making the largest single commitment to the underwriting of a 25 million bolivares (\$5.5 million equivalent) debentures offering by Protinal C.A., Venezuela's leading producer of concentrated animal feeds. The debentures, part of which are convertible, were the first such security to be marketed in Venezuela, and the issue was the largest public offering of securities of a private industrial firm to be made in Venezuela. Part of the ten year, 10 per cent issue is convertible into Protinal stock.

IFC underwrote 9 million bolivares (approximately \$2 million equivalent) of the issue, as a member of a syndicate headed by C.A. Venezolana de Desarrollo (Sociedad Financiera), called Cavendes, a private development finance bank which IFC helped establish in 1963. Other underwriters included Pedro Mendoza Sucesores, C.A.; Banco La Guaira International, C.A.; Empresas Prometedoras, C.A.; Inver-

siones Diversas, C.A.; G. Willson Cook Sucesores, S.A.; Banco Mercantil y Agrícola, C.A.; and Bank of London and South America, Limited.

Proceeds of the underwriting are being used for additional working capital; extension of grain storage silos at Valencia; modernization of incubation facilities at Valencia; and the construction of transit silos at Acarigua.

Protinal was established in 1944 and is one of Venezuela's biggest private enterprises with more than 400 shareholders. The company produces 53 different livestock feeds and supplies more than 60 per cent of the Venezuelan market for these products. It has been an important factor in the development of Venezuelan agriculture by providing farmers with products which enable them to carry out improved agricultural practices and achieve increased yields. The company operates two plants, one in Valencia and one in Maracaibo, both of which rely heavily on local sources for raw materials.

# **Appendices**

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# Balance Sheet

# Appendix A

June 30, 1969

Expressed in United States Currency—See Notes to Financial Statements, Appendix D

|   | June 30<br>1969      | June 30<br>1968      |
|---|----------------------|----------------------|
| <b>Assets</b>   |                      |                      |
| DUE FROM BANKS .....  | \$ 715,967           | \$ 884,321           |
| <b>INVESTMENTS</b>  |                      |                      |
| Obligations of United States Government and its instrumentalities<br>(At cost or amortized cost)                    |                      |                      |
| Face amount \$27,000,000—1969, \$27,300,000—1968 .....  | \$26,085,900         | 26,336,273           |
| Time deposits maturing within six months—United States dollars  | 4,000,000            | 4,500,000            |
| Accrued interest .....  | <u>484,279</u>       | <u>530,982</u>       |
|   | 30,570,179           | 31,367,255           |
| <b>EFFECTIVE LOANS AND EQUITY INVESTMENTS HELD BY<br/>CORPORATION (At cost) (See Appendix C)—Note B</b>             |                      |                      |
| (Including undisbursed balance of \$33,500,575—1969,<br>\$49,398,568—1968)  |                      |                      |
| Loans .....   | \$93,014,013         | 104,455,938          |
| Equity .....  | <u>59,677,835</u>    | <u>53,384,312</u>    |
|   | 152,691,848          | 157,840,250          |
| <b>ACCRUED INCOME ON LOANS, EQUITY INVESTMENTS AND<br/>UNDERWRITING COMMITMENTS—Note B .....</b>                    |                      |                      |
|   | 1,571,340            | 1,344,353            |
| <b>RECEIVABLE FROM INTERNATIONAL BANK FOR RECONSTRUCTION<br/>AND DEVELOPMENT .....</b>                              |                      |                      |
|   | 100,000,000          | 100,000,000          |
| <b>RECEIVABLE FROM PURCHASERS ON ACCOUNT OF EFFECTIVE<br/>LOANS AND EQUITY INVESTMENTS AGREED TO BE SOLD—Note C</b> |                      |                      |
| (Including undisbursed balance of \$22,996,218—1969,<br>\$8,523,086—1968) .....                                     | 26,783,146           | 8,930,040            |
| <b>OTHER ASSETS .....</b>   |                      |                      |
|   | <u>176,723</u>       | <u>715,386</u>       |
| <b>TOTAL ASSETS .....</b>   |                      |                      |
|   | <u>\$312,509,203</u> | <u>\$301,081,605</u> |
| <b>Liabilities, Reserve and Capital</b>   |                      |                      |
| <b>LIABILITIES</b>  |                      |                      |
| Accounts payable and other liabilities .....  | \$ 822,453           | \$ 264,585           |
| Undisbursed balance of effective loans and equity investment<br>agreements (See Appendix C)                         |                      |                      |
| Held by Corporation .....   | <u>\$33,500,575</u>  | <u>49,398,568</u>    |
| Agreed to be sold .....   | <u>22,996,218</u>    | <u>8,523,086</u>     |
|   | <u>56,496,793</u>    | <u>57,921,654</u>    |
| Loan from International Bank for Reconstruction and<br>Development (Not yet drawn) .....                            | 100,000,000          | 100,000,000          |
| <b>RESERVE AGAINST LOSSES (See Appendix B)—Note D .....</b>   |                      |                      |
|   | 48,614,957           | 40,936,366           |
| <b>CAPITAL</b>  |                      |                      |
| Capital stock   |                      |                      |
| Authorized 110,000 shares of \$1,000 par value each   |                      |                      |
| Subscribed 106,540 shares—1969, 101,368 shares—1968 .....   | 106,540,000          | 101,368,000          |
| Payment on account of pending subscription .....  | 35,000               | 591,000              |
| <b>OUTSTANDING UNDERWRITING COMMITMENTS</b>   |                      |                      |
| Nil—1969, \$1,395,608—1968 .....  |                      |                      |
| <b>TOTAL LIABILITIES, RESERVE AND CAPITAL .....</b>   |                      |                      |
|   | <u>\$312,509,203</u> | <u>\$301,081,605</u> |

# Comparative Statement of Income and Expenses

## Appendix B

For the Fiscal Years Ended June 30, 1969 and June 30, 1968  
Expressed in United States Currency—See Notes to Financial Statements, Appendix D

|  | July 1-June 30      |                     |
|--|---------------------|---------------------|
|  | 1968/69             | 1967/68             |
| <b>Income</b>  |                     |                     |
| Income from obligations of United States Government and its instrumentalities and time deposits..... | \$ 1,864,865        | \$ 2,015,287        |
| Income from loans, equity investments and standby and underwriting commitments:                      |                     |                     |
| Fixed interest.....  | 4,780,733           | 3,978,610           |
| Additional interest.....   | 370,641             | 318,051             |
| Commitment charges.....  | 410,212             | 394,884             |
| Dividends.....   | 4,394,139           | 3,349,977           |
| Commissions.....   | 154,287             | 63,000              |
| Other income.....  | 5,394               | 12,606              |
| <b>GROSS INCOME</b> .....  | <b>\$11,980,271</b> | <b>\$10,132,415</b> |
| <b>Expenses</b>  |                     |                     |
| Administrative expenses:   |                     |                     |
| Personal services.....   | \$ 2,408,904        | \$ 1,880,027        |
| Contributions to staff benefits.....   | 369,664             | 413,035             |
| Fees and compensation.....   | 120,669             | 189,632             |
| Representation.....  | 42,313              | 36,492              |
| Travel.....  | 619,441             | 514,062             |
| Supplies and material.....   | 33,335              | 28,587              |
| Office occupancy.....  | 222,591             | 203,474             |
| Communication services.....  | 124,242             | 98,997              |
| Furniture and equipment.....   | 79,770              | 48,761              |
| Books and library services.....  | 37,238              | 32,911              |
| Printing.....  | 61,555              | 51,864              |
| Insurance.....   | 17,532              | 14,616              |
| Other expenses.....  | 7,562               | 3,879               |
| Total administrative expenses.....   | \$ 4,144,816        | \$ 3,516,337        |
| Charges on borrowings.....   | 375,000             | 375,000             |
| <b>GROSS EXPENSES</b> .....  | <b>\$ 4,519,816</b> | <b>\$ 3,891,337</b> |
| <b>Net Income—Allocated to Reserve Against Losses—Note D</b> .....                                   | <b>\$ 7,460,455</b> | <b>\$ 6,241,078</b> |

# Comparative Statement of Changes in Reserve Against Losses

For the Fiscal Years Ended June 30, 1969 and June 30, 1968  
Expressed in United States Currency—See Notes to Financial Statements, Appendix D

|  | July 1-June 30      |                     |
|--|---------------------|---------------------|
|  | 1968/69             | 1967/68             |
| <b>Balance Beginning of Period</b> .....                                       |                     |                     |
| Balance Beginning of Period.....   | \$40,936,366        | \$34,702,136        |
| <b>Additions and Deductions</b>  |                     |                     |
| Net income—Note D.....   | 7,460,455           | 6,241,078           |
| Net gains on sales and other dispositions of loans and equity investments..... | 229,296             | 546,650             |
| Net other losses.....  | (11,160)            | (553,498)           |
| <b>Balance End of Period</b> .....   | <b>\$48,614,957</b> | <b>\$40,936,366</b> |

# Statement of Operational Investments and Standby and Underwriting Commitments

June 30, 1969

Expressed in United States Currency—See Notes to Financial Statements, Appendix D

| COUNTRY<br>and Obligor  | Original principal amount<br>net of exchange adjustments |  | Operational<br>investments<br>and<br>standby and<br>underwriting<br>commitments<br>not yet<br>effective(1) | Acquisition<br>by others of<br>securities<br>covered by<br>standby and<br>underwriting<br>commitments | Cancellations,<br>terminations<br>and write-offs |
|---|--|--|--|---|--|
|   | Operational<br>investments                               | Standby and<br>underwriting<br>commitments |  |   |  |
| <b>Argentina</b>  |  |  |  |   |  |
| 1 Acindar Industria Argentina de Aceros, S.A.....                       | \$ 3,660,000   | \$ —                                       | \$ —   | \$ —  | \$ —   |
| 2 Papelera Río Paraná, S.A.....   | 3,000,000  | —  | —  | —   | 3,000,000  |
| 3 Fábrica Argentina de Engranajes, S.A.I.C.....                         | 1,500,000  | —  | —  | —   | —  |
| 4 Pasa, Petroquímica Argentina, S.A.I.C.....                            | 3,050,000  | —  | —  | —   | 2,745,000  |
| 5 Celulosa Argentina, S.A.....  | 2,500,000  | —  | —  | —   | —  |
| 6 Dálmine Siderca, S.A.....   | —  | 3,000,000                                  | 3,000,000  | —   | —  |
| 7 Editorial Codex, S.A.....   | 7,000,000  | —  | 7,000,000  | —   | —  |
| 8 <b>TOTAL</b> .....  | <b>20,710,000</b>  | <b>3,000,000</b>                           | <b>10,000,000</b>  | —   | <b>5,745,000</b>                                 |
| <b>Australia</b>  |  |  |  |   |  |
| 9 Duncan's Holdings, Ltd.....   | 660,000  | —  | —  | —   | —  |
| 10 Rubbertex (Australia) Proprietary, Ltd.(4).....                      | 315,000  | —  | —  | —   | —  |
| 11 <b>TOTAL</b> .....   | <b>975,000</b>   | —  | —  | —   | —  |
| <b>Brazil</b>   |  |  |  |   |  |
| 12 Siemens do Brasil Cia. de Eletricidade.....                          | 2,000,000  | —  | —  | —   | 1,000,000  |
| 13 Olinkraft, S.A. Celulose e Papel.....                                | 1,200,000  | —  | —  | —   | 243,000  |
| 14 D.L.R. Plásticos do Brasil, S.A.....                                 | 450,000  | —  | —  | —   | —  |
| 15 Willys-Overland do Brasil, S.A.,<br>Indústria e Comércio.....        | 2,450,000  | —  | —  | —   | —  |
| 16 Companhia Mineira de Cimento Portland, S.A.....                      | 1,200,000  | —  | —  | —   | —  |
| 17 Champion Celulose, S.A.....  | 4,000,000  | —  | —  | —   | —  |
| 18 Aços Villares, S.A.(4).....  | 4,959,026  | —  | —  | —   | —  |
| 19 Papel e Celulose Catarinense, S.A.(4).....                           | 7,191,881  | —  | 1,059,000  | —   | 75,023   |
| 20 Ultrafertil, S.A.-Indústria e<br>Comércio de Fertilizantes.....      | 10,658,000   | —  | —  | —   | —  |
| 21 Petroquímica Uniao, S.A.....   | 8,380,000  | —  | 8,380,000  | —   | —  |
| 22 <b>TOTAL</b> .....   | <b>42,488,907</b>  | —  | <b>9,439,000</b>   | —   | <b>1,318,023</b>                                 |
| <b>Chile</b>  |  |  |  |   |  |
| 23 Empresa Minera de Mantos Blancos, S.A.(4).....                       | 4,337,500  | —  | —  | —   | —  |
| 24 Fideos y Alimentos Carozzi, S.A.(4).....                             | 1,653,846  | —  | —  | —   | —  |
| 25 Cementos Bío-Bío, S.A.(4).....                                       | 1,300,000  | —  | —  | —   | —  |
| 26 Compañía Manufacturera de Papeles<br>y Cartones, S.A.....            | 3,000,000  | —  | —  | —   | —  |
| 27 <b>TOTAL</b> .....   | <b>10,291,346</b>  | —  | —  | —   | —  |
| <b>Colombia</b>   |  |  |  |   |  |
| 28 Láminas del Caribe, Ltda.....  | 500,000  | —  | —  | —   | —  |
| 29 Industrias Alimenticias Noel, S.A.(4).....                           | 2,045,867  | —  | —  | —   | —  |
| 30 Envases Colombianos, S.A.....  | 700,000  | —  | —  | —   | 400,000  |
| 31 Morfeo-Productos Para el Hogar, S.A.(4).....                         | 175,950  | —  | —  | —   | —  |
| 32 Electromanufacturas, S.A.....  | 500,000  | —  | —  | —   | 289,625  |
| 33 Corporación Financiera Colombiana(4).....                            | 2,023,730  | —  | —  | —   | 514  |
| 34 Corporación Financiera Nacional(4).....                              | 2,042,000  | —  | —  | —   | 34   |
| 35 Compañía Colombiana de Tejidos, S.A.(4).....                         | 2,126,415  | —  | —  | —   | —  |
| 36 Corporación Financiera de Caldas.....                                | 701,403  | —  | —  | —   | —  |
| 37 Forjas de Colombia, S.A.(4).....                                     | 915,393  | 352,109                                    | —  | 175,561   | 423  |
| 38 Almacenes Generales de Depósito<br>Santa Fé, S.A. "Almaviva".....    | 1,000,000  | —  | —  | —   | —  |
| 39 Industria Ganadera Colombiana, S.A.....                              | 1,594,588  | —  | —  | —   | 42,800   |
| 40 Enka de Colombia, S.A.....   | 923,988  | —  | —  | —   | —  |
| 41 Compañía de Desarrollo de Hoteles<br>y Turismo, Ltda.-Hoturismo..... | 5,935  | —  | —  | —   | —  |
| 42 Corporación Financiera del Norte.....                                | 432,028  | —  | 432,028  | —   | —  |
| 43 Corporación Financiera del Valle.....                                | 432,028  | —  | 432,028  | —   | —  |
| 44 <b>TOTAL</b> .....   | <b>16,119,325</b>  | <b>352,109</b>                             | <b>864,056</b>   | <b>175,561</b>  | <b>733,396</b>                                   |

## Appendix C

| Principal<br>repayments<br>to<br>Corporation<br>and<br>redemptions | Loans and<br>equity sold<br>or agreed<br>to be sold <sup>(2)</sup> | Loans<br>converted<br>into<br>equity | Principal<br>amount<br>disbursed | Undisbursed<br>balance of<br>effective<br>loans<br>and equity<br>investment<br>agreements <sup>(3)</sup> | Held by Corporation |               |            | Total loans<br>and equity<br>(at cost) |
|--|--|--------------------------------------|----------------------------------|--|---------------------|---------------|------------|--|
|  |  |                                      |                                  |  | Loans               | Equity        |            |  |
| \$ 2,240,000   | \$ 525,000   | \$ —                                 | \$ 3,660,000                     | \$ —   | \$ 895,000          | \$ —          | \$ 895,000 | 1                                      |
| —  | —  | —                                    | —                                | —  | —                   | —             | —          | 2                                      |
| —  | 275,000  | —                                    | 1,500,000                        | —  | 1,225,000           | —             | 1,225,000  | 3                                      |
| —  | 305,000  | —                                    | 305,000                          | —  | —                   | —             | —          | 4                                      |
| 250,000  | 250,000  | —                                    | 2,500,000                        | —  | 2,000,000           | —             | 2,000,000  | 5                                      |
| —  | <i>Note 8</i>  | —                                    | —                                | —  | —                   | —             | —          | 6                                      |
| —  | <i>Note 9</i>  | —                                    | —                                | —  | —                   | —             | —          | 7                                      |
| 2,490,000  | 1,355,000  | —                                    | 7,965,000                        | —  | 4,120,000           | —             | 4,120,000  | 8                                      |
| 660,000  | —  | —                                    | 660,000                          | —  | —                   | —             | —          | 9                                      |
| 42,750   | 272,250  | —                                    | 315,000                          | —  | —                   | —             | —          | 10                                     |
| 702,750  | 272,250  | —                                    | 975,000                          | —  | —                   | —             | —          | 11                                     |
| 140,000  | 860,000  | —                                    | 1,000,000                        | —  | —                   | —             | —          | 12                                     |
| —  | 957,000  | —                                    | 957,000                          | —  | —                   | —             | —          | 13                                     |
| 250,000  | —  | —                                    | 450,000                          | —  | 200,000             | —             | 200,000    | 14                                     |
| 2,450,000  | —  | —                                    | 2,450,000                        | —  | —                   | —             | —          | 15                                     |
| —  | 1,200,000  | —                                    | 1,200,000                        | —  | —                   | —             | —          | 16                                     |
| 742,500  | 3,175,000  | —                                    | 4,000,000                        | —  | 82,500              | <i>Note 5</i> | 82,500     | 17                                     |
| 364,000  | —  | —                                    | 4,959,026                        | —  | 3,636,000           | 959,026       | 4,595,026  | 18                                     |
| —  | 1,642,500 <sup>(10)</sup>  | —                                    | 6,057,858                        | —  | 1,282,500           | 3,132,858     | 4,415,358  | 19                                     |
| —  | 260,000  | —                                    | 10,083,824                       | 574,176  | 7,397,000           | 3,001,000     | 10,398,000 | 20                                     |
| —  | <i>Note 11</i>   | —                                    | —                                | —  | —                   | —             | —          | 21                                     |
| 3,946,500  | 8,094,500  | —                                    | 31,157,708                       | 574,176  | 12,598,000          | 7,092,884     | 19,690,884 | 22                                     |
| 867,339  | 2,232,661  | —                                    | 4,337,500                        | —  | —                   | 1,237,500     | 1,237,500  | 23                                     |
| 1,199,640  | —  | —                                    | 1,653,846                        | —  | 300,360             | 153,846       | 454,206    | 24                                     |
| 720,000  | —  | —                                    | 1,300,000                        | —  | 480,000             | 100,000       | 580,000    | 25                                     |
| 1,175,000  | 900,000  | —                                    | 3,000,000                        | —  | 925,000             | —             | 925,000    | 26                                     |
| 3,961,979  | 3,132,661  | —                                    | 10,291,346                       | —  | 1,705,360           | 1,491,346     | 3,196,706  | 27                                     |
| 500,000  | —  | —                                    | 500,000                          | —  | —                   | —             | —          | 28                                     |
| 961,120  | 412,416  | —                                    | 2,045,867                        | —  | 628,880             | 43,451        | 672,331    | 29                                     |
| 203,571  | 96,429   | —                                    | 300,000                          | —  | —                   | —             | —          | 30                                     |
| 41,800   | 3,979  | 86,000                               | 175,950                          | —  | 42,200              | 87,971        | 130,171    | 31                                     |
| —  | 210,375  | —                                    | 210,375                          | —  | —                   | —             | —          | 32                                     |
| —  | —  | 1,999,486                            | 2,023,216                        | —  | —                   | 2,023,216     | 2,023,216  | 33                                     |
| —  | 843,807  | 1,999,966                            | 2,041,966                        | —  | —                   | 1,198,159     | 1,198,159  | 34                                     |
| 248,000  | 1,809,155  | 21,402                               | 2,126,415                        | —  | 5,598               | 63,662        | 69,260     | 35                                     |
| —  | —  | —                                    | 701,403                          | —  | —                   | 701,403       | 701,403    | 36                                     |
| —  | —  | —                                    | 1,091,518                        | —  | —                   | 1,091,518     | 1,091,518  | 37                                     |
| 623,400  | 376,600  | —                                    | 1,000,000                        | —  | —                   | —             | —          | 38                                     |
| 100,000  | —  | —                                    | 706,570                          | 845,218  | 857,200             | 594,588       | 1,451,788  | 39                                     |
| —  | —  | —                                    | 923,988                          | —  | —                   | 923,988       | 923,988    | 40                                     |
| —  | —  | —                                    | 5,935                            | —  | —                   | 5,935         | 5,935      | 41                                     |
| —  | —  | —                                    | —                                | —  | —                   | —             | —          | 42                                     |
| —  | —  | —                                    | —                                | —  | —                   | —             | —          | 43                                     |
| 2,677,891  | 3,752,761  | 4,106,854                            | 13,853,203                       | 845,218  | 1,533,878           | 6,733,891     | 8,267,769  | 44                                     |

*(continued)*

# Statement of Operational Investments and Standby and Underwriting Commitments

(continued)

June 30, 1969

Expressed in United States Currency—See Notes to Financial Statements, Appendix D

|    | COUNTRY<br>and Obligor  | Original principal amount<br>net of exchange adjustments |  | Operational<br>investments<br>and<br>standby and<br>underwriting<br>commitments<br>not yet<br>effective <sup>(1)</sup> | Acquisition<br>by others of<br>securities<br>covered by<br>standby and<br>underwriting<br>commitments | Cancellations,<br>terminations<br>and write-offs |
|----|---|--|--|--|---|--|
|    |   | Operational<br>investments                               | Standby and<br>underwriting<br>commitments |  |   |  |
| 45 | <b>Costa Rica</b>   |  |  |  |   |  |
|    | Productos de Concreto, S.A. <sup>(4)</sup> .....                  | \$ 278,751   | \$ 310,801                                 | \$ —   | \$ 82,189   | \$ —   |
| 46 | <b>Ecuador</b>  |  |  |  |   |  |
|    | La Internacional, S.A. ....                                       | 1,963,309  | —  | —  | —   | —  |
| 47 | Ecuatoriana de Desarrollo, S.A.<br>(Compañía Financiera) .....    | 251,371  | —  | —  | —   | —  |
| 48 | <b>TOTAL</b> .....  | 2,214,680  | —  | —  | —   | —  |
| 49 | <b>El Salvador</b>  |  |  |  |   |  |
|    | Industrias Textiles, S.A. ....                                    | 140,000  | —  | —  | —   | —  |
| 50 | Hoteles de Centro América, S.A. ....                              | 933,400  | —  | 933,400  | —   | —  |
| 51 | <b>TOTAL</b> .....  | 1,073,400  | —  | 933,400  | —   | —  |
| 52 | <b>Ethiopia</b>   |  |  |  |   |  |
|    | Cotton Company of Ethiopia, S.C. ....                             | 2,507,557  | —  | —  | —   | —  |
| 53 | Ethiopian Pulp and Paper, S.C. ....                               | 200,000  | 1,708,501                                  | —  | 575,000   | —  |
| 54 | H.V.A.-Metahara, S.C. ....  | 7,037,672  | 2,007,026                                  | —  | 1,070,340   | —  |
| 55 | <b>TOTAL</b> .....  | 9,745,229  | 3,715,527                                  | —  | 1,645,340   | —  |
| 56 | <b>Finland</b>  |  |  |  |   |  |
|    | Oy Kutomotuote Ab, Tricol Oy, Toli Oy .....                       | 156,000  | —  | —  | —   | —  |
| 57 | Rauma-Repol Oy .....  | 1,875,000  | —  | —  | —   | —  |
| 58 | Teollistamisrahasto Oy .....                                      | 158,644  | 158,644                                    | —  | 158,009   | —  |
| 59 | Huhtamaki-yhtymä Oy .....   | 799,357  | —  | —  | —   | —  |
| 60 | <b>TOTAL</b> .....  | 2,989,001  | 158,644                                    | —  | 158,009   | —  |
| 61 | <b>Greece</b>   |  |  |  |   |  |
|    | Aevol Industrial Company<br>of Organic Fertilizers, S.A. ....     | 600,000  | —  | —  | —   | —  |
| 62 | "Titan" Cement Company, S.A. <sup>(4)</sup> .....                 | 1,525,920  | —  | —  | —   | —  |
| 63 | National Investment Bank for<br>Industrial Development, S.A. .... | 719,082  | —  | —  | —   | —  |
| 64 | General Cement Company, S.A. ....                                 | 3,500,000  | —  | —  | —   | —  |
| 65 | <b>TOTAL</b> .....  | 6,345,002  | —  | —  | —   | —  |
| 66 | <b>Guatemala</b>  |  |  |  |   |  |
|    | Industria Harinera Guatemalteca, S.A. ....                        | 200,000  | —  | —  | —   | —  |
| 67 | <b>Honduras</b>   |  |  |  |   |  |
|    | Empresa de Curtidos Centro Americana, S.A. <sup>(4)</sup> .....   | 377,500  | —  | —  | —   | —  |
| 68 | Compañía Pino Celulosa de Centro América, S.A. ....               | 37,500   | —  | —  | —   | —  |
| 69 | <b>TOTAL</b> .....  | 415,000  | —  | —  | —   | —  |
| 70 | <b>India</b>  |  |  |  |   |  |
|    | Republic Forge Company, Ltd. ....                                 | 1,500,000  | —  | —  | —   | 1,500,000  |
| 71 | Kirloskar Oil Engines, Ltd. ....                                  | 850,000  | —  | —  | —   | 850,000  |
| 72 | Assam Sillimanite, Ltd. ....                                      | 1,365,000  | —  | —  | —   | 478,724  |
| 73 | K.S.B. Pumps, Ltd. ....   | 210,000  | —  | —  | —   | —  |
| 74 | Precision Bearings India, Ltd. <sup>(4)</sup> .....               | 1,030,197  | —  | —  | —   | —  |
| 75 | Fort Gloster Industries, Ltd. ....                                | 1,211,047  | —  | —  | —   | —  |
| 76 | Mahindra UGINE Steel Company, Ltd. ....                           | 3,296,607  | —  | —  | —   | —  |
| 77 | Lakshmi Machine Works, Ltd. ....                                  | 1,312,434  | —  | —  | —   | —  |
| 78 | Jayshree Chemicals, Ltd. ....                                     | 1,154,816  | —  | —  | —   | —  |
| 79 | Indian Explosives, Ltd. ....                                      | 11,462,437   | —  | —  | —   | 3,010,000  |
| 80 | Zuari Agro Chemicals, Ltd. ....                                   | 15,940,000   | —  | 15,940,000   | —   | —  |
| 81 | <b>TOTAL</b> .....  | 39,332,538   | —  | 15,940,000   | —   | 5,838,724  |

## Appendix C

| Principal<br>repayments<br>to<br>Corporation<br>and<br>redemptions | Loans and<br>equity sold<br>or agreed<br>to be sold <sup>(2)</sup> | Loans<br>converted<br>into<br>equity | Principal<br>amount<br>disbursed | Undisbursed<br>balance of<br>effective<br>loans<br>and equity<br>investment<br>agreements <sup>(3)</sup> | Held by Corporation |               |            | Total loans<br>and equity<br>(at cost) |  |
|--|--|--------------------------------------|----------------------------------|--|---------------------|---------------|------------|--|--|
|  |  |                                      |                                  |  | Loans               | Equity        |            |  |  |
| \$ 145,000   | \$ 134,821   | \$ —                                 | \$ 507,363                       | \$ —   | \$ 131,333          | \$ 96,209     | \$ 227,542 | 45                                     |  |
| 107,000  | 758,229  | —                                    | 1,963,309                        | —  | 901,000             | 197,080       | 1,098,080  | 46                                     |  |
| —  | —  | —                                    | 251,371                          | —  | —                   | 251,371       | 251,371    | 47                                     |  |
| 107,000  | 758,229  | —                                    | 2,214,680                        | —  | 901,000             | 448,451       | 1,349,451  | 48                                     |  |
| 140,000  | —  | —                                    | 140,000                          | —  | —                   | —             | —          | 49                                     |  |
| —  | —  | —                                    | —                                | —  | —                   | —             | —          | 50                                     |  |
| 140,000  | —  | —                                    | 140,000                          | —  | —                   | —             | —          | 51                                     |  |
| —  | 788,000  | —                                    | 2,507,557                        | —  | 712,000             | 1,007,557     | 1,719,557  | 52                                     |  |
| —  | 124,695  | —                                    | 1,133,501                        | 200,000  | —                   | 1,208,806     | 1,208,806  | 53                                     |  |
| —  | 650,000  | —                                    | 6,266,358                        | 1,708,000  | 4,870,000           | 2,454,358     | 7,324,358  | 54                                     |  |
| —  | 1,562,695  | —                                    | 9,907,416                        | 1,908,000  | 5,582,000           | 4,670,721     | 10,252,721 | 55                                     |  |
| 48,000   | 108,000  | —                                    | 156,000                          | —  | —                   | —             | —          | 56                                     |  |
| 585,000  | 1,290,000  | —                                    | 1,875,000                        | —  | —                   | —             | —          | 57                                     |  |
| —  | —  | —                                    | 159,279                          | —  | —                   | 159,279       | 159,279    | 58                                     |  |
| 104,000  | 624,514  | —                                    | 799,357                          | —  | —                   | 70,843        | 70,843     | 59                                     |  |
| 737,000  | 2,022,514  | —                                    | 2,989,636                        | —  | —                   | 230,122       | 230,122    | 60                                     |  |
| 120,000  | —  | —                                    | 600,000                          | —  | 480,000             | <i>Note 5</i> | 480,000    | 61                                     |  |
| —  | 975,836  | —                                    | 1,525,920                        | —  | 275,000             | 275,084       | 550,084    | 62                                     |  |
| —  | —  | —                                    | 719,082                          | —  | —                   | 719,082       | 719,082    | 63                                     |  |
| —  | 1,400,000  | —                                    | 3,500,000                        | —  | 2,100,000           | —             | 2,100,000  | 64                                     |  |
| 120,000  | 2,375,836  | —                                    | 6,345,002                        | —  | 2,855,000           | 994,166       | 3,849,166  | 65                                     |  |
| 66,000   | 134,000  | —                                    | 200,000                          | —  | —                   | —             | —          | 66                                     |  |
| 39,850   | 100,750  | —                                    | 377,500                          | —  | 170,150             | 66,750        | 236,900    | 67                                     |  |
| —  | —  | —                                    | 28,125                           | 9,375  | —                   | 37,500        | 37,500     | 68                                     |  |
| 39,850   | 100,750  | —                                    | 405,625                          | 9,375  | 170,150             | 104,250       | 274,400    | 69                                     |  |
| —  | —  | —                                    | —                                | —  | —                   | —             | —          | 70                                     |  |
| —  | —  | —                                    | —                                | —  | —                   | —             | —          | 71                                     |  |
| 464,000  | —  | —                                    | 886,276                          | —  | 422,276             | —             | 422,276    | 72                                     |  |
| 126,000  | —  | —                                    | 210,000                          | —  | 84,000              | —             | 84,000     | 73                                     |  |
| 13,100   | 260,000  | —                                    | 935,639                          | 94,558   | 378,150             | 378,947       | 757,097    | 74                                     |  |
| 253,750  | 151,380  | —                                    | 1,211,047                        | —  | 456,750             | 349,167       | 805,917    | 75                                     |  |
| 110,000  | 142,341  | —                                    | 3,030,274                        | 266,333  | 2,090,275           | 953,991       | 3,044,266  | 76                                     |  |
| 107,040  | 141,743  | —                                    | 1,312,434                        | —  | 749,280             | 314,371       | 1,063,651  | 77                                     |  |
| 105,000  | —  | —                                    | 923,316                          | 231,500  | 945,000             | 104,816       | 1,049,816  | 78                                     |  |
| —  | 928,400  | —                                    | 5,074,170                        | 3,378,267  | 4,661,600           | 2,862,437     | 7,524,037  | 79                                     |  |
| —  | <i>Note 12</i>   | —                                    | —                                | —  | —                   | —             | —          | 80                                     |  |
| 1,178,890  | 1,623,864  | —                                    | 13,583,156                       | 3,970,658  | 9,787,331           | 4,963,729     | 14,751,060 | 81                                     |  |

*(continued)*

# Statement of Operational Investments and Standby and Underwriting Commitments

(continued)

June 30, 1969

Expressed in United States Currency—See Notes to Financial Statements, Appendix D

| COUNTRY<br>and Obligor  | Original principal amount<br>net of exchange adjustments |  | Operational<br>investments<br>and<br>standby and<br>underwriting<br>commitments<br>not yet<br>effective(1) | Acquisition<br>by others of<br>securities<br>covered by<br>standby and<br>underwriting<br>commitments | Cancellations,<br>terminations<br>and write-offs |
|---|--|--|--|---|--|
|   | Operational<br>investments                               | Standby and<br>underwriting<br>commitments |  |   |  |
| <b>Iran</b>   |  |  |  |   |  |
| 82 Sherkate Sahami Kakhshan.....  | \$ 300,000   | \$ —                                       | \$ —   | \$ —  | \$ —   |
| 83 Sherkate Sahami Navard va Luleh Ahwaz .....                                      | 3,873,980  | —  | —  | —   | —  |
| 84 TOTAL.....   | 4,173,980  | —  | —  | —   | —  |
| <b>Italy</b>  |  |  |  |   |  |
| 85 Magrini Meridionale, S.p.A.....  | 960,000  | —  | —  | —   | —  |
| <b>Ivory Coast</b>  |  |  |  |   |  |
| 86 Banque Ivoirienne de Développement Industriel, S.A.....                          | 204,081  | —  | —  | —   | —  |
| <b>Jamaica</b>  |  |  |  |   |  |
| 87 Jamaica Pre-Mix, Ltd.....  | 224,000  | —  | —  | —   | —  |
| 88 Pegasus Hotels of Jamaica, Ltd.....  | 2,913,000  | —  | 2,913,000  | —   | —  |
| 89 TOTAL.....   | 3,137,000  | —  | 2,913,000  | —   | —  |
| <b>Kenya</b>  |  |  |  |   |  |
| 90 Kenya Hotel Properties, Ltd.....   | 3,073,186  | —  | —  | —   | —  |
| <b>Korea</b>  |  |  |  |   |  |
| 91 Korea Development Finance Corporation.....                                       | 702,043  | —  | —  | —   | —  |
| 92 Honam Silk Industry Company.....   | 1,707,500  | —  | 1,707,500  | —   | —  |
| 93 TOTAL.....   | 2,409,543  | —  | 1,707,500  | —   | —  |
| <b>Liberia</b>  |  |  |  |   |  |
| 94 Liberian Bank for Industrial<br>Development and Investment.....                  | —  | 250,000                                    | —  | 1,050   | —  |
| <b>Malaysia</b>   |  |  |  |   |  |
| 95 Malaysian Industrial Development Finance, Berhad.....                            | 817,500  | 490,000                                    | —  | 490,000   | —  |
| 96 Tasek Cement, Berhad.....  | 1,559,381  | —  | —  | —   | —  |
| 97 Malayawata Steel, Berhad <sup>(4)</sup> .....                                    | 3,693,489  | —  | —  | —   | —  |
| 98 TOTAL.....   | 6,070,370  | 490,000                                    | —  | 490,000   | —  |
| <b>Mauritania</b>   |  |  |  |   |  |
| 99 Société Minière de Mauritanie.....   | 20,006,515   | —  | —  | —   | —  |
| <b>Mexico</b>   |  |  |  |   |  |
| 100 Industrias Perfect Circle, S.A. <sup>(4)</sup> .....                            | 800,000  | —  | —  | —   | 200,000  |
| 101 Bristol de México, S.A.....   | 520,000  | —  | —  | —   | —  |
| 102 Acero Solar, S.A.....   | 280,000  | —  | —  | —   | —  |
| 103 Compañía Fundidora de Fierro y<br>Acero de Monterrey, S.A. <sup>(4)</sup> ..... | 1,952,073  | 21,789,338                                 | —  | 18,056,032  | 324,321  |
| 104 Tubos de Acero de México, S.A.....  | 250,000  | 750,000                                    | —  | 600,000   | —  |
| 105 Química del Rey, S.A.....   | 750,000  | —  | —  | —   | —  |
| 106 Industria del Hierro, S.A. <sup>(4)</sup> .....                                 | 1,961,569  | —  | —  | —   | —  |
| 107 TOTAL.....  | 6,513,642  | 22,539,338                                 | —  | 18,656,032  | 524,321  |
| <b>Morocco</b>  |  |  |  |   |  |
| 108 Banque Nationale pour le<br>Développement Economique.....                       | 1,495,774  | —  | —  | —   | —  |
| 109 Compañía Industrial del Lukus, S.A.....   | 1,388,486  | —  | —  | —   | —  |
| 110 TOTAL.....  | 2,884,260  | —  | —  | —   | —  |
| <b>Nicaragua</b>  |  |  |  |   |  |
| 111 Textiles Fabricato de Nicaragua, S.A.....                                       | 2,071,428  | —  | —  | —   | —  |
| <b>Nigeria</b>  |  |  |  |   |  |
| 112 Nigerian Industrial Development Bank, Ltd.....                                  | —  | 1,400,000                                  | —  | 484   | —  |
| 113 Arewa Textiles, Ltd. <sup>(4)</sup> .....                                       | 1,571,031  | —  | —  | —   | 250,000<br>12,143                                |
| 114 TOTAL.....  | 1,571,031  | 1,400,000                                  | —  | 484   | 262,143  |

## Appendix C

| Principal<br>repayments<br>to<br>Corporation<br>and<br>redemptions | Loans and<br>equity sold<br>or agreed<br>to be sold <sup>(2)</sup> | Loans<br>converted<br>into<br>equity | Principal<br>amount<br>disbursed | Undisbursed<br>balance of<br>effective<br>loans<br>and equity<br>investment<br>agreements <sup>(3)</sup> | Held by Corporation |           |             | Total loans<br>and equity<br>(at cost) |
|--|--|--------------------------------------|----------------------------------|--|---------------------|-----------|-------------|--|
|  |  |                                      |                                  |  | Loans               | Equity    |             |  |
| \$ 300,000   | \$ —   | \$ —                                 | \$ 300,000                       | \$ —   | \$ —                | \$ —      | \$ —        | \$ —                                   |
| —  | 1,323,954  | —                                    | 272,000                          | 3,601,980  | 1,835,000           | 715,026   | 2,550,026   | 82                                     |
| 300,000  | 1,323,954  | —                                    | 572,000                          | 3,601,980  | 1,835,000           | 715,026   | 2,550,026   | 83                                     |
| —  | 960,000  | —                                    | 960,000                          | —  | —                   | —         | —           | 84                                     |
| —  | —  | —                                    | 204,081                          | —  | —                   | 204,081   | 204,081     | 85                                     |
| 224,000  | —  | —                                    | 224,000                          | —  | —                   | —         | —           | 86                                     |
| —  | <i>Note 13</i>   | —                                    | —                                | —  | —                   | —         | —           | 87                                     |
| 224,000  | —  | —                                    | 224,000                          | —  | —                   | —         | —           | 88                                     |
| —  | 962,180  | —                                    | 2,972,386                        | 100,800  | 1,550,000           | 561,006   | 2,111,006   | 89                                     |
| —  | —  | —                                    | 702,043                          | —  | —                   | 702,043   | 702,043     | 90                                     |
| —  | —  | —                                    | —                                | —  | —                   | —         | —           | 91                                     |
| —  | —  | —                                    | 702,043                          | —  | —                   | 702,043   | 702,043     | 92                                     |
| —  | 310  | —                                    | 248,950                          | —  | —                   | 248,640   | 248,640     | 93                                     |
| —  | —  | —                                    | 817,500                          | —  | —                   | 817,500   | 817,500     | 94                                     |
| 82,500   | 787,506  | —                                    | 1,559,381                        | —  | 689,375             | —         | 689,375     | 95                                     |
| —  | 936,002  | —                                    | 3,203,489                        | 490,000  | 1,551,000           | 1,206,487 | 2,757,487   | 96                                     |
| 82,500   | 1,723,508  | —                                    | 5,580,370                        | 490,000  | 2,240,375           | 2,023,987 | 4,264,362   | 97                                     |
| —  | 9,502,606  | —                                    | 4,656,515                        | 15,350,000   | 9,780,000           | 723,909   | 10,503,909  | 98                                     |
| 600,000  | —  | —                                    | 600,000                          | —  | —                   | —         | —           | 99                                     |
| 520,000  | —  | —                                    | 520,000                          | —  | —                   | —         | —           | 100                                    |
| —  | 280,000  | —                                    | 280,000                          | —  | —                   | —         | —           | 101                                    |
| —  | 2,642,575  | —                                    | 5,361,058                        | —  | 1,298,800           | 1,419,683 | 2,718,483   | 102                                    |
| —  | 309,000  | 121,000                              | 400,000                          | —  | 91,000              | —         | 91,000      | 103                                    |
| 73,998   | 676,002  | —                                    | 750,000                          | —  | —                   | —         | —           | 104                                    |
| —  | 520,416  | —                                    | 1,961,569                        | —  | —                   | 1,441,153 | 1,441,153   | 105                                    |
| 1,193,998  | 4,427,993  | 121,000                              | 9,872,627                        | —  | 1,389,800           | 2,860,836 | 4,250,636   | 106                                    |
| 510,687  | —  | —                                    | 1,495,774                        | —  | —                   | 985,087   | 985,087     | 107                                    |
| —  | 420,000  | —                                    | 1,288,486                        | 100,000  | 470,000             | 498,486   | 968,486     | 108                                    |
| 510,687  | 420,000  | —                                    | 2,784,260                        | 100,000  | 470,000             | 1,483,573 | 1,953,573   | 109                                    |
| —  | 928,571  | —                                    | 896,428                          | 1,175,000  | 500,000             | 642,857   | 1,142,857   | 110                                    |
| —  | 728,036  | —                                    | 1,399,516                        | —  | —                   | 1,399,516 | 1,399,516   | 111                                    |
| —  | —  | —                                    | 1,321,031                        | —  | 74,160              | 506,692   | 580,852     | 112                                    |
| —  | 728,036  | —                                    | 2,720,547                        | —  | 74,160              | 1,906,208 | 1,980,368   | 113                                    |
|  |  |                                      |                                  |  |                     |           | (continued) | 114                                    |

# Statement of Operational Investments and Standby and Underwriting Commitments (continued)

June 30, 1969

Expressed in United States Currency—See Notes to Financial Statements, Appendix D

| COUNTRY<br>and Obligor   | Original principal amount<br>net of exchange adjustments |  | Operational<br>investments<br>and<br>standby and<br>underwriting<br>commitments<br>not yet<br>effective(1) | Acquisition<br>by others of<br>securities<br>covered by<br>standby and<br>underwriting<br>commitments | Cancellations,<br>terminations<br>and write-offs |
|--|--|--|--|---|--|
|  | Operational<br>investments                               | Standby and<br>underwriting<br>commitments |  |   |  |
| <b>Pakistan</b>  |  |  |  |   |  |
| 115 Steel Corporation of Pakistan, Ltd.....                                | \$ 630,000   | \$ —                                       | \$ —   | \$ —  | \$ —   |
| 116 Adamjee Industries, Ltd.....   | 750,000  | —  | —  | —   | 295  |
| 117 Ismail Cement Industries, Ltd.(4).....                                 | 5,668,408  | —  | —  | —   | 153,609  |
| 118 Pakistan Industrial Credit and Investment<br>Corporation, Ltd.(4)..... | 486,246  | —  | —  | —   | —  |
| 119 Crescent Jute Products, Ltd.....                                       | 1,950,000  | —  | —  | —   | 13,621   |
| 120 Packages, Ltd.....   | 3,151,662  | —  | —  | —   | —  |
| 121 Pakistan Paper Corporation, Ltd.....                                   | 5,219,088  | —  | —  | —   | —  |
| 122 Dawood Hercules Chemicals, Ltd.....                                    | 3,919,523  | —  | —  | —   | —  |
| 123 Karnaphuli Paper Mills, Ltd.....                                       | 6,230,001  | —  | 6,230,001  | —   | —  |
| 124 <b>TOTAL</b> .....   | <b>28,004,928</b>  | <b>—</b>                                   | <b>6,230,001</b>   | <b>—</b>  | <b>167,525</b>                                   |
| <b>Peru</b>  |  |  |  |   |  |
| 125 Industrias Reunidas, S.A.....  | 250,000  | —  | —  | —   | —  |
| 126 Luren, S.A. and Ladrillos Calcáreos, S.A.....                          | 280,000  | —  | —  | —   | —  |
| 127 Durisol del Perú, S.A.....   | 300,000  | —  | —  | —   | 300,000(e)                                       |
| 128 Fertilizantes Sintéticos, S.A.(4).....                                 | 4,083,290  | —  | —  | —   | —  |
| 129 Cemento Andino, S.A.(4).....   | 2,461,500  | —  | —  | —   | —  |
| 130 Compañía de Cemento Pacasmayo, S.A.(4).....                            | 1,605,151  | —  | —  | —   | —  |
| 131 <b>TOTAL</b> .....   | <b>8,979,941</b>   | <b>—</b>                                   | <b>—</b>   | <b>—</b>  | <b>300,000</b>                                   |
| <b>Philippines</b>   |  |  |  |   |  |
| 132 Private Development Corporation<br>of the Philippines.....             | —  | 4,359,063                                  | —  | 4,153,846   | —  |
| 133 Manila Electric Company.....   | 12,000,000   | —  | —  | —   | —  |
| 134 <b>TOTAL</b> .....   | <b>12,000,000</b>  | <b>4,359,063</b>                           | <b>—</b>   | <b>4,153,846</b>  | <b>—</b>   |
| <b>Senegal</b>   |  |  |  |   |  |
| 135 Société Industrielle d'Engrais au Sénégal.....                         | 3,459,766  | —  | —  | —   | —  |
| <b>Spain</b>   |  |  |  |   |  |
| 136 Fábrica Española Magnets, S.A.(4).....                                 | 3,362,288  | —  | —  | —   | —  |
| 137 Banco del Desarrollo Económico Español, S.A.(4).....                   | 585,351  | —  | —  | —   | —  |
| 138 <b>TOTAL</b> .....   | <b>3,947,639</b>   | <b>—</b>                                   | <b>—</b>   | <b>—</b>  | <b>—</b>   |
| <b>Sudan</b>   |  |  |  |   |  |
| 139 Khartoum Spinning and Weaving Company, Ltd.....                        | 688,893  | —  | —  | —   | 12,110(f)  |
| <b>Tanzania</b>  |  |  |  |   |  |
| 140 Kilombero Sugar Company, Ltd.(4).....                                  | 4,657,485  | —  | —  | —   | 292,560<br>301,485(g)                            |
| <b>Thailand</b>  |  |  |  |   |  |
| 141 Concrete Products and Aggregate Company, Ltd.....                      | 300,000  | —  | —  | —   | —  |
| 142 Industrial Finance Corporation of Thailand.....                        | 193,108  | —  | —  | —   | —  |
| 143 Siam Cement Group Companies.....                                       | 22,081,649   | —  | —  | —   | —  |
| 144 <b>TOTAL</b> .....   | <b>22,574,757</b>  | <b>—</b>                                   | <b>—</b>   | <b>—</b>  | <b>—</b>   |
| <b>Tunisia</b>   |  |  |  |   |  |
| 145 NPK-Engrais, S.A.T.....  | 3,500,000  | —  | —  | —   | 11,498   |
| 146 Société Nationale d'Investissement.....                                | 575,926  | —  | —  | —   | —  |
| 147 Compagnie Financière et Touristique, S.A.....                          | 9,904,762  | —  | 9,904,762  | —   | —  |
| 148 <b>TOTAL</b> .....   | <b>13,980,688</b>  | <b>—</b>                                   | <b>9,904,762</b>   | <b>—</b>  | <b>11,498</b>                                    |
| <b>Turkey</b>  |  |  |  |   |  |
| 149 Turkiye Sinai Kalkınma Bankası, A.S.(4).....                           | 1,671,389  | —  | 417,222  | —   | —  |
| 150 Sentetik İplik Fabrikaları, A.S.(4).....                               | 3,297,222  | —  | 1,928,333  | —   | —  |
| 151 <b>TOTAL</b> .....   | <b>4,968,611</b>   | <b>—</b>                                   | <b>2,345,555</b>   | <b>—</b>  | <b>—</b>   |

## Appendix C

| Principal<br>repayments<br>to<br>Corporation<br>and<br>redemptions | Loans and<br>equity sold<br>or agreed<br>to be sold <sup>(2)</sup> | Loans<br>converted<br>into<br>equity | Principal<br>amount<br>disbursed | Undisbursed<br>balance of<br>effective<br>loans<br>and equity<br>investment<br>agreements <sup>(3)</sup> | Held by Corporation |           |            | Total loans<br>and equity<br>(at cost) |
|--|--|--------------------------------------|----------------------------------|--|---------------------|-----------|------------|--|
|  |  |                                      |                                  |  | Loans               | Equity    |            |  |
| \$ 630,000   | \$ —   | \$ —                                 | \$ 630,000                       | \$ —   | \$ —                | \$ —      | \$ —       | 115                                    |
| 749,705  | —  | —                                    | 749,705                          | —  | —                   | —         | —          | 116                                    |
| 906,776  | 489,079  | —                                    | 5,497,018                        | 17,781   | 3,701,616           | 417,328   | 4,118,944  | 117                                    |
| —  | 36,846   | —                                    | 486,246                          | —  | —                   | 449,400   | 449,400    | 118                                    |
| 243,600  | 121,800  | —                                    | 1,936,379                        | —  | 1,570,979           | —         | 1,570,979  | 119                                    |
| —  | 1,323,718  | —                                    | 3,148,704                        | 2,958  | 1,223,000           | 604,944   | 1,827,944  | 120                                    |
| 1,000  | 327,457  | —                                    | 3,582,330                        | 1,636,758  | 2,871,543           | 2,019,088 | 4,890,631  | 121                                    |
| —  | —  | —                                    | 584,787                          | 3,334,736  | 1,000,000           | 2,919,523 | 3,919,523  | 122                                    |
| —  | <i>Note 14</i>   | —                                    | —                                | —  | —                   | —         | —          | 123                                    |
| 2,531,081  | 2,298,900  | —                                    | 16,615,169                       | 4,992,233  | 10,367,138          | 6,410,283 | 16,777,421 | 124                                    |
| 250,000  | —  | —                                    | 250,000                          | —  | —                   | —         | —          | 125                                    |
| 280,000  | —  | —                                    | 280,000                          | —  | —                   | —         | —          | 126                                    |
| —  | —  | —                                    | 300,000                          | —  | —                   | —         | —          | 127                                    |
| 1,305,000  | 2,264,000  | —                                    | 4,083,290                        | —  | 514,290             | —         | 514,290    | 128                                    |
| 640,375  | —  | 200,000                              | 2,461,500                        | —  | 1,621,125           | 200,000   | 1,821,125  | 129                                    |
| 24,300   | 1,357,200  | 164,849                              | 1,605,151                        | —  | 53,651              | 170,000   | 223,651    | 130                                    |
| 2,499,675  | 3,621,200  | 364,849                              | 8,979,941                        | —  | 2,189,066           | 370,000   | 2,559,066  | 131                                    |
| —  | 205,217  | —                                    | 205,217                          | —  | —                   | —         | —          | 132                                    |
| 35,250   | 2,677,977  | —                                    | 12,000,000                       | —  | 5,647,750           | 3,639,023 | 9,286,773  | 133                                    |
| 35,250   | 2,883,194  | —                                    | 12,205,217                       | —  | 5,647,750           | 3,639,023 | 9,286,773  | 134                                    |
| —  | 755,000  | —                                    | 3,259,766                        | 200,000  | 1,695,000           | 1,009,766 | 2,704,766  | 135                                    |
| 100,000  | 1,921,789  | —                                    | 3,362,288                        | —  | 765,000             | 575,499   | 1,340,499  | 136                                    |
| —  | —  | —                                    | 585,351                          | —  | —                   | 585,351   | 585,351    | 137                                    |
| 100,000  | 1,921,789  | —                                    | 3,947,639                        | —  | 765,000             | 1,160,850 | 1,925,850  | 138                                    |
| 49,700   | 225,846  | —                                    | 688,893                          | —  | 128,600             | 272,637   | 401,237    | 139                                    |
| 149,040  | 3,914,400  | 700,000                              | 4,364,925                        | —  | —                   | —         | —          | 140                                    |
| —  | 300,000  | —                                    | 300,000                          | —  | —                   | —         | —          | 141                                    |
| —  | —  | —                                    | 193,108                          | —  | —                   | 193,108   | 193,108    | 142                                    |
| —  | 14,874,089   | —                                    | 4,023,957                        | 18,057,692   | 4,830,000           | 2,377,560 | 7,207,560  | 143                                    |
| —  | 15,174,089   | —                                    | 4,517,065                        | 18,057,692   | 4,830,000           | 2,570,668 | 7,400,668  | 144                                    |
| 263,200  | 1,157,173  | —                                    | 3,488,502                        | —  | 919,200             | 1,148,929 | 2,068,129  | 145                                    |
| —  | —  | —                                    | 575,926                          | —  | —                   | 575,926   | 575,926    | 146                                    |
| —  | <i>Note 15</i>   | —                                    | —                                | —  | —                   | —         | —          | 147                                    |
| 263,200  | 1,157,173  | —                                    | 4,064,428                        | —  | 919,200             | 1,724,855 | 2,644,055  | 148                                    |
| —  | 339,050 <sup>(16)</sup>  | —                                    | 1,254,167                        | —  | —                   | 915,117   | 915,117    | 149                                    |
| —  | —  | —                                    | 1,368,889                        | —  | 900,000             | 468,889   | 1,368,889  | 150                                    |
| —  | 339,050  | —                                    | 2,623,056                        | —  | 900,000             | 1,384,006 | 2,284,006  | 151                                    |

*(continued)*

# Statement of Operational Investments and Standby and Underwriting Commitments (continued)

June 30, 1969

Expressed in United States Currency—See Notes to Financial Statements, Appendix D

|                  | COUNTRY<br>and Obligor   | Original principal amount<br>net of exchange adjustments |  | Operational<br>investments<br>and<br>standby and<br>underwriting<br>commitments<br>not yet<br>effective(1) | Acquisition<br>by others of<br>securities<br>covered by<br>standby and<br>underwriting<br>commitments | Cancellations,<br>terminations<br>and write-offs |
|------------------|--|--|--|--|---|--|
|                  |  | Operational<br>investments                               | Standby and<br>underwriting<br>commitments |  |   |  |
| <b>Uganda</b>    |  |  |  |  |   |  |
| 152              | Mulco Textiles, Ltd.....                                       | \$ 3,508,436   | \$ —                                       | \$ —   | \$ —  | \$ 70,000<br>227,596                             |
| <b>Venezuela</b> |  |  |  |  |   |  |
| 153              | Siderúrgica Venezolana "Sivensa", S.A.(4).....                 | 3,140,529  | —  | —  | —   | —  |
| 154              | Diablitos Venezolanos, C.A.....                                | 500,000  | —  | —  | —   | 324,000  |
| 155              | C.A. Venezolana de Desarrollo<br>(Sociedad Financiera)(4)..... | 8,836,183  | —  | —  | —   | —  |
| 156              | Domínguez y Cía.-Caracas, S.A.....                             | —  | 514,541                                    | —  | 84,341  | —  |
| 157              | Protinal, C.A.....   | —  | 2,079,178                                  | —  | 699,386   | —  |
| 158              | <b>TOTAL.....</b>  | <b>12,476,712</b>  | <b>2,593,719</b>                           | <b>—</b>   | <b>783,727</b>  | <b>324,000</b>                                   |
| 159              | <b>GRAND TOTAL.....</b>  | <b>\$325,501,071</b>                                     | <b>\$39,169,201</b>                        | <b>\$60,277,274</b>  | <b>\$26,146,238</b>   | <b>\$16,128,381</b>                              |
|                  |  |  |  | <b>\$364,670,272</b>   |   |  |

## Appendix C

| Principal<br>repayments<br>to<br>Corporation<br>and<br>redemptions | Loans and<br>equity sold<br>or agreed<br>to be sold <sup>(2)</sup> | Loans<br>converted<br>into<br>equity | Principal<br>amount<br>disbursed | Undisbursed<br>balance of<br>effective<br>loans<br>and equity<br>investment<br>agreements <sup>(3)</sup> | Held by Corporation |                     |                      | Total loans<br>and equity<br>(at cost) |  |
|--|--|--------------------------------------|----------------------------------|--|---------------------|---------------------|----------------------|--|--|
|  |  |                                      |                                  |  | Loans               | Equity              |                      |  |  |
| \$ 303,611   | \$ 1,292,200   | \$ —                                 | \$ 3,438,436                     | \$ —   | \$ 1,143,600        | \$ 471,429          | \$ 1,615,029         | <b>152</b>                             |  |
| 1,087,500  | 2,053,029  | 300,000                              | 3,140,529                        | —  | —                   | —                   | —                    | <b>153</b>                             |  |
| —  | 176,000  | —                                    | 176,000                          | —  | —                   | —                   | —                    | <b>154</b>                             |  |
| —  | 1,195,000  | —                                    | 3,714,522                        | 5,121,661  | 6,305,000           | 1,336,183           | 7,641,183            | <b>155</b>                             |  |
| —  | —  | —                                    | 430,200                          | —  | —                   | 430,200             | 430,200              | <b>156</b>                             |  |
| —  | 479,520  | —                                    | 1,379,792                        | —  | 900,272             | —                   | 900,272              | <b>157</b>                             |  |
| <b>1,087,500</b>   | <b>3,903,549</b>   | <b>300,000</b>                       | <b>8,841,043</b>                 | <b>5,121,661</b>   | <b>7,205,272</b>    | <b>1,766,383</b>    | <b>8,971,655</b>     | <b>158</b>                             |  |
| <b>\$25,643,102</b>  | <b>\$83,783,429</b>  | <b>\$5,592,703</b>                   | <b>\$206,474,920</b>             | <b>\$56,496,793</b>  | <b>\$93,014,013</b> | <b>\$59,677,835</b> | <b>\$152,691,848</b> | <b>159</b>                             |  |

*(continued)*

# Statement of Operational Investments and Standby and Underwriting Commitments

(continued)

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**Note 1**—In these cases, certain legal formalities must be completed and other conditions fulfilled before funds may be withdrawn on account of the investments or before disbursements are required for commitments underwritten.

**Note 2**—Amounts sold represent respective book values and any profits or losses on these sales have been entered directly to the reserve against losses. To date, such profits have totaled \$3,843,268 and losses \$336,453 resulting in net profits of \$3,506,815. This column does not include \$13,580,325 of commitments not yet effective which the Corporation has agreed to sell as shown below in Notes 8 to 16.

**Note 3**—This includes \$22,996,218 of effective investments which the Corporation has agreed to sell.

**Note 4**—The Corporation has made more than one commitment to this company.

**Note 5**—The Corporation has received shares in this company at no cost.

**Note 6**—Write-off—Investment \$300,000

**Note 7**—Write-off—Currency devaluation \$553,334

**Note 8**—The Corporation has agreed to sell up to \$2,250,000 of this standby commitment.

**Note 9**—The Corporation has agreed to sell \$2,950,000 of this commitment.

**Note 10**—The Corporation has agreed to sell \$370,650 of this commitment.

**Note 11**—The Corporation has agreed to sell \$2,363,000 of this commitment.

**Note 12**—The Corporation has agreed to sell \$924,000 of this commitment.

**Note 13**—The Corporation has agreed to sell \$954,499 of this commitment.

**Note 14**—The Corporation has agreed to sell \$2,740,399 of this commitment.

**Note 15**—The Corporation has agreed to sell \$1,000,000 of this commitment.

**Note 16**—The Corporation has agreed to sell \$27,777 of this commitment.

## Summary of Currencies in Which Effective Loans and Equity Investments Held by Corporation are Denominated Expressed in United States Currency

| Currency                     | Loans               | Equity             |
|------------------------------|---------------------|--------------------|
| Brazilian new cruzeiros..... | \$ —                | \$ 7,092,88        |
| CFA francs .....             | —                   | 1,937,75           |
| Chilean escudos.....         | —                   | 153,84             |
| Colombian pesos.....         | —                   | 6,733,89           |
| Costa Rican colones.....     | —                   | 96,20              |
| Ecuadorian sures.....        | —                   | 448,45             |
| Ethiopian dollars.....       | —                   | 4,670,72           |
| Finnish markkaa.....         | —                   | 230,12             |
| Greek drachmas.....          | —                   | 994,16             |
| Honduran lempiras.....       | —                   | 104,25             |
| Indian rupees.....           | —                   | 4,963,72           |
| Iranian rials.....           | —                   | 715,02             |
| Kenya shillings.....         | —                   | 561,00             |
| Korean won.....              | —                   | 702,04             |
| Malaysian dollars.....       | —                   | 2,023,98           |
| Mexican pesos.....           | —                   | 2,860,83           |
| Moroccan dirhams.....        | —                   | 1,483,57           |
| Nicaraguan cordobas.....     | —                   | 642,85             |
| Nigerian pounds.....         | —                   | 1,906,20           |
| Pakistan rupees.....         | —                   | 6,410,28           |
| Philippine pesos.....        | —                   | 3,639,02           |
| Pounds sterling.....         | 1,268,160           | —                  |
| Spanish pesetas.....         | —                   | 1,160,85           |
| Sudanese pounds.....         | —                   | 272,63             |
| Thai baht.....               | —                   | 2,570,66           |
| Tunisian dinars.....         | —                   | 1,724,85           |
| Turkish liras.....           | —                   | 1,384,00           |
| Uganda shillings.....        | —                   | 471,42             |
| United States dollars.....   | 91,468,957          | 1,956,14           |
| Venezuelan bolivares.....    | 276,896             | 1,766,38           |
| <b>TOTAL.....</b>            | <b>\$93,014,013</b> | <b>\$59,677,83</b> |

## Appendix C

**Summary of Standby and Underwriting Commitments**  
Expressed in United States Currency

| COUNTRY<br>and Obligor  | Original<br>standby and<br>underwriting<br>commitments<br>net of<br>exchange<br>adjustments | Amount acquired by the<br>Corporation and its<br>subunderwriters |                          |                  |                    |
|---|---|--|--------------------------|------------------|--------------------|
|   |   | Participation by<br>subunderwriters                              | Acquisition<br>by others | Subunderwriters  | Corporation        |
| <b>Argentina</b>  |   |  |                          |                  |                    |
| Dalmine Siderca, S.A.....   | \$ 3,000,000 <sup>(1)</sup>   | \$ —   | \$ —                     | \$ Note 2        | \$ —               |
| <b>Colombia</b>   |   |  |                          |                  |                    |
| Forjas de Colombia, S.A.....                                      | 352,109   | —  | 175,561                  | —                | 176,548            |
| <b>Costa Rica</b>   |   |  |                          |                  |                    |
| Productos de Concreto, S.A.....                                   | 310,801   | —  | 82,189                   | —                | 228,612            |
| <b>Ethiopia</b>   |   |  |                          |                  |                    |
| Ethiopian Pulp and Paper, S.C....                                 | 1,715,527   | 124,695  | 575,000                  | 124,695          | 1,015,832          |
| H.V.A.-Metahara, S.C.....   | 2,000,000   | 1,000,000  | 1,070,340                | —                | 929,660            |
| <b>Finland</b>  |   |  |                          |                  |                    |
| Teollistamisrahasto Oy.....                                       | 158,644   | —  | 158,009                  | —                | 635                |
| <b>Liberia</b>  |   |  |                          |                  |                    |
| Liberian Bank for Industrial<br>Development and Investment....    | 250,000   | —  | 1,050                    | —                | 248,950            |
| <b>Malaysia</b>   |   |  |                          |                  |                    |
| Malaysian Industrial<br>Development Finance, Berhad...            | 490,000   | —  | 490,000                  | —                | —                  |
| <b>Mexico</b>   |   |  |                          |                  |                    |
| Compañía Fundidora de Fierro y<br>Acero de Monterrey, S.A. (1962) | 2,944,856   | 1,040,513  | 1,782,206                | 410,797          | 751,853            |
| Compañía Fundidora de Fierro y<br>Acero de Monterrey, S.A. (1964) | 6,100,000 <sup>(3)</sup>  | 5,298,545  | 6,010,144                | 9,620            | 1,310              |
| Compañía Fundidora de Fierro y<br>Acero de Monterrey, S.A. (1966) | 5,724,303   | 3,020,426  | 3,745,047                | 10,520           | 1,968,736          |
| Compañía Fundidora de Fierro y<br>Acero de Monterrey, S.A. (1968) | 7,020,179 <sup>(4)</sup>  | 6,040,852  | 6,428,635                | 383,815          | 52,334             |
| Tubos de Acero de México, S.A.                                    | 750,000   | —  | 600,000                  | —                | 150,000            |
| <b>Nigeria</b>  |   |  |                          |                  |                    |
| Nigerian Industrial<br>Development Bank, Ltd.....                 | 1,400,000   | —  | 484                      | —                | 1,399,516          |
| <b>Philippines</b>  |   |  |                          |                  |                    |
| Private Development<br>Corporation of the Philippines...          | 4,359,063   | —  | 4,153,846                | —                | 205,217            |
| <b>Venezuela</b>  |   |  |                          |                  |                    |
| Domínguez y Cía.-Caracas, S.A..                                   | 514,541   | —  | 84,341                   | —                | 430,200            |
| Protinal, C.A.....  | 2,079,178   | —  | 699,386                  | —                | 1,379,792          |
| <b>TOTAL</b> .....  | <b>\$39,169,201</b>   | <b>\$16,525,031</b>  | <b>\$26,056,238</b>      | <b>\$939,447</b> | <b>\$8,939,195</b> |

**Note 1**—Not yet effective.

**Note 2**—The Corporation has agreed to sell up to \$2,250,000 of this standby commitment.

**Note 3**—Includes \$78,926 which was canceled as an underwriting commitment when the Corporation decided to exercise stock rights on its original shareholding.

**Note 4**—Includes \$155,395 which was canceled as an underwriting commitment when the Corporation decided to exercise stock rights on its original shareholding.

# Notes to Financial Statements

# Appendix D

June 30, 1969

## Note A

The undisbursed balances of investment commitments made in currencies other than United States dollars have been translated into United States dollars at the par values as specified in the "Schedule of Par Values", published by the International Monetary Fund, or in the cases of Colombian pesos and Korean won at the rates of 17.36 and 280.00 to 1 United States dollar respectively.

Amounts disbursed and held by the Corporation in currencies other than United States dollars have been translated into United States dollars at the following average exchange rates, adjusted in the case of loans by amounts written off as a result of a currency devaluation:

| Currency                     | Currency Unit per US dollar |
|------------------------------|-----------------------------|
| Brazilian new cruzeiros..... | 3.131                       |
| CFA francs.....              | 247.446                     |
| Chilean escudos.....         | 2.340                       |
| Colombian pesos.....         | 11.667                      |
| Costa Rican colones.....     | 6.620                       |
| Ecuadorian sucres.....       | 21.296                      |
| Ethiopian dollars.....       | 2.481                       |
| Finnish markkaa.....         | 3.216                       |
| Greek drachmas.....          | 29.900                      |
| Honduran lempiras.....       | 2.000                       |
| Indian rupees.....           | 6.613                       |
| Iranian rials.....           | 75.000                      |
| Kenya shillings.....         | 7.156                       |
| Korean won.....              | 274.200                     |
| Malaysian dollars.....       | 3.064                       |
| Mexican pesos.....           | 12.490                      |
| Moroccan dirhams.....        | 5.016                       |
| Nicaraguan cordobas.....     | 7.000                       |
| Nigerian pounds.....         | 0.357                       |
| Pakistan rupees.....         | 4.735                       |
| Philippine pesos.....        | 3.909                       |
| Pounds sterling.....         | 0.417                       |
| Spanish pesetas.....         | 60.591                      |
| Sudanese pounds.....         | 0.348                       |
| Thai baht.....               | 20.863                      |
| Tunisian dinars.....         | 0.457                       |
| Turkish liras.....           | 9.000                       |
| Uganda shillings.....        | 7.148                       |
| Venezuelan bolivares.....    | 4.486                       |

Accrued interest, commitment charges and other income receivable in currencies other than United States dollars, have been translated into United States dollars at the approximate market rates.

No representation is made that any currency held by the Corporation is convertible into any other currency at any rate or rates.

## Note B

The principal disbursed and outstanding on effective loans and equity investments and the accruals for interest, commitment charges and other income on such loans and equity investments and on underwriting commitments are denominated in United States dollars except the following amounts for which the dollar equivalent is shown:

|   |                     |
|---|---------------------|
| Principal outstanding .....                                   | \$53,871,203        |
| Accrued interest, commitment charges<br>and other income..... | 32,869              |
| <b>TOTAL.....</b>   | <b>\$53,904,072</b> |

## Note C

The amount receivable from purchasers on account of effective loans and equity investments agreed to be sold includes \$3,092,928 in respect of a sale made on an instalment basis. Of this amount \$347,760 is receivable by the Corporation within one year.

## Note D

Pursuant to action of the Directors, the net income of the Corporation has been allocated to a reserve against losses and the future net income of the Corporation will, until further action by the Directors or the Board of Governors, be allocated to this reserve.

By reason of default in payment, the Corporation has pre-matured its loan to Aevoil Industrial Company of Organic Fertilizers, S.A. and its loan to D.L.R. Plásticos do Brasil, S.A.

Fertilizantes Sintéticos, S.A. is in arrears in payment of \$98,879 interest due on convertible subordinated debentures, of which \$21,070 is for the account of participants.

Arewa Textiles, Ltd. has not paid a principal instalment of £8,700 and interest of £4,913 due on June 30, 1969. Of the unpaid amounts, all of the principal and £4,067 of the interest is for the account of participants.

## General

Swaziland paid \$35,000 on account of its subscription prior to June 30, 1969, but has not yet completed other action necessary for membership.

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

# **Opinion of Independent Auditor**

# **Financial Statements Covered by the Foregoing Opinion**

1707 L STREET, N.W.  
WASHINGTON, D.C. 20036  
AUGUST 1, 1969

To  
INTERNATIONAL FINANCE CORPORATION  
WASHINGTON, D.C.

In our opinion, the accompanying financial statements present fairly, in terms of United States currency, the financial position of International Finance Corporation at June 30, 1969, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

|   |            |
|---|------------|
| Balance Sheet.....  | Appendix A |
| Comparative Statement of Income and Expenses.....                                     | Appendix B |
| Comparative Statement of Changes in Reserve<br>Against Losses.....                    | Appendix B |
| Statement of Operational Investments and<br>Standby and Underwriting Commitments..... | Appendix C |
| Notes to Financial Statements.....  | Appendix D |

## **Statement of Subscriptions to Capital Stock and Voting Power**

## Appendix E

June 30, 1969

\*Less than .005 percent.

**General:** \$35,000 has been received from Swaziland on account of its capital subscription pending admission to membership.

# Governors and Alternates

# Appendix F

June 30, 1969

| Member             | Governor                     | Alternate                 |
|--------------------|------------------------------|---------------------------|
| Afghanistan        | Mohammed Enwer Ziyaie        | Abdul Aziz Atayee         |
| Argentina          | Egidio Iannella              | Ernesto Malaccorto        |
| Australia          | William McMahon              | Sir Roland Wilson         |
| Austria            | Stephan Koren                | Walter Neudörfer          |
| Belgium            | Baron Snoy et d'Oppuers      | Hubert Ansiaux            |
| Bolivia            | Oscar Vega López             | Enrique Vargas Guzmán     |
| Brazil             | Antonio Delfim Netto         | Ernane Galvésas           |
| Burma              | U Kyaw Nyein                 | U Chit Moun               |
| Canada             | Edgar John Benson            | A. B. Hockin              |
| Ceylon             | U. B. Wanninayake            | Murugeyseen Rajendra      |
| Chile              | Carlos Massad Abud           | Jorge Marshall Silva      |
| China              | Kuo-Hwa Yu                   |                           |
| Colombia           | Abdón Espinosa Valderrama    | Jorge Mejía-Palacio       |
| Costa Rica         | Omar Dengo O.                | Alvaro Vargas E.          |
| Cyprus             | A. C. Patsalides             |                           |
| Denmark            | Otto Müller                  | Karl Otto Bredahl         |
| Dominican Republic | Diógenes H. Fernández        | Luis M. Guerrero Gómez    |
| Ecuador            | Benito Ottati                | Carlos Mantilla-Ortega    |
| El Salvador        | Edgardo Suárez C.            | Armando Interiano         |
| Ethiopia           | Mammo Tadesse                | Moulatou Kassaye          |
| Finland            | Mauno Koivisto               | Jussi Linnamo             |
| France             | Minister of Finance          | Bernard Clappier          |
| Germany            | Karl Schiller                | Franz Josef Strauss       |
| Ghana              | Joseph Henry Mensah          | E. N. Omaboe              |
| Greece             | John Rodinos-Orlandos        | Achilles Cominos          |
| Guatemala          | Mario Fuentes Pieruccini     | José Luis Bouscayrol      |
| Guyanā             | P. A. Reid                   | H. O. E. Barker           |
| Haiti              | Clovis Desinor               | Antonio André             |
| Honduras           | Manuel Acosta Bonilla        | Ricardo Zúñiga Augustinus |
| Iceland            | Gylfi Gíslason               | Magnús Jónsson            |
| India              | I. G. Patel(1)               | C. S. Swaminathan(1)      |
| Indonesia          | Ali Wardhana                 | Djoeana Koesoemohardja    |
| Iran               | Jamshid Amouzegar            | Jahangir Amouzegar        |
| Iraq               | Amin Abdul Karim Kalamchi    | Sa'adi Ibrahim            |
| Ireland            | Charles J. Haughey           | C. H. Murray              |
| Israel             | David Horowitz               | Jacob Arnon               |
| Italy              | Guido Carli                  | Paolo Baffi               |
| Ivory Coast        | Konan Bédié                  | Mohamed Diawara           |
| Jamaica            | Edward Seaga                 | G. Arthur Brown           |
| Japan              | Takeo Fukuda                 | Makoto Usami              |
| Jordan             | Hatim S. Zu'bi               | Adel Shamayleh            |
| Kenya              | J. S. Gichuru                | John Njoroge Michuki      |
| Korea              | Dong Ryul Whang              | Jin Soo Suh               |
| Kuwait             | Abdul Rahman Salim Al-Ateeqi | Abdlatif Y. Al-Hamad      |

(continued)

## Governors and Alternates (continued)

## Appendix F

June 30, 1969

| Member               | Governor                          | Alternate                        |
|----------------------|-----------------------------------|----------------------------------|
| Lebanon              | Khalil Salem                      | Raja Himadeh                     |
| Liberia              | J. Milton Weeks                   | Cyril Bright                     |
| Libya                | Giuma Saleh El-Turki              | K. M. Sherlala                   |
| Luxembourg           | Pierre Werner                     | Albert Dondelinger               |
| Malagasy Republic    | Rakotovao Ralison                 | Raymond Randriamandranto         |
| Malawi               | Aleke K. Banda                    | K. J. Barnes                     |
| Malaysia             | Ali bin Haji Ahmad <sup>(1)</sup> | Mohamed Sharif bin Abdul Samad   |
| Mauritania           | Moktar Ould Haiba                 | Mamadou Cissoko                  |
| Mauritius            | Veerasamy Ringadoo                | Ramaswamy Pyndiah <sup>(1)</sup> |
| Mexico               | Antonio Ortiz Mena                | José Hernández Delgado           |
| Morocco              | Mamoun Tahiri                     | Mohamed Benkirane                |
| Nepal                | Kirti Nidhi Bista                 | Bhekh Bahadur Thapa              |
| Netherlands          | H. J. Witteveen                   | J. H. O. graaf van den Bosch     |
| New Zealand          | H. G. Lang                        | C. F. Sproule <sup>(1)</sup>     |
| Nicaragua            | Guillermo Sevilla-Sacasa          | Juan José Martínez L.            |
| Nigeria              | O. Awolowo                        | Abdul Aziz Atta                  |
| Norway               | Kåre Willoch                      | Christian Brinch                 |
| Pakistan             | Ghulam Ishaq Khan                 | M. Majid Ali                     |
| Panama               | José Antonio de la Ossa           | Ramón García                     |
| Paraguay             | César Romeo Acosta                | Oscar Stark Rivarola             |
| Peru                 | Fernando Berckemeyer              | Tulio De Andrea                  |
| Philippines          | Eduardo Z. Romualdez              | Roberto S. Benedicto             |
| Portugal             | João Augusto Dias Rosas           | Luis M. Teixeira Pinto           |
| Saudi Arabia         | Ahmed Zaki Saad                   |                                  |
| Senegal              | Abdou Diouf                       | Hamet Diop                       |
| Sierra Leone         | M. S. Forna                       | Elkanah Laurence Coker           |
| Singapore            | Goh Keng Swee                     | Hon Sui Sen                      |
| Somalia              | Sufi Omer Mohamed                 | Giuseppe Morasca                 |
| South Africa         | Nicolaas Diederichs               | Theunis Willem de Jongh          |
| Spain                | Juan José Espinosa                | Mariano Navarro Rubio            |
| Sudan                | Mohamed El Makkawi Mustafa        | Mahdi Ahmed                      |
| Sweden               | G. E. Sträng                      | Krister Wickman                  |
| Syrian Arab Republic | Nour Alla Nour Allah              | Ammar Jammal                     |
| Tanzania             | P. Bomani                         | J. D. Namfua                     |
| Thailand             | Serm Vinichayakul                 | Bisudhi Nimmanahaeminda          |
| Togo                 | Boukari Djobo                     | Jean Tevi                        |
| Tunisia              | Ahmed Ben Salah                   | Ali Zouaoui                      |
| Turkey               | Cihat Bilgehan                    | Kemal Cantürk                    |
| Uganda               | Laurence Kalule-Settala           | E. B. Wakhweya                   |
| United Arab Republic | Hassan Abbas Zaki                 | Hamed Abdel Latif El Sayeh       |
| United Kingdom       | Sir Leslie O'Brien                | Sir Douglas Allen                |
| United States        | David M. Kennedy                  |                                  |
| Uruguay              | César Charlone                    |                                  |
| Venezuela            | Rafael Alfonzo Ravard             | Pedro Miguel Pareles             |
| Viet-Nam             |                                   | Nguyễn Van Dong                  |
| Yugoslavia           | Janko Smole                       | Ilija Marjanovic                 |
| Zambia               | V. S. Musakanya                   | E. G. Kasonde                    |

(1) Appointment effective after June 30, 1969.

# Directors and Alternates and their Voting Power

## Appendix G

June 30, 1969

| Director                                    | Alternate                                    | Casting votes of   | Total votes |
|---|--|--|-------------|
| <b>Appointed</b>                            |  |  |             |
| Covey T. Oliver.....                        | Emmett J. Rice.....                          | United States.....   | 35,418      |
| E. W. Maude.....                            | M. P. J. Lynch.....                          | United Kingdom.....  | 14,650      |
| Georges Plescoff.....                       | Jean P. Carrière.....                        | France.....  | 6,065       |
| S. Jagannathan.....                         | M. R. Shroff.....                            | India.....   | 4,681       |
| Ernst vom Hofe.....                         | Jörg Jaeckel.....                            | Germany.....   | 3,905       |
| <b>Elected</b>                              |  |  |             |
| Reignson C. Chen.....<br>(China)            | C. L. Chow.....<br>(China)                   | China, Korea, Viet-Nam.....  | 5,209       |
| Patrick M. Reid.....<br>(Canada)            | A. Roy MacMillan.....<br>(Canada)            | Canada, Guyana, Ireland, Jamaica.....  | 5,169       |
| S. Osman Ali.....<br>(Pakistan)             | Abdol Ali Jahanshahi.....<br>(Iran)          | Iran, Iraq, Jordan, Kuwait, Lebanon, Pakistan,<br>Saudi Arabia, Syrian Arab Republic,<br>United Arab Republic..... | 5,022       |
| J. O. Stone.....<br>(Australia)             | A. W. Young.....<br>(New Zealand)            | Australia, New Zealand, South Africa.....  | 4,996       |
| Hideo Suzuki.....<br>(Japan)                | H. Jinadasa Samarakkody.....<br>(Ceylon)     | Burma, Ceylon, Japan, Nepal, Singapore, Thailand.....  | 4,972       |
| Giorgio Rota.....<br>(Italy)                | Juan Moro.....<br>(Spain)                    | Greece, Italy, Portugal, Spain.....  | 4,822       |
| Pieter Lieftinck.....<br>(Netherlands)      | Vladimir Cerić.....<br>(Yugoslavia)          | Cyprus, Israel, Netherlands, Yugoslavia.....   | 4,770       |
| André van Campenhout.....<br>(Belgium)      | Friedrich T. Krieger.....<br>(Austria)       | Austria, Belgium, Luxembourg, Turkey.....  | 4,633       |
| Christopher Kahangi.....<br>(Tanzania)      | Donatien Bihute.....<br>(Burundi)            | Ethiopia, Kenya, Liberia, Malawi, Nigeria, Sierra Leone,<br>Sudan, Tanzania, Uganda, Zambia                        | 4,109       |
| Erik L. Karlsson.....<br>(Sweden)           | Erik Hauge.....<br>(Denmark)                 | Denmark, Finland, Iceland, Norway, Sweden.....   | 4,097       |
| Abderrahman Tazi.....<br>(Morocco)          | Mohammed Younos Rafik.....<br>(Afghanistan)  | Afghanistan, Ghana, Indonesia, Libya, Malaysia,<br>Morocco.....  | 3,715       |
| Luis Machado.....<br>(Cuba)                 | Arnoldo Ramírez-Eva.....<br>(Nicaragua)      | Costa Rica, El Salvador, Guatemala, Haiti, Honduras,<br>Mexico, Nicaragua, Panama, Peru, Venezuela.....            | 3,629       |
| Angel R. Caram.....<br>(Argentina)          | Abelardo Brugada Saldivar.....<br>(Paraguay) | Argentina, Bolivia, Chile, Paraguay, Uruguay.....  | 3,549       |
| Virgilio Barco.....<br>(Colombia)           | Oscar Alviar-Ramírez.....<br>(Colombia)      | Brazil, Colombia, Dominican Republic, Ecuador,<br>Philippines.....   | 3,024       |
| Mohamed Nassim Kochman.....<br>(Mauritania) | Michel Bako.....<br>(Chad)                   | Ivory Coast, Malagasy Republic, Mauritania, Mauritius,<br>Senegal, Somalia, Togo.....                              | 2,472       |

In addition to the Alternates shown in the foregoing list, the following also served as Alternate after October 31, 1968:

| Alternate Director               | End of period of service |
|----------------------------------|--------------------------|
| S. Guhan.....<br>(India)         | November 5, 1968         |
| Maung Gyi.....<br>(Burma)        | November 7, 1968         |
| Alfredo Valencia.....<br>(Peru)  | January 15, 1969         |
| Zoran Zagar.....<br>(Yugoslavia) | January 22, 1969         |
| José Camacho.....<br>(Colombia)  | May 15, 1969             |

Note: Tunisia not formally represented by a Director.

## **Principal Officers**

## **Appendix H**

Robert S. McNamara\*....President  
Martin M. Rosen.....Executive Vice President  
James S. Raj.....Vice President  
R. B. J. Richards.....General Counsel  
Eugene H. Rotberg\*.....Treasurer  
Francis R. Poore\*.....Controller  
M. M. Mendels\*.....Secretary

\*These officers hold the same position in the International Bank for Reconstruction and Development.



**International Finance Corporation**

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**New York Office** / 20 Exchange Place, New York, N.Y. 10005, U.S.A. Telephone: WHitehall 3-5400  
**European Office** / 4 ave. d'Iéna, Paris 16e, France. Telephone: 553-2510  
**London Office** / New Zealand House, Haymarket, London S.W. 1, England. Telephone: 930-3886  
**Cable Address** / CORINTFIN