

Annual Report 1966/1967

21370

International Finance Corporation

A Member of The World Bank Group

“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 (hereinafter called the Bank). 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

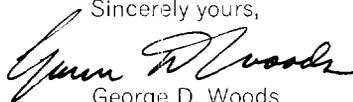
1818 H Street, N.W.
Washington, D.C. 20433
September 25, 1967

My dear Mr. Chairman:

The Eleventh Annual Report of the International Finance Corporation for the period July 1, 1966 to June 30, 1967, 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 various activities of the Corporation during the fiscal year, and concludes with a country-by-country summary of the commitments made during the year.

Sincerely yours,



George D. Woods
President

Chairman
Board of Governors
International Finance Corporation

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The International Finance Corporation increased the volume of its operations, raised the average size of its commitments and broadened the purposes of its investments during the year ended June 30, 1967. Commitments reached a peak of \$49.1 million, compared with \$35.6 million made in the fiscal year 1965/66. The Corporation engaged in three commitments ranging between \$10 million and \$12 million; before this, IFC's largest single commitments had been about \$6 million. The trend to greater diversification continued from the previous year: besides investing in a range of manufacturing enterprises, IFC for the first time provided finance for a shareholder-owned public utility and for the development of tourism. The Corporation entered into its first commitments in Kenya and Senegal, raising to 36 the number of countries in which it has made investments.

As in previous years, IFC pursued its objective of working in partnership with private investors from developed as well as developing countries, almost invariably including investors providing technical experience and competence in addition to capital. The increased scale of business handled during the year was accordingly reflected in the substantial amounts of capital provided by private investors for projects which IFC helped to finance. The capital costs of projects undertaken in 1966/67 totaled approximately \$330 million. Net of participations by other investors, IFC's exposure amounted to approximately \$44.3 million, indicating that on average other investors provided more than \$6 for every \$1 committed by IFC, a higher proportion than before. Ex-

cluding investments in development finance companies, IFC has now taken part in financing projects with total capital costs in excess of \$1,000 million. The 17 development finance companies to which IFC has made equity commitments totaling \$19.2 million have raised resources in share capital and loans of more than \$225 million, excluding assistance of nearly \$285 million from the World Bank and the International Development Association (IDA). Thus, other investors have contributed \$12 for every \$1 contributed by IFC.

The year's operations brought the cumulative total of IFC's gross commitments (less exchange adjustments) to \$221.4 million, or more than twice the Corporation's paid-in share capital of approximately \$100 million. At June 30, 1967, effective investments held in portfolio exceeded share capital for the first time, standing at \$107.9 million. This growth of IFC's operations has been based in large part on IFC's ability to turn over its funds through the sale to other investors of securities covered by investment, standby or underwriting commitments. Approximately \$60 million of funds have been revolved in this way, becoming available to IFC for entering into new commitments. Over the years, sales of investments, together with repayments and the growth of income credited to the reserve against losses, have helped to place IFC in a strong cash position.

Following amendments to the Articles of Agreement of the World Bank and IFC, a \$100 million Bank line of credit to IFC was approved in October 1966, representing the first tranche of potential IFC borrowings of up to approximately \$400 million from the Bank. The credit is earmarked for IFC to lend, and will ultimately make it possible for the Corporation to use its entire share capital and reserve, now

totaling \$134.6 million, for making equity investments. The availability of Bank funds was a factor in supporting the expansion of IFC's operations, although no drawings have yet been made from the Bank loan. Without the Bank's line of credit, at the end of the fiscal year, IFC would have had less than \$1 million remaining as a basis for new commitments.

During the year, IFC was active in its role as the appraisal and supervision arm of the World Bank and IDA for manufacturing and mining projects and for development finance companies. Technical and financial appraisal work was performed by IFC staff on projects for which the Bank and IDA provided a total of \$375 million of funds during the year. In this total were Bank loans to finance iron and steel production in India and a new potash mining and refining plant in the Republic of the Congo (Brazzaville), as well as IDA credits to India and Pakistan for industrial imports. Other proposals appraised by IFC resulted in Bank loans for private development finance companies in Iran, the Philippines and Turkey, in the latter case in conjunction with an IDA credit. Before committing Bank or IDA funds for larger projects, development finance companies submit their appraisals of clients' investment proposals for review by IFC. Under these arrangements IFC staff reviewed 153 such appraisal reports.

New Commitments

IFC's larger-scale participation in capital-intensive projects resulted in an average size of principal commitments during 1966/67 of \$4.5 million, compared with the average of \$1.4 million during the first decade of IFC's operations. The equity component in IFC financing was more marked than in previous years, so that, at the end of the year, about 40% of the Corporation's total investment portfolio

Yarn from cones being wound onto beams by the warper for sizing at the integrated cotton-textile mill of the Khartoum Spinning and Weaving Company in the Sudan. This plant was built with financial assistance from IFC.

consisted of shares. For the first time, every commitment in the fiscal year involved an equity participation, usually in conjunction with a long-term loan.

Many of the enterprises for which IFC made its principal commitments during the year were entirely new ventures, including projects developed from an early stage by the Corporation in partnership with private sponsors. Some of these projects involved industries that were new to the countries concerned, manufacturing new products and based on advanced technology. As a consequence, a careful assessment had to be made of the risks, and there were complex problems to be faced in terms of financing, market evaluation and management arrangements.

Among the new enterprises for which IFC made a commitment during the year is a caustic-soda producer in India. In Pakistan, IFC agreed to help finance a new pulp and paper mill, conceived as a joint venture between a consortium of major German industrial companies including Escher Wyss, G.m.b.H., Krauss-Maffei, A.G., Siemens, A.G. and a Pakistani group with industrial and other interests. This will be the first mill in Pakistan to use bagasse (sugar cane waste) as its principal raw material. During the year, IFC also became a shareholder in a new synthetic fiber plant in Colombia, sponsored jointly by the well-known Dutch company Algemene Kunstzijde Unie, N.V. (AKU) and Colombian interests. The company is introducing the production of nylon and polyester fibers.

IFC, acting for itself and the World Bank Group, continued to focus particular attention on projects to expand fertilizer output in the developing countries. The priority attached to this area reflects the vital contribution that fertilizer can make to raising food production in these countries. While the level of fertilizer use in

the developing regions is generally only a fraction of present consumption in the developed countries, effective demand has increased rapidly in recent years. There has been a trend toward establishing new production facilities in the developing countries where there are potential foreign exchange savings, locally produced raw materials, or important economies in transportation costs.

Rising food prices in many developing countries provide a strong incentive for increased use of fertilizer. Technological developments underline the economic advantages of large-scale fertilizer manufacture and can help provide farmers with fertilizer at low cost. To permit the vigorous growth in the developing countries of the fertilizer industry, which is highly capital-intensive and which requires com-

plex technical, management and marketing skills, it is necessary to attract private foreign capital and know-how to supplement the resources of the developing areas.

During the year, fertilizer was the object of more IFC commitments than any other product; financing arrangements were completed for three new fertilizer plants in Latin America, Africa and Asia. In Brazil, IFC joined with Phillips Petroleum Company of the United States and Brazilian investors to finance what will be one of the largest nitrogenous fertilizer plants and distribution facilities in Latin America. In Senegal, IFC took part with French, German and Senegalese investors in establishing a plant that will utilize local rock phosphate and imported ammonia, potash and sulfur in producing triple superphosphate and a range of complex fertilizers. In India, IFC provided equity and loan financing for a nitrogenous fertilizer plant, sponsored by Imperial Chemical Industries Limited of the United Kingdom, which will help meet India's critical need for more fertilizer. In line with its general policies, IFC's support for these projects was based in large part on the assurance of experienced management, on the substantial equity interest held by the sponsors and on the provision made for local investors to participate in the ownership.

The wide range of enterprises financed by IFC was reflected in the financing provided by IFC for a shareholder-owned utility in the Philippines, supplying electric power to the Manila area; this is the first electric utility financed by IFC. Another new field of activity was evidenced by the equity and loan investment made by IFC in a new company established to promote the growth of tourism in Kenya through the construction of hotel facilities. IFC's support of the venture rested on three principal considerations: the economic

Holdings: Loans and Equity
As of June 30, Years 1961 to 1967.
In millions of US Dollars.



**Investments, Standby and Underwriting
Commitments by Purpose**

As of June 30, 1967

Development Finance Companies	\$ 19,214,056
Industry	
MANUFACTURING	
Iron and Steel Basic Industries . . .	\$ 35,975,114
Chemicals and Chemical Products (including Fertilizer)	41,214,771
Paper and Paper Products	32,467,246
Non-metallic Mineral Products (including Cement)	22,126,411
Machinery and Transport Equipment	18,633,179
Textile Industries	15,288,556
Food Industries	10,501,968
Non-ferrous Metal Basic Industries	4,337,500
Miscellaneous	4,087,041
ELECTRICITY SUPPLY	12,000,000
TOURISM	2,924,519
AGRICULTURE	1,614,262
STORAGE AND WAREHOUSING	1,000,000
	<u>\$202,170,567</u>
GROSS COMMITMENTS	<u>\$221,384,623</u>

priority of tourism development to Kenya as a source of foreign exchange; the provision made for the investment of funds from other sources in related infrastructure facilities; and the participation of an experienced sponsor.

During the year, IFC also added to its commitments in five enterprises. In Spain, it subscribed to a new issue of shares made by Fábrica Española Magnetos, S.A., a leading producer of automotive electrical equipment, to finance an expansion program. In Turkey, it exercised its rights as a shareholder to take up new shares of Turkiye Sinai Kalkinma Bankasi, A.S., a private development finance company. In Nigeria, IFC joined with other original investors to finance the expansion program of Arewa Textiles Limited, a cotton textile company sponsored by Japanese and Nigerian interests. IFC acquired an equity interest in Compañía de Cemento Pacasmayo, S.A., a Peruvian cement company to which it originally made a loan,

with provision for a stock option attached, in 1964. IFC exercised part of its option on shares in the amount of \$170,000, making payment by tendering notes and applying accrued interest. IFC also exercised part of its option on shares of Compañía Colombiana de Tejidos, S.A. (COLTEJER) with an additional investment equivalent to \$22,150. This option was included in IFC's original investment of \$2 million in unsecured notes, made in 1962 to assist COLTEJER, the largest textile company in Latin America, to finance a \$13 million modernization and expansion program.

Apart from new business, IFC attended to the needs of its growing portfolio, which at the end of the fiscal year contained part or all of investments in some 78 companies in 32 countries.

The concentration during the year of projects undertaken in Asia and Africa changed the regional distribution of IFC's commitments. At the year end, Latin America accounted for approximately 50.6% of IFC's total commitments to date, while commitments in Asia and the Middle East accounted for 27.7%. The most rapid growth in commitments, as in membership, has taken place in Africa, where as recently as 1960 IFC had made only a single investment. Commitments made to enterprises in 11 countries of Africa now represent about one-seventh of the overall total amount committed.

Sales of Investments

The most important single source of replenishment of IFC's funds has been through sales of all or parts of its commitments to other investors: over 25% of IFC's total commitments have been revolved in this way, and as of June 30, 1967, IFC had obtained the participation of other investors in more than half the commitments it has made. It had sold or agreed to sell on a privately negotiated basis a

total of \$42.1 million of equity and loan investments; while of IFC's standby and underwriting commitments of \$25.1 million in support of public offerings or private placements of securities, approximately \$18.0 million had been taken over either by sub-underwriters in syndicates formed by IFC or by other institutional and individual investors.

Sales of investments carry out IFC's objective of mobilizing private capital for enterprises in the less developed areas. IFC itself carries out the work involved in setting up an investment transaction and absorbs the costs. Through sales of investments to other institutions, the Corporation has demonstrated the possibilities of opening up channels for portfolio investment in private industry in the developing countries. In some cases, this has in turn led to the establishment of new bank-

Sales of Investments

As of June 30, Years 1960 to 1967 (cumulative).
In millions of US Dollars.



ing connections and new sources of long-term funds for the companies themselves.

There are two main ways in which IFC revolves its funds and brings other investors into partnership in its transactions. The first is for IFC to offer participations at the time of the original commitment and the second is to make sales of more seasoned securities from the portfolio subsequently. Participations are generally made on the same terms as those negotiated by IFC. In participations, the investor is offered a choice between taking a pro rata interest in the entire transaction including equity or taking the loan maturities with-

out equity, in which case he can take up either a strip of the entire loan or a portion of the early maturities. Reflecting the fact that subscriptions to the Corporation's own capital have been paid in by all its members in US dollars, nearly all IFC's loans are denominated in dollars. However, IFC has been able to arrange for the sale of loan participations in some other currencies, such as sterling and Deutsche mark. Investors purchasing parts of IFC loans normally do so through participation certificates. The administration and exercise of rights under the investment documents are handled by IFC.

After the investment has been made, IFC is prepared to sell from its portfolio any type of paper which it holds including straight equity, loans and conversion rights. The investor is offered a wide choice in this respect, but the terms of the sale naturally have to be negotiated in each case reflecting how the investment has fared since the original commitment. In the case of sales of equity, the shares sold by IFC are transferred to the participant, so that a direct relationship may be established between the company and the participant as a shareholder. It is IFC's practice to consult with its partners on sales of equity in order to establish that there are no objections for valid business reasons to the proposed sale.

In making sales of shares held in its portfolio, IFC uses several methods. Some of the companies in which IFC has acquired an equity interest are owned by a broad range of local investors, with the shares quoted and traded on local stock exchanges. In such cases there is an opportunity for IFC to sell its holdings through the normal mechanism of the market. In many cases a public market for the shares held by IFC does not exist or is too narrow to allow sales of the volume desired. In such cases the mechanism of pri-

vate negotiation is used.

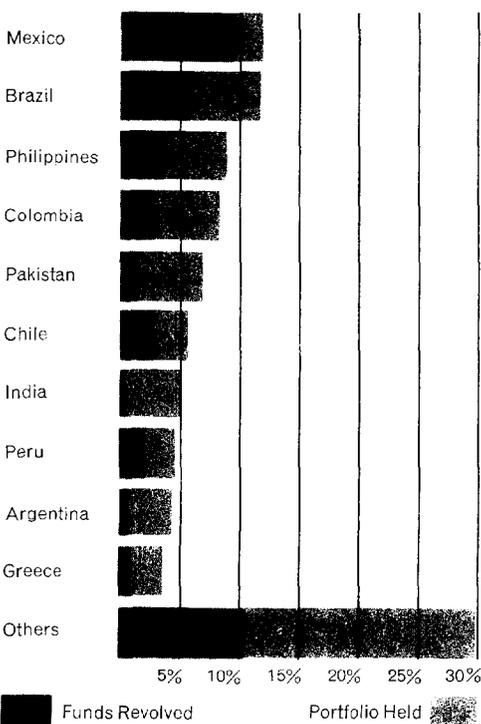
In general, IFC's individual sales of investments have involved amounts no smaller than \$100,000. The purchasers represent a diversified group of banks and other investment institutions in the United States, the United Kingdom and other European countries, including Edge Ac affiliates of U.S. commercial banks, as well as investment companies in such widely scattered areas as Kuwait and the Bahamas. Pension funds, mutual funds and insurance companies are among the types of institutions which have purchased parts of IFC investments. Approximately \$16.7 million of the securities sold or agreed to be sold by IFC have been taken by institutions or affiliates based in the United States, while institutions domiciled in the United Kingdom and other countries in Europe have taken a total of \$13.1 million of investments.

The extent of participations in individual investments has shown considerable variation, in some cases amounting to as much as 80 or 90% of the original IFC commitment. Many of the institutions have taken participations on the basis of attractiveness of the paper purchased simply taking account of normal investment criteria such as the relationship between risk and potential return. Participants, especially banking institutions active in the international area, also have been attracted by the actual or potential collateral benefits attached to an investment, particularly where there is an existing or prospective banking connection either with the enterprise itself or the country in which the enterprise is located.

In some IFC investments, there have been special safety features present, such as the existence of a commercial-bank guarantee. In other cases it has been possible to devise new types of instruments which have attracted other investors. This

Operations by Country:

Amounts Revolved and Present Holdings.
As of June 30, 1967. In Percent of
Total Effective Commitments.



Total Effective Commitments: \$182.3 million.

was the case when IFC took part in the private placement of the first convertible debenture issue made by Compañía Fundidora de Fierro y Acero de Monterrey, S.A., a leading Mexican steel company, which previously had financed the expansion of its operations chiefly through rights issues of shares to existing shareholders and through straight borrowing.

The impact of these and other factors is reflected in the pattern of sales of IFC's investments to date, whether through participations, sales from portfolio or the acquisition by others of securities covered by IFC standby or underwriting agreements. Approximately 55% of total funds revolved in these ways has been derived from investments in enterprises located in Mexico, Brazil, the Philippines and Colombia, whereas as of June 30, 1967, only approximately 39% of IFC's gross commitments was in these countries.

Profit and Loss on Investments

IFC closed out investments in two companies during 1966/67: Bristol de México, S.A., a Mexican company engaged in the overhaul and repair of aero engines, and Magrini Meridionale, S.p.A., a producer of light electric equipment with a plant located in Southern Italy. Including these, IFC has closed out so far 24 investments, involving a total of \$23 million in 13 countries, on which the average annual yield to IFC was 11.6%. During 1966/67, IFC made net gains on sales and other dispositions of loans and equity investments amounting to \$306,306.

At the end of the fiscal year, approximately \$130,000 of payments due to IFC on three investments were in default. Empresa de Curtidos Centro Americana, S.A., a Honduran leather-tanning company, was in default on principal repayment. Aevol Industrial Company of Organic Fertilizers, S.A., of Greece was in default on inter-

est and other charges. Fertilizantes Sintéticos, S.A., (FERTISA) of Peru, which in fiscal 1965/66 had been in default on principal repayments, has been able to meet all its obligations on senior debt, but continued to default on interest on junior debt.

The improvements in the affairs of Berry, Selvey y Cia., S.A. under its new management, which were noted in last year's Annual Report, continued during fiscal 1966/67. New funds have been put into the enterprise by Colombian shareholders. IFC has agreed to convert part of its outstanding loan into equity and to take equity in lieu of interest payments due to the Corporation.

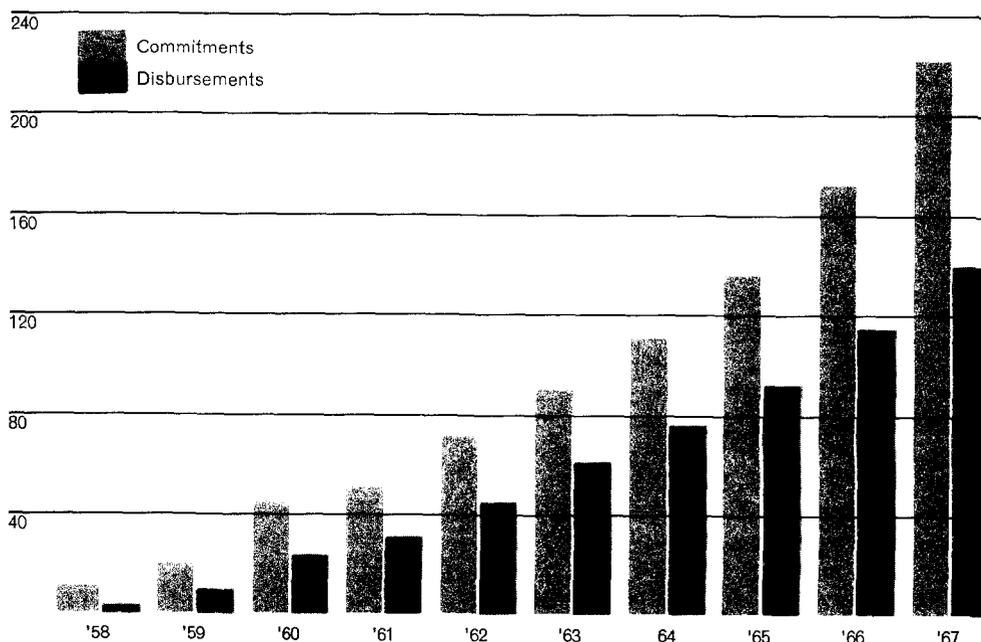
Financial Record

IFC's gross commitments during the year ended June 30, 1967, amounted to \$49.1 million and raised the cumulative total of

commitments, less exchange adjustments, to \$221.4 million. Net of cancellations and terminations, commitments amounted to \$209.9 million on a cumulative basis. Disbursements increased to \$25.4 million from \$21.9 million in 1965/66. Higher dividend payments were again the principal factor in increasing IFC's net income to \$6.0 million for the year ended June 30, 1967, compared with \$4.4 million the previous year. Pursuant to action of the Directors, net income was credited to the reserve against losses, which stood at \$34.7 million at the year end.

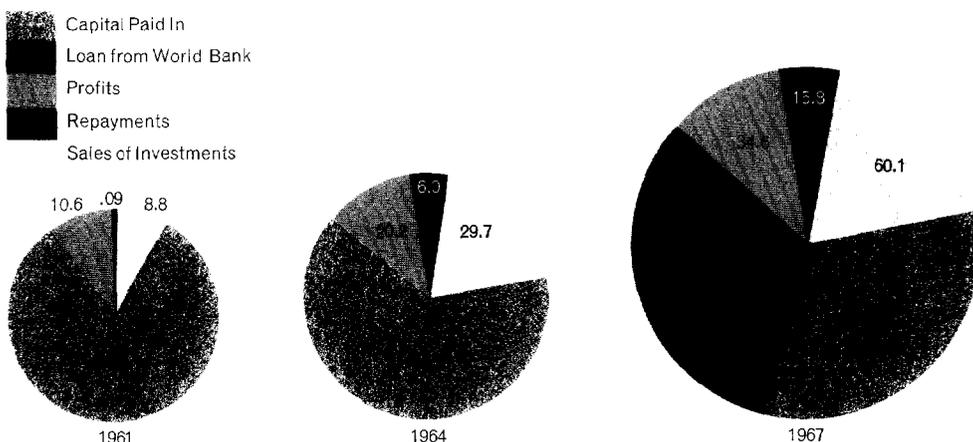
Loan and equity investments held in portfolio increased to \$107.9 million from \$84.0 million in 1965/66. Over their present life, the average annual return on these investments has been 7.41%; on the loan portion the return was 7.43%, while on the equity it was 7.36%.

Gross Commitments and Disbursements
As of June 30, Years 1958 to 1967 (cumulative).
In millions of US Dollars.



Sources of Funds Available

As of June 30, 1961, 1964 and 1967. In millions of US Dollars.



Funds generated by IFC during the year totaled \$17.5 million. Sales of equity and loan investments amounted to \$7.3 million. Net income and profit on sales amounted to \$6.3 million. Repayments totaled \$3.4 million and new capital subscriptions \$0.5 million. The cumulative total of funds available to IFC for use in its operations increased to \$310.4 million including \$100 million from the World Bank loan signed during the year. At the year end, the Corporation had funds totaling \$100.5 million available for making new commitments. IFC's position in terms of uncommitted funds is shown in the table at right.

Administration and Membership

Mr. James S. Raj, who joined IFC as Deputy Executive Vice President in June 1966, was appointed Vice President of IFC. Mr. J. H. Williams was appointed Director of a new Department of Program Evaluation and Control, and Mr. Hugh B. Ripman became Director of Administration. These departments, like other service departments, are common to the entire World Bank Group. Mr. Harry J. Williams retired as Accounting Adviser to IFC.

A number of changes took place in IFC's representation on the boards of directors of development finance companies of which it is a shareholder. Mr. John G. Beevor resigned from the boards of Banque Nationale pour le Développement Economique of Morocco and the Nigerian Industrial Development Bank Limited. He

was succeeded in Morocco by Mr. Esgo T. Kuiper, who also joined the board of the Société Nationale d'Investissement of Tunisia. Mr. Kuiper resigned his seat on the board of the Liberian Bank for Industrial Development and Investment and was succeeded by Mr. Ali Akbar Khosropur, an Adviser to IFC, who also became IFC's representative on the board of the Nigerian Industrial Development Bank Limited. Mr. Virgil C. Sullivan resigned from the board of the Industrial Finance Corporation of Thailand and has not been replaced.

The regular annual meeting of IFC's international advisory panel of private investment bankers took place on October 6, 1966. The panel reviewed the Corporation's activities and discussed general policy issues. The panel members are: Dr. Hermann J. Abs, Chairman, 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

Commitments and Resources Available

In millions of US Dollars.

	Fiscal Year 1966/67	Cumulative 1956-67	
Capital	.5	99.9	
World Bank loan ⁽¹⁾	100.0	100.0	
Net income	6.0	32.4	
Net profits on sales of investments	.3	2.7	
Net other losses	—	(.5)	
Repayments of investments	3.4	15.8	
Sales of investments	7.3	42.1	
Acquisition by others of securities covered by standby and underwriting commitments	—	18.0	
Total of funds available		117.5	310.4
Gross commitments made	49.1	222.1	
Less cancellations and terminations	.3	11.5	
Less exchange adjustments	.1	.7	
Net commitments made		48.7	209.9
Excess of new funds available over net commitments in 1966/67		68.8	
Uncommitted funds at June 30, 1967			100.5

⁽¹⁾ First line of credit under the amendments to the Articles of Agreement of IFC and the Bank, permitting IFC to borrow up to approximately \$400 million from the Bank.

Investment Commitments 1966/67

	Loan	Equity	Total
Brazil			
Ultrafértil, S.A.—Indústria e Comércio de Fertilizantes (Fertilizer)	\$ 7,632,000	\$ 3,026,000	\$10,658,000
Colombia			
Enka de Colombia, S.A.	—	923,988	923,988
(Synthetic Fiber)			
Compañía Colombiana de Tejidos, S.A.	—	22,150	22,150
(Textiles)			
India			
Jayshree Chemicals Limited	1,050,000	104,816	1,154,816
(Caustic Soda)			
Indian Explosives Limited	8,600,000	2,866,666	11,466,666
(Fertilizer)			
Kenya			
Kenya Hotel Properties Limited	2,362,460	562,059	2,924,519
(Tourism Development)			
Nigeria			
Arewa Textiles Limited	632,800	198,524	831,324
(Cotton Textiles)			
Pakistan			
Pakistan Paper Corporation Limited	3,200,000	1,999,202	5,199,202
(Printing and Writing Papers)			
Peru			
Compañía de Cemento Pacasmayo, S.A.	—	5,151	5,151
(Cement)			
Philippines			
Manila Electric Company	8,000,000	4,000,000	12,000,000
(Electricity Supply)			
Senegal			
Société Industrielle d'Engrais au Sénégal	2,450,000	1,009,766	3,459,766
(Fertilizer)			
Spain			
Fábrica Española Magnetos, S.A.	—	150,119	150,119
(Automotive Electrical Equipment)			
Turkey			
Turkiye Sinai Kalkinma Bankasi, A.S.	—	337,500	337,500
(Development Finance Company)			
TOTALS	<u>\$33,927,260</u>	<u>\$15,205,941</u>	<u>\$49,133,201</u>

Partner, Lazard Frères & Company, New York; and Baron Guy de Rothschild, Partner, de Rothschild Frères, Paris.

Two countries joined IFC during the

A worker preparing to pour molten steel from a furnace at the Aços Villares, S.A. plant near Sao Paulo, Brazil. IFC has invested about \$5 million in this company to help expand the production of a variety of steel and iron and steel products.

course of the year, raising total membership to 83 countries. Portugal, with a subscription of \$443,000, completed the steps necessary to become a member in July 1966. Guyana joined in January 1967, with a capital subscription of \$89,000. IFC's paid-in share capital totaled \$99,929,000 at June 30, 1967. During the year applications for membership were received from Indonesia, Mauritania and Viet-Nam.

The Year's Principal Investments

Brazil

**\$10,658,000—Ultrafértil, S.A.—
Indústria e Comércio de Fertilizantes**

An IFC equity and loan commitment was announced in November 1966 to Ultrafértil, a new Brazilian company formed to build and operate a fertilizer manufacturing and distribution complex. Estimated cost of the project is about \$70 million, including working capital. The manufacturing plant is being constructed on a site near Santos, the principal seaport of Brazil, and comprises a 500 short-ton per day ammonia unit with ancillary facilities for the production of nitrogen fertilizer derivatives and diammonium phosphate. With a capacity of about 500,000 short tons of simple and complex fertilizers a year, the plant will rank as one of the largest fertilizer operations in Latin America.

The sponsors and principal shareholders of Ultrafértil are the Phillips Petroleum Company of the United States and the Ultra Group of Brazil. An international petroleum and petrochemical company, Phillips is also one of the leading synthetic nitrogen fertilizer manufacturers in the U.S. The Ultra Group is the largest distributor of bottled gas and other products in Brazil. In addition to the IFC loan, debt financing is being provided by the U.S. Agency for International Development (AID) and a consortium of U.S. life insurance companies.

The financial plan is as follows:

	(US\$ '000 equivalent)	
Share Capital		
Phillips Petroleum.....	15,537	
Ultra Group.....	7,765	
IFC.....	<u>2,544</u>	25,846
Loan Capital		
U.S. insurance companies	21,518	
AID.....	14,800	
IFC.....	<u>7,632</u>	43,950
TOTAL.....		<u>69,796</u>

Per capita consumption of fertilizers in Brazil is low, but the Government has recently taken a number of steps to promote fertilizer usage, including increased credit facilities. In addition, Ultrafértil is planning to establish a marketing and instructional program at the distribution centers it proposes to build in its main market area, the south central section of Brazil, which accounts for about three-quarters of Brazilian fertilizer consumption.

The IFC commitment consists of a subscription to approximately 10% of the equity at a cost equivalent to \$2,544,000, a long-term loan of \$7,632,000 and a contingent equity commitment of \$482,000 equivalent. First Pennsylvania Overseas Finance Corporation is participating in the IFC commitment.

Colombia

\$923,988—Enka de Colombia, S.A.

In September 1966, IFC announced an equity commitment equivalent to \$923,988 in Enka de Colombia, S.A. Now almost fully operational, the Enka plant near Medellín is the largest synthetic fiber plant in Colombia and the country's only producer of nylon tire yarn. Manufacture of synthetic fibers in Colombia, a relatively new industry for the country, is expected to save about \$8 million annually in foreign exchange through import substitution, and the Enka plant is expected to account for about half of this when operating at capacity.

Enka de Colombia was formed in 1964 by the Dutch fiber firm Algemene Kunstzijde Unie, N.V. (AKU), in association with a number of Colombian textile firms. Two Colombian development finance companies in which IFC holds an equity interest, Corporación Financiera Nacional (CFN) and Corporación Financiera de Caldas (CF Caldas) are other shareholders along with IFC, AKU and the group of Colombian

textile firms. Loan capital is being provided by the Inter-American Development Bank (IDB) and by Colombian financial institutions.

The financial plan is as follows:

	(Col\$ million)	
Share Capital		
AKU.....	55.0	
Textile companies.....	30.0	
IFC.....	15.0	
CFN and CF Caldas.....	<u>15.0</u>	115.0
Loan Capital		
IDB.....	74.0	
CFN and CF Caldas.....	33.5	
Bank loans and suppliers' credits.....	<u>19.5</u>	127.0
TOTAL.....		<u>242.0</u>

India

\$1,154,816—Jayshree Chemicals Limited

This equity and loan commitment was made in December 1966 to complete the financing for a new caustic soda plant established by Jayshree Chemicals about 300 miles southwest of Calcutta. The plant involves a total investment estimated at approximately 48 million rupees (\$6.4 million equivalent) and has an annual production capacity of about 16,500 tons of caustic soda. Demand for caustic soda, which is used principally by the pulp and paper, textile and aluminum industries, has been growing rapidly in India. As a by-product, the plant will also manufacture about 13,200 tons of chlorine annually.

The sponsor and principal shareholder of Jayshree Chemicals is the Bangur Group, a leading Indian industrial organization. Other shareholders include institutional as well as individual investors in India. In addition to the IFC loan, long-term loans are being made by the State Bank of India, the Industrial Finance Corporation of India (IFCI), the Bangur Group

Manufacturing nylon thread at the plant of Enka de Colombia, S.A. near Medellín. The company has received financing from IFC, Dutch and local investors and two Colombian development finance companies.



and by a French concern in the form of a supplier's credit. A United States dollar convertible debenture issue has been subscribed by IFC, while a rupee convertible debenture issue has been taken up by IFCI, the Industrial Credit and Investment Corporation of India Limited (ICICI) and the Industrial Development Bank of India.

IFC's investment consists of a subscription to ordinary shares of Rs 787,500 (\$104,816 equivalent), a 10-year loan of \$840,000 bearing a bank guarantee and the purchase of \$210,000 principal amount of convertible debentures.

The financial plan is as follows:

	(Rs '000)	
Share Capital		
ORDINARY SHARES		
Bangur Group	5,273	
Indian investors	4,727	
IFC	788	10,788
PREFERENCE SHARES		
Indian investors	2,827	
Bangur Group	173	3,000
Loan Capital		
LONG-TERM LOANS		
Supplier's credit	15,248	
IFC	6,300	
State Bank of India	5,450	
IFCI	1,462	
Bangur Group	1,045	29,505
CONVERTIBLE LOANS		
Indian institutions	3,000	
IFC	1,575	4,575
TOTAL	<u>47,868</u>	

\$11,466,666—Indian Explosives Limited (IEL)

In June 1967, arrangements were formalized by which IFC, together with investors in India, Japan and the United Kingdom, is financing an \$82.5 million fertilizer plant being established in India under the sponsorship of Imperial Chemical Industries Limited (ICI), one of the world's leading chemical companies. The new plant will be operated by an established company, Indian Explosives Limited (IEL), formed in 1954 by ICI with the participation of the Government of India; ICI will retain a 51%

ownership in the company. The IEL operation will be located near Kanpur, Uttar Pradesh; with an annual production capacity of 450,000 metric tons of urea (200,000 metric tons of nitrogen), it will serve one of the richest agricultural regions in the country, representing a rapidly growing market for fertilizer.

IFC's commitment consists of a subscription to shares totaling Rs 21.5 million (about \$2.87 million equivalent) and a long-term loan of \$8.6 million, making this IFC's largest commitment to date to a manufacturing enterprise. National and Grindlays Bank Limited is participating in the IFC commitment. A major portion of the equity capital for the project is being provided by ICI. Additional shares are being subscribed by the Government and arrangements have also been made for underwriting an offering of shares to be made to the Indian public. The IFC loan is supplementing a rupee loan made by a group of Indian financial institutions and commercial banks headed by the Industrial Development Bank of India and including the Industrial Finance Corporation of India, Industrial Credit and Investment Corporation of India Limited and the Life Insurance Corporation of India. Credits are also being extended to the company by suppliers of equipment in Japan.

The financial plan is as follows:

	(Rs '000)	
Share Capital		
ICI	76,000	
Indian public	50,300	
IFC	21,500	
Indian Government	19,000	166,800
Loan Capital		
Indian financial institutions	190,000	
Japanese suppliers' credits	79,800	
IFC	64,500	
Bank overdraft facilities	30,000	364,300
Cash Generation	<u>87,500</u>	
TOTAL	<u>618,600</u>	

The establishment of the Indian Explosives plant comes at a time when increased use of fertilizer is recognized as an important part of the program to expand food output in India through more intensive agriculture. Fertilizer usage in India has shown rapid growth in recent years, but it is estimated that consumption of nitrogenous fertilizers will have to increase more than fourfold by 1970/71 if local food production is to keep pace with the projected growth in India's population. While local fertilizer plant capacity is now being expanded, the indications are that India will continue to depend on imports to meet a large part of its needs.

Kenya

\$2,924,519—Kenya Hotel Properties Limited

IFC's first commitment in the tourism industry was made in December 1966 to Kenya Hotel Properties Limited, a new company formed to build an international-class hotel in Nairobi, the capital city of Kenya, and to participate subsequently in the construction of game lodge facilities in the Kenya national parks. The over-all project, requiring an eventual investment estimated at \$6.7 million, is being supported by investors in the United States, the United Kingdom, Germany and Kenya. Together with other projects being undertaken in accordance with the Government's 1965-70 Development Plan, it will strengthen an industry that has grown at an annual rate of 18% over the past six years and now ranks second only to coffee as a source of foreign exchange for Kenya.

Kenya Hotel Properties Limited is sponsored by Pan American World Airways (PANAM) through its subsidiary, Intercontinental Hotels Corporation (IHC), which will provide management for the new Nairobi hotel. Other shareholders are the Development Finance Company of Kenya Limited (DFCK), the Kenya Tourist Devel-

opment Corporation (KTDC) and Barclays Overseas Development Corporation Limited (BODC), a subsidiary of Barclays Bank D.C.O.

IFC's commitment comprises an investment of 4,014,280 Kenya shillings (\$562,059 equivalent) in the share capital of Kenya Hotel Properties and a contingent commitment of up to the equivalent of \$112,500, together with a long-term loan. The loan, denominated in US dollars and pounds sterling, amounts to \$1,338,000 and £325,700 (\$911,960 equivalent). Barclays Overseas Development Corporation Limited; Commonwealth Development Finance Company Limited; and Bamerical International Financial Corporation, a subsidiary of Bank of America N.T. and S.A., are participating in the IFC commitment.

The financial plan is as follows:

	(KSh '000)	
Share Capital		
PANAM/IHC.....	7,043	
DFCK.....	4,014	
IFC.....	4,014	
KTDC.....	500	
BODC.....	500	16,071
Loan Capital		
IFC.....	16,070	
TOTAL.....	32,141	

Nigeria

\$831,324—Arewa Textiles Limited

A second IFC commitment to Arewa Textiles was made in February 1967 as part of the financing for a \$5 million program to triple the company's present output by early 1968. The company plans to double the existing spinning and weaving capacity of the mill and to add a printing section in order to meet the growth in local demand for textiles. The remainder of the financing for the expansion program is being provided by the other original investors who joined in the company at the time of its establishment four years ago: Overseas Spinning Investment Company Limited (OSIC), representing a consor-

tium of nine leading Japanese textile firms, and two Nigerian development institutions, Northern Nigeria Development Corporation (NNDC) and Northern Nigeria Investments Limited (NNIL).

IFC is subscribing to shares in the amount of 71,000 Nigerian pounds (\$198,524 equivalent) and is providing a loan amounting to £226,000 (\$632,800 equivalent). Participations in the IFC commitment have been taken by the Kuwait Investment Company; Standard Bank Finance and Development Corporation Limited; and Barclays Overseas Development Corporation Limited.

The financial plan is as follows:

	(£N '000)	
Share Capital		
OSIC.....	181	
IFC.....	71	
NNDC.....	58	
NNIL.....	40	350
Loan Capital		
OSIC.....	600	
IFC.....	226	
NNIL.....	92	
NNDC.....	82	
Short-term borrowing.....	180	1,180
Cash Generation.....	270	
TOTAL.....	1,800	

Arewa has so far exceeded its original production targets and is now making over 12 million yards of cloth annually. After the expansion, total capacity will amount to about 36 million yards, enabling the company to meet competition more effectively by reducing unit costs. Local mills are increasingly important consumers of Nigeria's cotton; Arewa alone is expected to take about 9% of the crop after the expansion is completed.

Pakistan

\$5,199,202—Pakistan Paper Corporation Limited

In a joint venture with a German industrial consortium and Pakistani private investors, IFC announced in June 1967 an

equity commitment of 9,520,000 Pakistani rupees (equivalent to approximately \$2 million) and a \$3.2 million loan commitment to Pakistan Paper Corporation Limited. The company is establishing a \$25 million integrated pulp and paper mill, the first major producer of printing and writing papers to be located in West Pakistan and the first in the country to use bagasse (sugar cane waste) as its principal raw material. National and Grindlays Bank Limited, Dresdner Bank A.G. and Kuwait Investment Company are participating in the IFC commitment.

The principal sponsors of the project are Hoti Corporation Limited, a Pakistani industrial management company, and a consortium consisting of Escher Wyss, G.m.b.H., Krauss-Maffei, A.G. and Siemens, A.G. The consortium is joining with Feldmuehle, A.G., the largest paper manufacturer in Germany, to form a company that will provide technical management for the new mill during the early years of operation.

In addition to the IFC loan, loan financing is being provided by the Pakistan Industrial Credit and Investment Corporation Limited (PICIC), Commonwealth Development Finance Company Limited (CDFC), and a group of institutions headed by the Investment Corporation of Pakistan (ICP). All these loans are partly convertible into equity.

The financial plan is as follows:

	(PRs '000)	
Share Capital		
Pakistani public.....	19,040	
Hoti Group.....	9,520	
German Group.....	9,520	
IFC.....	9,520	47,600
Loan Capital		
ICP and others.....	21,420	
PICIC.....	19,992	
IFC.....	15,232	
CDFC.....	9,996	
Customs debentures.....	4,760	71,400
TOTAL.....	119,000	

Capacity of the Pakistan Paper pulp mill is rated at 90 tons per day and that of the paper mill 100 tons per day, equivalent to an annual production of 31,000 tons of paper. Consumption of writing and printing papers in Pakistan has doubled over the past ten years, although effective demand appears to have been limited by the capacity of local producers to supply the market. The entire output of the new plant will be absorbed by West Pakistan, an area until now supplied largely by facilities in East Pakistan.

Philippines

\$12,000,000—Manila Electric Company (MERALCO)

IFC's largest commitment to date and its first in a utility was made in September 1966 to MERALCO, the leading investor-owned power company in the Philippines. The company, which serves Manila and several outlying areas, is carrying out a continuous expansion program to meet rapid growth in industrial, commercial and residential demand for electricity. The 1966-69 stage of the program will cost about \$94 million, to be met mostly from loans, suppliers' credits and internal cash generation.

IFC agreed to subscribe to MERALCO shares at a cost of up to \$4 million and to extend a long-term loan of \$8 million to the company. Participations in the IFC commitment amounting to nearly \$1.9 million have been made by the following financial institutions: Kuwait Foreign Trading Contracting and Investment Company; Massachusetts Mutual Life Insurance Company; New World Development Corporation Limited; Mellon Bank International; Northwest International Bank; Philadelphia International Investment Corporation; and Kuwait Investment Company.

Energy sales in the Philippines are expected to grow at an annual average rate

of 11.3% over the next decade. In order to meet this demand and provide a margin of reserve capacity, MERALCO, which generates some 65% of electrical energy requirements in the Philippines, is installing about 1,150,000 kilowatts of new generating capacity plus the associated transmission and distribution works. The 1966-69 stage involves the addition of a 100,000-kilowatt unit at a station now nearing completion, together with the construction of two units of 150,000 kilowatts and 200,000 kilowatts, respectively, at a new generating station, the first of which will be ready for operation within a year from now.

The financial plan is as follows:

	(P '000)	
Share Capital		
IFC		15,600
Loan Capital		
Suppliers' credits and other long-term debt ...	195,800	
IFC	31,200	
MERALCO Securities Corporation	29,000	256,000
Cash Generation		93,500
TOTAL		<u>365,100</u>

The IFC investment complements assistance already provided to the Philippine power industry by the World Bank, which has made loans totaling \$70.7 million to the government-owned National Power Corporation.

Senegal

\$3,459,766—Société Industrielle d'Engrais au Sénégal (SIES)

IFC announced its first commitment in Senegal in August 1966, when it joined with European and Senegalese investors to finance a \$12.4 million fertilizer plant. The project is being undertaken by SIES at M'Bao, near Dakar, and when completed next year will be the first fertilizer plant in West Africa. IFC's total commit-

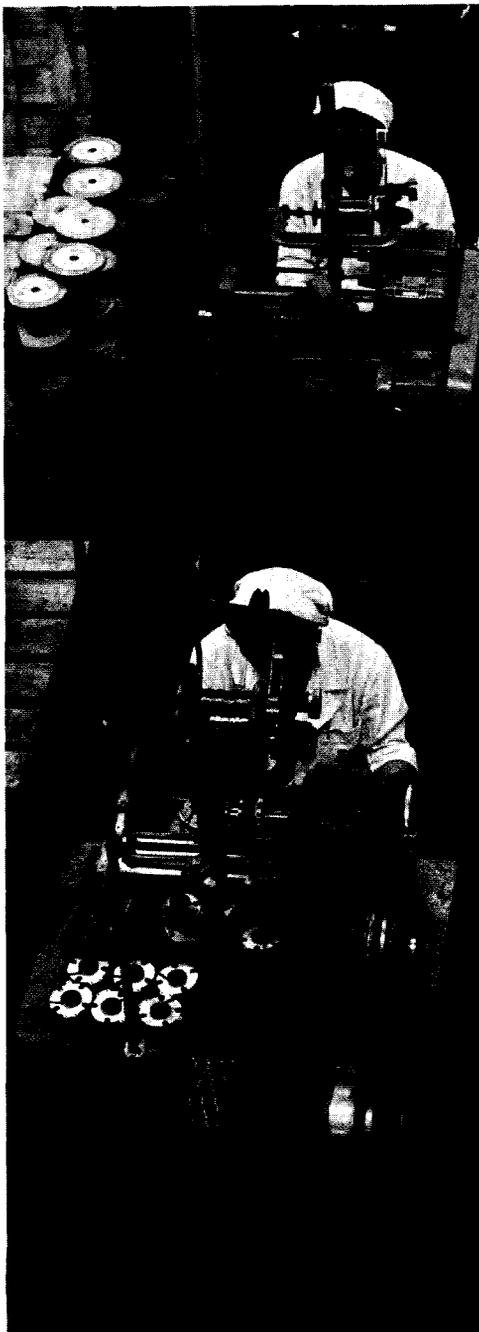
ment was for a maximum of approximately \$3.5 million, including an equity subscription equivalent to \$809,766, a \$2.45 million long-term loan, and a contingent commitment of up to \$200,000 equivalent.

The main sponsor of SIES is the Potasses d'Alsace Group of France, one of the world's largest potash producers. Through its Senegalese affiliate, Société Sénégalaise d'Engrais et de Produits Chimiques (SSEPC), the French company will be the largest single shareholder in SIES. Others taking part in the financing are the European Investment Bank, Banque Nationale de Développement du Sénégal (BNDS), a number of important French, German and Senegalese companies and two French Government institutions, Fonds d'Aide et de Coopération (FAC) and Caisse Centrale de Coopération Economique.

The financial plan is as follows:

	(CFAF million)	
Share Capital		
European and Senegalese investors	430	
SSEPC	240	
IFC	200	
Salzdetfurth, A.G.	120	
BNDS	110	1,100
Loan Capital		
IFC	600	
European Investment Bank ...	600	
BNDS/Caisse Centrale	500	
FAC (subordinated)	300	2,000
TOTAL		<u>3,100</u>

The Senegalese Government has for some time been encouraging greater productivity in agriculture through the use of fertilizers; this program has already made an impact on local production of peanuts, Senegal's main crop and chief export. The SIES plant will utilize local rock phosphate deposits, together with imported sulfur, ammonia and potash, to make a range of complex fertilizers. Part of this output will



initially be exported, together with triple superphosphate, mainly to neighboring West African countries. The company will receive technical and marketing assistance from the Potasses d'Alsace Group.

Spain

\$150,119—Fábrica Española Magnetos, S.A. (FEMSA)

As a shareholder of FEMSA, the largest manufacturer of electrical equipment for the motor vehicle industry in Spain, IFC exercised its rights in September 1966 to subscribe to a 1-for-3 share issue made by the company. The issue provided the equivalent of \$2.17 million toward the cost of financing a \$10.8 million expansion program designed to raise the company's capacity in line with the growth in demand for its products.

The new IFC commitment amounted to \$150,119 and followed investments totaling approximately \$3.23 million made in 1962 and 1964. A substantial part of the original IFC investment in the company has been sold to financial institutions in Europe, the United States and the Middle East. In February of this year, FEMSA shares were listed on the Madrid Stock Exchange, thus facilitating wider ownership of the company. Following the recently completed acquisition of a company manufacturing similar products, FEMSA has become the third most important independent producer of automotive electrical equipment in Europe and now has over 4,000 employees.

Assembling automotive parts at the new Fábrica Española Magnetos, S.A. (FEMSA) plant at Treto in northern Spain. To help the company's expansion and modernization program IFC, since 1962, has made three investments in FEMSA amounting to \$3,378,000.

Turkey

\$337,500—Turkiye Sinai Kalkinma Bankasi, A.S. (TSKB); (The Industrial Development Bank of Turkey)

In April 1967, IFC exercised its rights as an existing shareholder of TSKB to subscribe to part of a new issue of shares totaling \$2.25 million equivalent made by the company to meet the needs of its expanding operations. As a result of the new share subscription, IFC increased its initial investment of 8,250,000 Turkish Lira (\$916,667 equivalent) in TSKB by approximately LT 3 million (\$337,500 equivalent). The remainder of the issue was subscribed by TSKB's other shareholders, mainly Turkiye Is Bankasi, A.S., Turkey's largest bank, and other institutional and individual Turkish investors.

TSKB has become the chief institutional source of medium and long-term finance for private industry in Turkey and has had a consistent record of profitable operations. Nearly all of the important industrial firms in the country are among the 600 enterprises assisted by TSKB. The increase in TSKB's capital will strengthen the company's ability to cope with the rise in the volume and the increase in the scale of industrial investment in the private sector of the Turkish economy over the next few years. The capital increase will facilitate TSKB's ability to make equity investments and to make larger sized commitments; and will widen the company's equity base in preparation for future borrowing.

Appendices

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June 30, 1967

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

Assets

DUE FROM BANKS.....		\$ 219,877
INVESTMENTS		
Obligations of United States Government and its Instrumentalities (At cost or amortized cost) Face amount \$39,018,000.....	\$38,265,155	
Time deposits maturing within six months—United States dollars.....	8,000,000	
Accrued interest.....	<u>761,004</u>	47,026,159
EFFECTIVE LOANS AND EQUITY INVESTMENTS HELD BY CORPORATION (At cost) (See Appendix C)—Note B (Including undisbursed balance of \$21,510,307)		
Loans.....	\$66,051,159	
Equity.....	<u>41,857,333</u>	107,908,492
ACCRUED INCOME ON LOANS, EQUITY INVESTMENTS AND UNDERWRITING COMMITMENTS—Note B.....		1,044,969
RECEIVABLE FROM INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT		100,000,000
RECEIVABLE FROM PURCHASERS ON ACCOUNT OF EFFECTIVE LOANS AND EQUITY INVESTMENTS AGREED TO BE SOLD.....		3,118,710
OTHER ASSETS.....		<u>232,417</u>
TOTAL ASSETS.....		<u>\$259,550,624</u>

Liabilities, Reserve and Capital

LIABILITIES		
Accounts payable and other liabilities.....		\$ 124,471
Undisbursed balance of effective loans and equity investment agreements (See Appendix C)		
Held by Corporation.....	\$21,510,307	
Agreed to be sold.....	<u>3,118,710</u>	24,629,017
Loan from International Bank for Reconstruction and Development (Not yet drawn).....		100,000,000
RESERVE AGAINST LOSSES (See Appendix B)—Note C.....		34,702,136
CAPITAL		
Capital stock		
Authorized 110,000 shares of \$1,000 par value each		
Subscribed 99,929 shares.....		99,929,000
Payment on account of pending subscription.....		<u>166,000</u>
TOTAL LIABILITIES, RESERVE AND CAPITAL.....		<u>\$259,550,624</u>

For the Fiscal Years Ended June 30, 1966 and June 30, 1967
Expressed in United States Currency—See Notes to Financial Statements, Appendix D

	July 1-June 30	
	1965/1966	1966/1967
Income		
Income from obligations of United States Government and its Instrumentalities and time deposits.....	\$2,452,986	\$2,439,025
Income from loans, equity investments and standby and underwriting commitments.....	4,962,112	6,782,339
Other income.....	2,636	3,177
GROSS INCOME.....	\$7,417,734	\$9,224,541
Expenses		
Administrative expenses:		
Personal services.....	\$1,605,074	\$1,790,537
Contributions to staff benefits.....	255,241	252,938
Fees and compensation.....	224,865	166,716
Representation.....	38,156	40,905
Travel.....	498,738	441,622
Supplies and material.....	24,905	27,927
Office occupancy.....	182,667	205,021
Communication services.....	90,728	97,958
Furniture and equipment.....	54,503	68,747
Books and library services.....	23,753	29,023
Printing.....	39,928	46,727
Insurance.....	13,167	14,850
Other expenses.....	1,520	13,627
GROSS EXPENSES.....	\$3,053,245	\$3,196,598
Net Income—Allocated to Reserve Against Losses—Note C.....	\$4,364,489	\$6,027,943

Comparative Statement of Changes in Reserve Against Losses

For the Fiscal Years Ended June 30, 1966 and June 30, 1967
Expressed in United States Currency—See Notes to Financial Statements, Appendix D

	July 1-June 30	
	1965/1966	1966/1967
Balance Beginning of Period.....	\$23,140,812	\$28,367,887
Additions		
Net income—Note C.....	4,364,489	6,027,943
Net gains on sales and other dispositions of loans and equity investments.....	823,177	306,306
Net other profits.....	39,409	—
Balance End of Period.....	\$28,367,887	\$34,702,136

Statement of Operational Investments and Standby and Underwriting Commitments

June 30, 1967

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

COUNTRY and Obligor	Original principal amount		Operational investments and standby and underwriting commitments not yet effective ⁽¹⁾	Acquisition by others of securities covered by standby and underwriting commitments	Cancellations, terminations, and write-offs ⁽²⁾	Principal repayments to Corporation
	Operational investments	Standby and underwriting commitments				
Argentina						
Acindar Industria Argentina de Aceros, S.A.	\$ 3,660,000	\$ —	\$ —	\$ —	\$ —	\$ 1,220,000
Papelera Río Parana, S.A.	3,000,000	—	—	—	3,000,000	—
Fábrica Argentina de Engranajes, S.A.I.C.	1,500,000	—	—	—	—	—
Pasa, Petroquímica Argentina, S.A.I.C.	3,050,000	—	—	—	2,745,000	—
Celulosa Argentina, S.A.	2,500,000	—	—	—	—	—
TOTAL	13,710,000	—	—	—	5,745,000	1,220,000
Australia						
Duncan's Holdings, Ltd.	660,000	—	—	—	—	660,000
Rubbertext (Australia) Proprietary, Ltd. ⁽⁶⁾	315,000	—	—	—	—	42,750
TOTAL	975,000	—	—	—	—	702,750
Brazil						
Siemens do Brasil Cia. de Eletricidade	2,000,000	—	—	—	1,000,000	140,000
Olinkraft, S.A. Celulose e Papel	1,200,000	—	—	—	243,000	—
D.L.R. Plásticos do Brasil, S.A.	450,000	—	—	—	—	224,722
Willys-Overland do Brasil, S.A., Indústria e Comércio	2,450,000	—	—	—	—	2,450,000
Companhia Mineira de Cimento Portland, S.A.	1,200,000	—	—	—	—	—
Champion Celulose, S.A.	4,000,000	—	—	—	—	330,000
Acos Villares, S.A.	4,963,790	—	—	—	—	—
Papel e Celulose Catarinense, S.A.	6,132,881	—	—	—	75,000	—
Ultrafertil, S.A.-Indústria e Comércio de Fertilizantes	10,658,000	—	10,658,000	—	—	—
TOTAL	33,054,571	—	10,658,000	—	1,318,000	3,144,722
Chile						
Empresa Minera de Mantos Blancos, S.A. ⁽⁶⁾	4,337,500	—	—	—	—	867,339
Fideos y Alimentos Carozzi, S.A. ⁽⁶⁾	1,653,346	—	—	—	—	799,800
Cementos Bío-Bío, S.A. ⁽⁶⁾	1,300,000	—	—	—	—	240,000
Compañía Manufacturera de Papeles y Cartones, S.A.	3,000,000	—	—	—	—	642,000
TOTAL	10,291,346	—	—	—	—	2,549,139
Colombia						
Láminas del Caribe, Ltda.	500,000	—	—	—	—	458,000
Industrias Alimenticias Noel, S.A. ⁽⁶⁾	2,028,551	—	—	—	—	622,000
Envases Colombianos, S.A.	700,000	—	—	—	400,000	203,571
Berry, Selvey y Cia., S.A.	170,000	—	—	—	—	39,000
Electromanufacturas, S.A.	500,000	—	—	—	289,625	—
Corporación Financiera Colombiana ⁽⁶⁾	2,023,730	—	—	—	514	—
Corporación Financiera Nacional ⁽⁶⁾	2,042,000	—	—	—	34	—
Compañía Colombiana de Tejidos, S.A. ⁽⁶⁾	2,022,150	—	—	—	—	134,000
Corporación Financiera de Caldas	701,403	—	—	—	—	—
Forjas de Colombia, S.A.	749,628	352,109	—	175,561	—	—
Almacenes Generales de Depósito Santa Fé, S.A. "Almaviva"	1,000,000	—	—	—	—	—
Industria Ganadera Colombiana, S.A.	1,614,262	—	—	—	—	—
Enka de Colombia, S.A.	923,988	—	—	—	—	—
TOTAL	14,975,712	352,109	—	175,561	690,173	1,456,571

Loans and equity sold or agreed to be sold ⁽³⁾	Loans converted into equity	Principal amount disbursed	Undisbursed balance of effective loans and equity investment agreements ⁽⁴⁾	Held by Corporation		Total loans and equity (at cost)
				Loans	Equity	
—	\$ —	\$ 3,660,000	\$ —	\$ 2,440,000	\$ —	\$ 2,440,000
—	—	—	—	—	—	—
—	—	1,500,000	—	1,500,000	—	1,500,000
305,000	—	305,000	—	—	—	—
—	—	2,500,000	—	2,500,000	—	2,500,000
305,000	—	7,965,000	—	6,440,000	—	6,440,000
—	—	660,000	—	—	—	—
272,250	—	315,000	—	—	—	—
272,250	—	975,000	—	—	—	—
860,000	—	1,000,000	—	—	—	—
957,000	—	957,000	—	—	—	—
—	—	450,000	—	225,278	—	225,278
—	—	2,450,000	—	—	—	—
1,200,000	—	1,200,000	—	—	—	—
3,175,000	—	4,000,000	—	495,000	—	495,000
—	—	4,309,790	654,000	4,000,000	963,790	4,963,790
1,192,500	—	1,049,737	5,008,144	1,732,500	3,132,881	4,865,381
Note 7	—	—	—	—	—	—
7,384,500	—	15,416,527	5,662,144	6,452,778	4,096,671	10,549,449
2,232,661	—	4,337,500	—	—	1,237,500	1,237,500
—	—	1,653,846	—	700,200	153,846	854,046
—	—	1,300,000	—	960,000	100,000	1,060,000
525,000	—	3,000,000	—	1,833,000	—	1,833,000
2,757,661	—	10,291,346	—	3,493,200	1,491,346	4,984,546
—	—	500,000	—	42,000	—	42,000
370,416	—	2,028,551	—	1,010,000	26,135	1,036,135
96,429	—	300,000	—	—	—	—
—	—	170,000	—	131,000	Note 5	131,000
210,375	—	210,375	—	—	—	—
—	1,999,486	2,023,216	—	—	2,023,216	2,023,216
843,807	1,999,966	2,041,966	—	—	1,198,159	1,198,159
1,744,551	21,402	2,022,150	—	119,598	24,001	143,599
—	—	701,403	—	—	701,403	701,403
—	—	926,176	—	—	926,176	926,176
150,000	—	1,000,000	—	850,000	—	850,000
—	—	406,570	1,207,692	1,000,000	614,262	1,614,262
—	—	923,988	—	—	923,988	923,988
3,415,578	4,020,854	13,254,395	1,207,692	3,152,598	6,437,340	9,589,938

(continued)

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

June 30, 1967

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

COUNTRY and Obligor	Original principal amount		Operational investments and standby and underwriting commitments not yet effective ⁽¹⁾	Acquisition by others of securities covered by standby and underwriting commitments	Cancellations, terminations and write-offs ⁽²⁾	Principal repayments to Corporation
	Operational investments	Standby and underwriting commitments				
Costa Rica						
Productos de Concreto, S.A. ⁽⁶⁾	278,751	310,801	—	82,189	—	64,000
Ecuador						
La Internacional, S.A.....	1,963,309	—	—	—	—	—
El Salvador						
Industrias Textiles, S.A.....	140,000	—	—	—	—	140,000
Ethiopia						
Cotton Company of Ethiopia, S.C.....	2,507,557	—	—	—	—	—
Ethiopian Pulp and Paper, S.C.....	200,000	1,708,501	—	575,000	—	—
TOTAL.....	2,707,557	1,708,501	—	575,000	—	—
Finland						
Oy Kutomotuote Ab, Tricol Oy, Toli Oy.....	156,000	—	—	—	—	48,000
Rauma-Repola Oy.....	1,875,000	—	—	—	—	585,000
Teollistamisrahasto Oy.....	158,644	158,644	—	158,009	—	—
Huhtamaki-yhtyma Oy.....	799,357	—	—	—	—	750
TOTAL.....	2,989,001	158,644	—	158,009	—	633,750
Greece						
Aevol Industrial Company of Organic Fertilizers, S.A.....	600,000	—	—	—	—	120,000
"Titan" Cement Company, S.A. ⁽⁶⁾	1,525,920	—	—	—	—	—
National Investment Bank for Industrial Development, S.A.....	719,082	—	—	—	—	—
General Cement Company, S.A.....	3,500,000	—	—	—	—	—
TOTAL.....	6,345,002	—	—	—	—	120,000
Guatemala						
Industria Harinera Guatemalteca, S.A.....	200,000	—	—	—	—	66,000
Honduras						
Empresa de Curtidos Centro Americana, S.A. ⁽⁶⁾	377,500	—	—	—	—	21,000
India						
Republic Forge Company, Ltd.....	1,500,000	—	—	—	1,500,000	—
Kirloskar Oil Engines, Ltd.....	850,000	—	—	—	850,000	—
Assam Sillimanite, Ltd.....	1,365,000	—	—	—	478,724	232,000
K.S.B. Pumps, Ltd.....	210,000	—	—	—	—	63,000
Precision Bearings India, Ltd. ⁽⁶⁾	1,030,197	—	—	—	—	—
Fort Gloster Industries, Ltd.....	1,211,047	—	—	—	—	50,750
Mahindra UGINE Steel Company, Ltd.....	3,296,654	—	—	—	—	—
Lakshmi Machine Works, Ltd.....	1,312,718	—	—	—	—	—
Jayshree Chemicals, Ltd.....	1,154,816	—	—	—	—	—
Indian Explosives, Ltd.....	11,466,666	—	11,466,666	—	—	—
TOTAL.....	23,397,098	—	11,466,666	—	2,828,724	345,750
Iran						
Sherkate Sahami Kahkashan.....	300,000	—	—	—	—	250,000
Italy						
Magrini Meridionale, S.p.A.....	960,000	—	—	—	—	—
Ivory Coast						
Banque Ivoirienne de Développement Industriel, S.A.....	204,081	—	—	—	—	—
Jamaica						
Jamaica Pre-Mix, Ltd.....	\$ 224,000	\$ —	\$ —	\$ —	\$ —	\$ 74,000

Loans and equity sold or agreed to be sold ⁽³⁾	Loans converted into equity	Principal amount disbursed	Undisbursed balance of effective loans and equity investment agreements ⁽⁴⁾	Held by Corporation		Total loans and equity (at cost)
				Loans	Equity	
134,821	\$ —	\$ 507,363	\$ —	\$ 212,333	\$ 96,209	\$ 308,542
406,331	—	1,963,309	—	1,338,000	218,978	1,556,978
—	—	140,000	—	—	—	—
430,000	—	2,507,557	—	1,070,000	1,007,557	2,077,557
124,695	—	1,133,501	200,000	—	1,208,806	1,208,806
554,695	—	3,641,058	200,000	1,070,000	2,216,363	3,286,363
108,000	—	156,000	—	—	—	—
2,290,000	—	1,875,000	—	—	—	—
—	—	159,279	—	—	159,279	159,279
624,514	—	799,357	—	103,250	70,843	174,093
2,022,514	—	2,989,636	—	103,250	230,122	333,372
—	—	600,000	—	480,000	Note 5	480,000
950,836	—	1,525,920	—	300,000	275,084	575,084
—	—	719,082	—	—	719,082	719,082
975,000	—	3,500,000	—	2,525,000	—	2,525,000
1,925,836	—	6,345,002	—	3,305,000	994,166	4,299,166
134,000	—	200,000	—	—	—	—
100,750	—	377,500	—	189,000	66,750	255,750
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	886,276	—	654,276	—	654,276
—	—	210,000	—	147,000	—	147,000
260,000	—	935,639	94,558	391,250	378,947	770,197
151,380	—	1,211,047	—	659,750	349,167	1,008,917
142,341	—	2,319,487	977,167	2,200,275	954,038	3,154,313
141,774	—	776,051	536,667	856,320	314,624	1,170,944
—	—	825,816	329,000	1,050,000	104,816	1,154,816
Note 8	—	—	—	—	—	—
695,495	—	7,164,316	1,937,392	5,958,871	2,101,592	8,060,463
—	—	300,000	—	50,000	—	50,000
960,000	—	960,000	—	—	—	—
—	—	204,081	—	—	204,081	204,081
—	—	224,000	—	150,000	—	150,000

(continued)

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

June 30, 1967

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

COUNTRY and Obligor	Original principal amount		Operational investments and standby and underwriting commitments not yet effective ⁽¹⁾	Acquisition by others of securities covered by standby and underwriting commitments	Cancellations, terminations and write-offs ⁽²⁾	Principal repayments to Corporation
	Operational investments	Standby and underwriting commitments				
Kenya						
Kenya Hotel Properties, Ltd.	\$ 2,924,519	\$ —	\$ —	\$ —	\$ —	\$ —
Liberia						
Liberian Bank for Industrial Development and Investment	—	250,000	—	1,050	—	—
Malaysia						
Malaysian Industrial Development Finance, Ltd.	817,500	490,000	—	490,000	—	—
Tasek Cement, Ltd.	1,559,381	—	—	—	—	—
TOTAL	2,376,881	490,000	—	490,000	—	—
Mexico						
Industrias Perfect Circle, S.A. ⁽⁶⁾	800,000	—	—	—	200,000	600,000
Bristol de México, S.A.	520,000	—	—	—	—	520,000
Acero Solar, S.A.	280,000	—	—	—	—	—
Compañía Fundidora de Fierro y Acero de Monterrey, S.A. ⁽⁶⁾	1,633,059	14,769,159	—	11,627,397	168,926	—
Tubos de Acero de México, S.A.	250,000	750,000	—	600,000	—	—
Química del Rey, S.A.	750,000	—	—	—	—	73,998
Industria del Hierro, S.A. ⁽⁶⁾	1,961,569	—	—	—	—	—
TOTAL	6,194,628	15,519,159	—	12,227,397	368,926	1,193,998
Morocco						
Banque Nationale pour le Développement Economique	1,495,774	—	—	—	—	—
Compañía Industrial del Lukus, S.A.	1,388,486	—	—	—	—	—
TOTAL	2,884,260	—	—	—	—	—
Nigeria						
Nigerian Industrial Development Bank, Ltd.	—	1,400,000	—	484	—	—
Arewa Textiles, Ltd. ⁽⁶⁾	1,601,125	—	—	—	70,000	—
TOTAL	1,601,125	1,400,000	—	484	70,000	—
Pakistan						
Steel Corporation of Pakistan, Ltd.	630,000	—	—	—	—	441,000
Adamjee Industries, Ltd.	750,000	—	—	—	295	749,705
Ismail Cement Industries, Ltd. ⁽⁶⁾	5,677,407	—	—	—	143,910	244,000
Pakistan Industrial Credit and Investment Corporation, Ltd.	449,400	—	—	—	—	—
Crescent Jute Products, Ltd.	1,950,000	—	—	—	—	—
Packages, Ltd.	3,151,662	—	—	—	—	—
Pakistan Paper Corporation, Ltd.	5,199,202	—	5,199,202	—	—	—
TOTAL	17,807,671	—	5,199,202	—	144,205	1,434,705
Peru						
Industrias Reunidas, S.A.	250,000	—	—	—	—	250,000
Luren, S.A. and Ladrillos Calcáreos, S.A.	280,000	—	—	—	—	165,000
Durisol del Perú, S.A.	300,000	—	—	—	300,000 ⁽²⁾	—
Fertilizantes Sintéticos, S.A. ⁽⁶⁾	4,083,290	—	—	—	—	725,000
Cemento Andino, S.A.	2,400,000	—	—	—	—	80,747
Compañía de Cemento Pacasmayo, S.A. ⁽⁶⁾	1,605,151	—	—	—	—	—
TOTAL	8,918,441	—	—	—	300,000	1,220,747
Philippines						
Private Development Corporation of the Philippines	—	4,359,063	—	4,153,846	—	—
Manila Electric Company	12,000,000	—	—	—	—	—
TOTAL	12,000,000	4,359,063	—	4,153,846	—	—

Loans and equity sold or agreed to be sold ⁽³⁾	Loans converted into equity	Principal amount disbursed	Undisbursed balance of effective loans and equity investment agreements ⁽⁴⁾	Held by Corporation		Total loans and equity (at cost)
				Loans	Equity	
2,023,460	\$ —	\$ 140,060	\$ 2,784,459	\$ 1,339,000	\$ 562,059	\$ 1,901,059
260	—	248,950	—	—	248,690	248,690
—	—	817,500	—	—	817,500	817,500
403,125	—	1,559,381	—	871,875	284,381	1,156,256
403,125	—	2,376,881	—	871,875	1,101,881	1,973,756
—	—	600,000	—	—	—	—
—	—	520,000	—	—	—	—
280,000	—	280,000	—	—	—	—
2,258,760	—	4,605,895	—	1,298,800	1,048,335	2,347,135
309,000	121,000	400,000	—	91,000	—	91,000
676,002	—	750,000	—	—	—	—
160,128	—	1,961,569	—	—	1,801,441	1,801,441
3,683,890	121,000	9,117,464	—	1,389,800	2,849,776	4,239,576
—	—	1,495,774	—	—	1,495,774	1,495,774
240,000	—	1,288,486	100,000	650,000	498,486	1,148,486
240,000	—	2,784,260	100,000	650,000	1,994,260	2,644,260
—	—	1,399,516	—	—	1,399,516	1,399,516
728,036	—	1,078,925	452,200	296,397	506,692	803,089
728,036	—	2,478,441	452,200	296,397	1,906,208	2,202,605
—	—	630,000	—	189,000	—	189,000
—	—	749,705	—	—	—	—
398,079	—	5,137,904	395,593	4,474,090	417,328	4,891,418
—	—	449,400	—	—	449,400	449,400
121,800	—	1,833,541	116,459	1,828,200	—	1,828,200
662,000	—	2,989,037	162,625	1,648,000	841,662	2,489,662
Note 9	—	—	—	—	—	—
1,181,879	—	11,789,587	674,677	8,139,290	1,708,390	9,847,680
—	—	250,000	—	—	—	—
—	—	280,000	—	115,000	—	115,000
—	—	300,000	—	—	—	—
2,264,000	—	4,083,290	—	1,094,290	—	1,094,290
—	200,000	2,400,000	—	2,119,253	200,000	2,319,253
1,308,600	164,849	1,605,151	—	126,551	170,000	296,551
3,572,600	364,849	8,918,441	—	3,455,094	370,000	3,825,094
—	—	205,217	—	—	205,217	205,217
1,883,000	—	4,200,000	7,800,000	6,478,000	3,639,000	10,117,000
1,883,000	—	4,405,217	7,800,000	6,478,000	3,844,217	10,322,217

(continued)

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

June 30, 1967

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

COUNTRY and Obligor	Original principal amount		Operational investments and standby and underwriting commitments not yet effective ⁽¹⁾	Acquisition by others of securities covered by standby and underwriting commitments	Cancellations, terminations and write-offs ⁽²⁾	Principa repayment to Corporator
	Operational investments	Standby and underwriting commitments				
Senegal						
Société Industrielle d'Engrais au Sénégal.....	\$ 3,459,766	\$ —	\$ —	\$ —	\$ —	\$ —
Spain						
Fábrica Española Magnetos, S.A. ⁽⁶⁾	3,377,648	—	—	—	—	—
Banco del Desarrollo Económico Español, S.A. ⁽⁶⁾	585,351	—	—	—	—	—
TOTAL.....	3,962,999	—	—	—	—	—
Sudan						
Khartoum Spinning and Weaving Company, Ltd.....	668,893	—	—	—	—	—
Tanzania						
Kilombero Sugar Company, Ltd. ⁽⁶⁾	4,731,085	—	—	—	—	—
Thailand						
Concrete Products and Aggregate Company, Ltd.....	300,000	—	—	—	—	—
Industrial Finance Corporation of Thailand.....	193,108	—	—	—	—	—
TOTAL.....	493,108	—	—	—	—	—
Tunisia						
NPK-Engrais, S.A.T.....	3,500,000	—	—	—	11,498	—
Société Nationale d'Investissement.....	575,926	—	—	—	—	—
TOTAL.....	4,075,926	—	—	—	11,498	—
Turkey						
Türkiye Sinai Kalkınma Bankası, A.S. ⁽⁶⁾	1,254,167	—	—	—	—	—
Sentetik İplik Fabrikalari, A.S.....	1,368,889	—	—	—	—	—
TOTAL.....	2,623,056	—	—	—	—	—
Uganda						
Mulco Textiles, Ltd.....	3,509,707	—	—	—	—	—
Venezuela						
Siderúrgica Venezolana "Sivensa", S.A. ⁽⁶⁾	3,140,529	—	—	—	—	1,087,500
Diablitos Venezolanos, C.A.....	500,000	—	—	—	324,000	—
C.A. Venezolana de Desarrollo (Sociedad Financiera).....	1,336,183	—	—	—	—	—
Dominguez y Cía.-Caracas, S.A.....	—	514,541	—	84,341	—	—
TOTAL.....	4,976,712	514,541	—	84,341	324,000	1,087,500
GRAND TOTAL.....	\$196,321,805	\$25,062,818	\$27,323,868	\$17,947,877	\$11,800,526 ⁽²⁾	\$15,724,632
		\$221,384,623				

Loans and equity sold or agreed to be sold ⁽³⁾	Loans converted into equity	Principal amount disbursed	Undisbursed balance of effective loans and equity investment agreements ⁽⁴⁾	Held by Corporation		Total loans and equity (at cost)
				Loans	Equity	
—	\$ —	\$ 1,054,766	\$ 2,405,000	\$ 2,450,000	\$ 1,009,766	\$ 3,459,766
1,713,999	—	3,265,148	112,500	1,062,000	601,649	1,663,649
—	—	585,351	—	—	585,351	585,351
1,713,999	—	3,850,499	112,500	1,062,000	1,187,000	2,249,000
201,146	—	688,893	—	215,110	272,637	487,747
—	700,000	4,215,885	515,200	4,031,085	700,000	4,731,085
300,000	—	300,000	—	—	—	—
—	—	193,108	—	—	193,108	193,108
300,000	—	493,108	—	—	193,108	193,108
1,157,173	—	3,488,502	—	1,182,400	1,148,929	2,331,329
—	—	575,926	—	—	575,926	575,926
1,157,173	—	4,064,428	—	1,182,400	1,724,855	2,907,255
—	—	1,066,667	187,500	—	1,254,167	1,254,167
—	—	1,174,556	194,333	900,000	468,889	1,368,889
—	—	2,241,223	381,833	900,000	1,723,056	2,623,056
1,292,200	—	3,113,787	395,920	1,676,078	541,429	2,217,507
2,053,029	300,000	3,140,529	—	—	—	—
176,000	—	176,000	—	—	—	—
—	—	1,336,183	—	—	1,336,183	1,336,183
—	—	430,200	—	—	430,200	430,200
2,229,029	300,000	5,082,912	—	—	1,766,383	1,766,383
\$40,679,228	\$5,506,703	\$139,983,335	\$24,629,017	\$66,051,159	\$41,857,333	\$107,908,492

(continued)

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

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

Currency	Loans	Equity
New Brazilian cruzeiros	\$ —	\$ 4,096,677
CFA francs	—	1,213,847
Chilean escudos	—	153,846
Colombian pesos	—	6,437,340
Costa Rican colones	—	96,200
Ecuadoran sucres	—	218,970
Ethiopian dollars	—	2,216,360
Finnish markkas	—	230,127
Greek drachmas	—	994,166
Honduran lempiras	—	66,750
Indian rupees	—	2,101,590
Kenya shillings	—	562,050
Malaysian dollars	—	1,101,880
Mexican pesos	—	2,849,770
Moroccan dirhams	—	1,994,260
Nigerian pounds	—	1,906,200
Pakistan rupees	—	1,708,390
Philippine pesos	—	3,844,217
Pounds sterling	4,701,070	—
Spanish pesetas	—	1,187,000
Sudanese pounds	—	272,637
Tanzania shillings	—	700,000
Thai baht	—	193,100
Tunisian dinars	—	1,724,850
Turkish liras	—	1,723,050
Uganda shillings	—	541,420
United States dollars	61,350,089	1,956,190
Venezuelan bolivares	—	1,766,380
TOTAL	\$66,051,159	\$41,857,330

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—\$300,000 written off.

Note 3—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 \$2,889,116 and losses \$158,247 resulting in net profits of \$2,730,869. This column does not include \$1,445,600 of investments not yet effective which the Corporation has agreed to sell as shown below in Notes 7 to 9.

Note 4—This includes \$3,118,710 of effective investments which the Corporation has agreed to sell.

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

Note 6—The Corporation has made more than one commitment to this company.

Note 7—The Corporation has agreed to sell \$100,000 of this investment.

Note 8—The Corporation has agreed to sell \$999,600 of this investment.

Note 9—The Corporation has agreed to sell \$346,000 of this investment.

Summary of Standby and Underwriting Commitments

Expressed in United States Currency

COUNTRY and Obligor	Original standby and underwriting commitments	Participation by subunderwriters	Acquisition by others	Amount acquired by the Corporation and its subunderwriters	
				Subunderwriters	Corporation
Colombia					
Forjas de Colombia, S.A.....	\$ 352,109	\$ —	\$ 175,561	\$ —	\$ 176,548
Costa Rica					
Productos de Concreto, S.A....	310,801	—	82,189	—	228,612
Ethiopia					
Ethiopian Pulp and Paper, S.C..	1,708,501	124,695	575,000	124,695	1,008,806
Finland					
Teollistamisrahasto Oy.....	158,644	—	158,009	—	635
Liberia					
Liberian Bank for Industrial Development and Investment.	250,000	—	1,050	—	248,950
Malaysia					
Malaysian Industrial Development Finance, Ltd.....	490,000	—	490,000	—	—
Mexico					
Compañía Fundidora de Fierro y Acero de Monterrey, S.A. (1962)	2,944,856	1,040,513	1,782,206	410,797	751,853
Compañía Fundidora de Fierro y Acero de Monterrey, S.A. (1964)	6,100,000 ¹	5,298,545	6,010,144	9,620	1,310
Compañía Fundidora de Fierro y Acero de Monterrey, S.A. (1966)	5,724,303	3,020,426	3,745,047	10,520	1,968,736
Tubos de Acero de México, S.A.	750,000	—	600,000	—	150,000
Nigeria					
Nigerian Industrial Development Bank, Ltd.....	1,400,000	—	484	—	1,399,516
Philippines					
Private Development Corporation of the Philippines.	4,359,063	—	4,153,846	—	205,217
Venezuela					
Domínguez y Cía.-Caracas, S.A.	514,541	—	84,341	—	430,200
TOTAL	\$25,062,818	\$9,484,179	\$17,857,877	\$555,632	\$6,570,383

Note 1—Includes \$78,926 which was canceled as an underwriting commitment when the Corporation decided to exercise stock rights on its original holding of shares.

June 30, 1967

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 case of Colombian pesos at the rate of 16.25 to 1 United States dollar.

Amounts disbursed and/or repayable in currencies other than United States dollars have been translated into United States dollars at the following average rates:

Currency	Currency Unit per US dollar
New Brazilian cruzeiros.....	2.532
CFA francs.....	246.586
Chilean escudos.....	2.340
Colombian pesos.....	11.389
Costa Rican colones.....	6.620
Ecuadoran sucres.....	20.550
Ethiopian dollars.....	2.481
Finnish markkas.....	3.216
Greek drachmas.....	29.900
Honduran lempiras.....	2.000
Indian rupees.....	5.366
Kenya shillings.....	7.140
Malaysian dollars.....	3.058
Mexican pesos.....	12.490
Moroccan dirhams.....	5.015
Nigerian pounds.....	0.357
Pakistan rupees.....	4.755
Philippine pesos.....	3.896
Pounds sterling.....	0.357
Spanish pesetas.....	59.795
Sudanese pounds.....	0.348
Tanzania shillings.....	7.143
Thai baht.....	20.714
Tunisian dinars.....	0.457
Turkish liras.....	9.000
Uganda shillings.....	7.148
Venezuelan bolivares.....	4.485

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.....	\$36,608,355
Accrued interest, commitment charges and other income.....	50,664
TOTAL.....	\$36,659,019

Note C

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.

Aevol Industrial Company of Organic Fertilizers, S.A. has not paid interest and other charges of \$17,393 due on December 15, 1966 and \$18,000 due on June 15, 1967.

Berry, Selvey y Cia., S.A. has not paid principal of \$131,000 due on July 22, 1965 and no interest has been paid since May 15, 1964. With the Corporation's consent, a new company is to purchase Berry, Selvey's business and, in satisfaction of the amounts due to the Corporation, is to deliver to the Corporation 165,000 fully paid preferred shares of its capital stock (approximately \$100,000 equivalent) and assume a debt obligation to the Corporation of \$45,000.

Empresa de Curtidos Centro Americana, S.A. has not paid a principal instalment of \$29,500 due on June 1, 1967.

Fertilizantes Sintéticos, S.A. has not paid interest on convertible subordinated debentures of \$32,850 due on June 30, 1966 and \$32,850 due on June 30, 1967. Of the unpaid amounts \$14,000 is for the account of participants.

General

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
JULY 28, 1967

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, 1967, 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 Against Losses	Appendix B
Statement of Operational Investments and Standby and Underwriting Commitments	Appendix C
Notes to Financial Statements	Appendix D

June 30, 1967

Member	Subscriptions		Voting Power	
	Amount (in thousands of dollars)	Percent of total	Number of votes	Percent of total
Afghanistan	\$ 111	.11	361	.30
Argentina	1,662	1.66	1,912	1.58
Australia	2,215	2.22	2,465	2.04
Austria	554	.56	804	.67
Belgium	2,492	2.49	2,742	2.27
Bolivia	78	.08	328	.27
Brazil	1,163	1.16	1,413	1.17
Burma	166	.17	416	.34
Canada	3,600	3.60	3,850	3.19
Ceylon	166	.17	416	.34
Chile	388	.39	638	.53
Colombia	388	.39	638	.53
Costa Rica	22	.02	272	.23
Cyprus	83	.08	333	.28
Denmark	753	.75	1,003	.83
Dominican Republic	22	.02	272	.23
Ecuador	35	.04	285	.24
El Salvador	11	.01	261	.22
Ethiopia	33	.03	283	.23
Finland	421	.42	671	.56
France	5,815	5.82	6,065	5.03
Germany, Federal Republic of	3,655	3.66	3,905	3.24
Ghana	166	.17	416	.34
Greece	277	.28	527	.44
Guatemala	22	.02	272	.23
Guyana	89	.09	339	.28
Haiti	22	.02	272	.23
Honduras	11	.01	261	.22
Iceland	11	.01	261	.22
India	4,431	4.44	4,681	3.88
Iran	372	.37	622	.51
Iraq	67	.07	317	.26
Ireland	332	.33	582	.48
Israel	50	.05	300	.25
Italy	1,994	2.00	2,244	1.86
Ivory Coast	111	.11	361	.30
Jamaica	148	.15	398	.33
Japan	2,769	2.77	3,019	2.50
Jordan	33	.03	283	.23
Kenya	184	.18	434	.36
Korea	139	.14	389	.32
Kuwait	369	.37	619	.51

Member	Subscriptions		Voting Power	
	Amount (in thousands of dollars)	Percent of total	Number of votes	Percent of total
Lebanon	\$ 50	.05	300	.25
Liberia	83	.08	333	.28
Libya	55	.06	305	.25
Luxembourg	111	.11	361	.30
Malagasy Republic	111	.11	361	.30
Malawi	83	.08	333	.28
Malaysia	277	.28	527	.44
Mexico	720	.72	970	.80
Morocco	388	.39	638	.53
Nepal	55	.06	305	.25
Netherlands	3,046	3.05	3,296	2.73
New Zealand	923	.92	1,173	.97
Nicaragua	9	.01	259	.21
Nigeria	369	.37	619	.51
Norway	554	.56	804	.67
Pakistan	1,108	1.11	1,358	1.12
Panama	2	*	252	.21
Paraguay	16	.02	266	.22
Peru	194	.19	444	.37
Philippines	166	.17	416	.34
Portugal	443	.44	693	.57
Saudi Arabia	111	.11	361	.30
Senegal	184	.18	434	.36
Sierra Leone	83	.08	333	.28
Somalia	83	.08	333	.28
South Africa	1,108	1.11	1,358	1.12
Spain	1,108	1.11	1,358	1.12
Sudan	111	.11	361	.30
Sweden	1,108	1.11	1,358	1.12
Syrian Arab Republic	72	.07	322	.27
Tanzania	184	.18	434	.36
Thailand	139	.14	389	.32
Togo	83	.08	333	.28
Tunisia	133	.13	383	.32
Turkey	476	.48	726	.60
Uganda	184	.18	434	.36
United Arab Republic	590	.59	840	.70
United Kingdom	14,400	14.41	14,650	12.14
United States	35,168	35.19	35,418	29.34
Venezuela	116	.12	366	.30
Zambia	295	.30	545	.45
TOTAL	\$99,929	100.00	120,679	100.00

*Less than .005 percent.

Viet-Nam paid \$166,000 due on account of its subscription but other action necessary for membership had not been completed as of June 30, 1967.

June 30, 1967

Member	Governor	Alternate
Afghanistan	Abdul Karim Hakimi	Abdul Aziz Attayee
Argentina	Pedro Eduardo Real	Carlos Santiago Brignone
Australia	William McMahon	Sir Roland Wilson
Austria	Wolfgang Schmitz	Hugo Rottky
Belgium	R. Henrion	Hubert Ansiaux
Bolivia	Jorge Jordán Ferrufino	Enrique Vargas Guzmán
Brazil	Antonio Delfim Neto	Ruy Aguiar da Silva Leme
Burma	Kyaw Nyein	Chit Mounng
Canada	Mitchell Sharp	A. B. Hockin
Ceylon	U. B. Wanninayake	H. Jinadasa Samarakkody
Chile	Carlos Massad Abud	Jorge Marshall Silva
Colombia	Abdon Espinosa Valderrama	Jorge Mejía-Salazar
Costa Rica	Raúl Hess Estrada	Alvaro Vargas E.
Cyprus	Renos Solomides	A. C. Patsalides
Denmark	Otto Müller	Karl Otto Bredahl
Dominican Republic	Diógenes H. Fernández	Luis M. Guerrero Gómez
Ecuador	J. Federico Intriago Arrata	Gustavo Larrea Córdova
El Salvador	Edgardo Suarez C. ⁽¹⁾	Armando Intoriano
Ethiopia	Yilma Deressa	Bulcha Demeksa
Finland	Måuno Koivisto	Oiavi Salonen
France	Minister of Finance	Bernard Clappier
Germany	Karl Schiller	Franz Josef Strauss
Ghana	A. A. Afrifa	K. Gyasi-Twum
Greece	John Paraskevopoulos	Costas A. Thanos
Guatemala	Alberto Fuentes Mohr	Roberto Barillas Izaguirre
Guyana	P. S. d'Aguiar	W. P. D'Andrade
Haiti	Clovis Desinor	Antonio André
Honduras	Manuel Acosta Bonilla	Ricardo Zúñiga Augustinus
Iceland	Gylfi Gíslason	Magnús Jónsson
India	Morarji R. Desai	S. Jagannathan
Iran	Jamshid Amouzegar	Jahangir Amuzegar
Iraq	Abdul Rahman Al-Habeeb	Sa'adi Ibrahim
Ireland	Charles J. Haughey	T. K. Whitaker
Israel	David Horowitz	Jacob Arnon
Italy	Guido Carli	Paolo Baffi
Ivory Coast	Konan Bédié	Mohamed Diawara
Jamaica	Edward Seaga	G. Arthur Brown
Japan	Mikio Mizuta	Makoto Usami
Jordan	Hatim S. Zu'bi	Nijmeddin Dajani
Kenya	J. S. Gichuru	John Njoroge Michuki
Korea	Bong Kyun Suh	Se Ryun Kim
Kuwait	Abdul Rahman Salim Al-Ateeqi	Abdlatif Y. Al-Hamad
Lebanon	Khalil Salem	Raja Himadeh
Liberia	J. Milton Weeks	Cyril Bright
Libya	Shamsiddin Mohsen	K. M. Sherlala
Luxembourg	Pierre Werner	Albert Dondelinger
Madagascar Republic	Rakotovo Ralison	Louis Rakotomalala
Malawi	J. Z. U. Tembo	R. J. C. Wait
Malaysia	Tan Siew Sin	Mohamed Sharif bin Abdul Samad
Mexico	Antonio Ortiz Mena	José Hernández Delgado
Morocco	Mamoun Tahiri	Mohamed Benkirane
Nepal	Kirti Nidhi Bista	Nareshman Singh
Netherlands	H. J. Witteveen	J. H. O. Count van den Bosch
New Zealand	N. R. Davis	N. V. Lough ⁽¹⁾
Nicaragua	Guillermo Sevilla-Sacasa	Silvio Argüello Cardenal
Nigeria	A. O. Awolowo ⁽¹⁾	Abdul Aziz Atta
Norway	Kåre Willoch ⁽¹⁾	Christian Brinch
Pakistan	N. M. Uquaili	Ghulam Ishaq
Panama	David Samudio A.	Carlos Velarde
Paraguay	César Romeo Acosta	Oscar Stark Rivarola
Peru	Celso Pastor	Tulio De Andrea
Philippines	Eduardo Z. Romualdez	Roberto S. Benedicto
Portugal	Ulisses Cortes	Luis M. Teixeira Pinto
Saudi Arabia	Ahmed Zaki Saad	
Senegal	Habib Thiam	Ibrahima Tal
Sierra Leone	B. I. Kaisamba	Sheikh Batu Daramy
Somalia	Haji Farah Ali Omer ⁽¹⁾	Said Mohamed Ali
South Africa	Nicolaas Diederichs	Theunis Willem de Jongh ⁽¹⁾
Spain	Juan José Espinosa	Mariano Navarro Rubio
Sudan	Sayed El Sherif Hussein El Hindi	Sayed Abdalla Siddiq Ghandour
Sweden	G. E. Sträng	Krister Wickman ⁽¹⁾
Syrian Arab Republic	Mouaffaq Shourbaji	Abdul Hadi Nehlawi
Tanzania	P. Bomani	A. J. Nsekela
Thailand	Serm Vinichchayakul	Bisudhi Nimmanahaeminda
Togo	Boukari Djobo	Jean B. Tevi
Tunisia	Ahmed Ben Salah	Ali Zouaoui
Turkey	Cihat Bilgehan	Zeyyat Baykara
Uganda	Laurence Kalule-Settala	A. J. P. M. Ssentongo
United Arab Republic	Hassan Abbas Zaki	Hamed Abdel Latif El Sayeh
United Kingdom	Sir Leslie O'Brien	Sir Denis Rickett
United States	Henry H. Fowler	Eugene V. Rostow
Venezuela	Rafael Alfonso Ravard	Francisco Mendoza
Zambia	A. N. L. Wina	Lishomwa Mubita Lishomwa

Appointment effective after June 30, 1967.

June 30, 1967

Director	Alternate	Casting votes of	Total vote
Appointed			
Livingston T. Merchant	Emmett J. Rice	United States	35,41
J. M. Stevens ⁽¹⁾	Robert E. Radford	United Kingdom	14,65
René Larre	Jean Malaplate	France	6,06
K. S. Sundara Rajan	S. Guhan	India	4,68
Otto Donner	Jörg Jaeckel	Germany	3,90
Elected			
L. Denis Hudon (Canada)	Patrick M. Reid (Canada)	Canada, Guyana, Ireland, Jamaica	5,16
Muhammad Ayub (Pakistan)	Abdol Ali Jahanshahi (Iran)	Iran, Iraq, Jordan, Kuwait, Lebanon, Pakistan, Saudi Arabia, Syrian Arab Republic, United Arab Republic	5,02
J. O. Stone (Australia)	T. J. Bartley (Australia)	Australia, New Zealand, South Africa	4,99
Joaquín Gutiérrez Cano (Spain)	Felice Gianani (Italy)	Greece, Italy, Portugal, Spain	4,82
André van Campenhout (Belgium)	Othmar Haushofer (Austria)	Austria, Belgium, Luxembourg, Turkey	4,63
Hideo Suzuki (Japan)	Maung Gyi (Burma)	Burma, Ceylon, Japan, Nepal, Thailand	4,54
S. Othello Coleman (Liberia)	Iddi Simba (Tanzania)	Ethiopia, Kenya, Liberia, Malawi, Nigeria, Sierra Leone, Sudan, Tanzania, Uganda, Zambia	4,10
Karl Skjerdal (Norway)	Vilhjálmur Thor (Iceland)	Denmark, Finland, Iceland, Norway, Sweden	4,05
Pieter Liefstinck (Netherlands)	Zoran Zagar (Yugoslavia)	Cyprus, Israel, Netherlands	3,92
Luis Machado (Cuba)	Alfredo Valencia (Peru)	Costa Rica, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Peru, Venezuela	3,62
Luis Escobar (Chile)	Daniel Fernández (Argentina)	Argentina, Bolivia, Chile, Paraguay	3,14
Jorge Mejía-Palacio (Colombia)	José Camacho (Colombia)	Brazil, Colombia, Dominican Republic, Ecuador, Philippines	3,02
Abderrahman Tazi (Morocco)	Taoufik Smida (Tunisia)	Afghanistan, Ghana, Libya, Malaysia, Morocco, Tunisia	2,63
Mohamed Nassim Kochman (Mauritania)	Michel Bako (Chad)	Ivory Coast, Malagasy Republic, Senegal, Somalia, Togo	1,82
Reignson C. Chen (China)	Chung Pum Song (Korea)	Korea	38

⁽¹⁾To be succeeded by E. W. Maude

In addition to the Directors and Alternates shown in the foregoing list, the following also served as Director or Alternate after November 1, 1966, the effective date of the Eleventh Regular Election:

Director	End of period of service	Alternate Director	End of period of service
M. W. O'Donnell (Australia)	February 1, 1967	Bernard Zagorin (United States)	December 13, 1966
		Helga Steeg (Germany)	May 31, 1967

June 30, 1967

George D. Woods* President
 Martin M. Rosen Executive Vice President
 James S. Raj Vice President
 Robert W. Cavanaugh* Treasurer
 William Diamond Director, Development Finance Companies Department
 . David Dodd Director, Engineering Department
 Harold N. Graves, Jr.* Director of Information
 Howard C. Johnson* Director, New York Office
 M. M. Mendels* Secretary
 John D. Miller* Special Representative in Europe
 Naokado Nishihara Special Representative in the Far East
 Neil J. Paterson Director of Investments, Latin America, Europe and Australasia
 R. B. J. Richards General Counsel
 Hugh B. Ripman* Director of Administration
 Virgil C. Sullivan Special Adviser
 Ladislaus von Hoffmann Director of Investments, Africa, Asia and Middle East
 . H. Williams* Director, Department of Program Evaluation and Control

*Also officer of the World Bank

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London Office

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Haymarket
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