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10 HANOVER SQUARE
NEW YORK, N. Y. 10005

ALBERT H. GORDON
CHAIRMAN

November 13, 1985

TR

Dear Don:

Attached is our recently issued research report on the World Bank. I thought you might like to have it for reference purposes now that the Bank is playing a much greater role than heretofore in the solution of international debt problems.

With kind regards,

Sincerely,

AL

The Honorable Donald T. Regan
Chief of Staff to the President
The White House
Washington, DC 20500

International
Corporate
Finance

Kidder, Peabody & Co.
INCORPORATED

October 1985

The World Bank

PART I: WORLD BANK ANALYSIS

PART II: MULTILATERAL DEVELOPMENT BANKS:
COMPARATIVE FINANCIAL ANALYSIS

FINANCIAL INSTITUTIONS ANALYZED	(Fitch/Moody's/Standard & Poor's Ratings)
A. AFRICAN DEVELOPMENT BANK	(AAA/Aaa/AA)
B. ASIAN DEVELOPMENT BANK	(AAA/Aaa/AAA)
C. EUROPEAN INVESTMENT BANK	(- /Aaa/AAA)
D. INTER-AMERICAN DEVELOPMENT BANK	(AAA/Aaa/AAA)
E. WORLD BANK	(AAA/Aaa/AAA)
F. UNITED STATES MONEY CENTER BANK SAMPLE	

Supranational Credit Analysis

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Except as otherwise specified, all amounts in the report are expressed in current United States dollars. Currencies other than United States dollars have been translated into United States dollars at current rates of exchange.

This report has been prepared by the International Corporate Finance Department of Kidder, Peabody & Co. Incorporated. The information contained in this report with respect to the African Development Bank, Asian Development Bank, Inter-American Development Bank, World Bank, and European Investment Bank has been obtained from officials, releases, trade and statistical services, and other sources which we deem reliable. We do not represent that it is accurate or complete and it should not be relied upon as such. Any opinions expressed herein reflect our judgment at this date and are subject to change.

Kidder, Peabody & Co. Incorporated has on numerous occasions acted as an underwriter of the securities of the African Development Bank, Asian Development Bank, Inter-American Development Bank, World Bank, and European Investment Bank and also acts as a market-maker in these securities.

Outstanding Ratings
Fitch: AAA
Moody's: Aaa
Standard & Poor's: AAA

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INCORPORATED

THE WORLD BANK

The World Bank (the "Bank"), a multilateral development bank with headquarters in Washington, D.C., was established in 1945 to promote the economic development of its member countries, primarily by providing loans for specific projects and related technical assistance. The Bank's structure and function served as the model for the regional development banks: the African Development Bank, the Asian Development Bank, and the Inter-American Development Bank, which were formed in the 1960's.

Its present membership consists of 148 countries, including most of the world's industrialized countries. The United States is its largest shareholder. These member countries are the shareholders of the Bank, and, to the extent of each member government's "callable capital" subscription, the ultimate guarantors of the Bank's debt. The combined financial strength of these member countries' subscriptions substantially outweighs the Bank's total funded debt obligations.

Since it began operations, the Bank has helped to provide, secure, and attract financing for projects and programs throughout the developing world, with particular attention to the needs of the least developed countries. Loans are made for specific projects and programs which are planned on the basis of detailed analysis and designed to fulfill a priority need in the framework of coherent national and regional development plans. All of the World Bank's outstanding loans are to governments of member countries or to their agencies or political subdivisions, and to public and private enterprises operating within such countries, as well as to international or regional entities concerned with economic development. Each outstanding loan carries the sovereign guarantee of the government under whose jurisdiction the project lies. Since it began operations, the Bank has been consistently profitable and has retained most of its net income in reserves, allocating a portion of it to its affiliate, the International Development Association, or to special funds. The Bank has incurred no losses on its loans and has experienced no significant delays in loan payments. The Bank, as a matter of policy, does not engage in the rescheduling or the renegotiation of its loans and does not permit the making of new loans to provide proceeds for the servicing or redemption of outstanding loans. Borrowings have been diversified by maturity, by currency, and by market, and the Bank's liquidity position is ample to fund its commitments and debt servicing obligations.

On the basis of the Bank's operating record, its borrowing and liquidity policies, and the strength of its industrialized members' capital subscriptions, the World Bank's outstanding securities are rated AAA by Fitch Investors Service, Aaa by Moody's and AAA by Standard & Poor's.

THE WORLD BANK

(Expressed in Thousands of U.S. Dollars)

FINANCIAL SUMMARY

	Total Income	*Total Operating Expenses*	*Net Income*	*Total Assets*	*Cash & Investments*[1]	*Total Loans Outstanding*
1985	$5,528,752	$4,391,625	$1,137,127	$75,987,511	$20,133,120	$41,382,078
1984	$4,654,522	$4,054,483	$ 600,039	$60,340,036	$16,035,432	$37,840,388
Avg. Annual Compound Growth Rate: 1980/85	14.6%	14.7%	14.1%	14.2%	14.5%	9.2%

	Total Equity Capital[2]	*Capital Stock Subscribed*	*Stockholders' Equity*[3]	*Capital Stock Callable*	*Funded Debt (Net)*	*Total Capitalization*[4]
1985	$63,763,848	$58,846,269	$10,060,547	$53,703,301	$46,791,482	$56,852,029
1984	$60,311,352	$56,010,584	$ 9,269,192	$51,042,460	$42,209,309	$51,478,501
Avg. Annual Compound Growth Rate: 1980/85	8.0%	8.0%	6.4%	8.4%	9.6%	9.0%

RATIO SUMMARY

	Funded Debt (Net) % Total Capital[5]	*Total Callable Capital % Funded Debt (Net)*	*Net Interest Coverage*	*Net Income % Total Income*	*Net Income % Total Assets*	*Net Income % Stockholders' Equity*[3]
1985	42.3%	114.8%	1.28x	20.6%	1.5%	11.3%
1984	41.2%	120.9%	1.16x	12.9%	1.0%	6.5%

	Total Equity Capital[2] *% Loans Approved Less Cancellations*	*Total Equity Capital*[2] *% Total Debt*	*Stockholders' Equity*[3] *% Total Debt*	*Total Debt % Total Assets*	*Cash & Investments*[1] *% Total Debt*	*Cash & Investments*[6] *% Undisbursed Loans*
1985	78.2%	136.3%	21.5%	84.3%	30.7%	49.4%
1984	79.0%	118.5%	18.2%	86.4%	31.5%	40.9%

	Total Loans Outstanding % Total Assets	*Total Equity Capital*[2] *% Total Loans Outstanding*	*Total U.S. Subscription % Total Capital Stock*	*Total U.S. Subscription % Total Loans Outstanding*	*Total U.S. Subscription % Funded Debt (Net)*	*Subscriptions of U.S., and Selected Industrialized Members*[7] *% Funded Debt (Net)*
1985	54.5%	154.1%	20.9%	29.7%	26.3%	85.4%
1984	62.7%	159.4%	20.5%	30.3%	27.1%	86.4%

Loan Limitation: The Bank's Agreement limits the total amount outstanding of loans and guarantees to the total amount of subscribed capital plus the unimpaired reserves and surplus.

[1] Cash & Investments are inclusive of the assets of the Special Reserve.
[2] Total Equity Capital: Subscribed & Reserves.
[3] Stockholders' Equity: Paid-In Capital & Reserves.
[4] Total Capitalization: Paid-In Capital & Reserves + Funded Debt (Net).
[5] Total Capital: Subscribed Capital & Reserves + Funded Debt (Net).
[6] Cash & Investments are net of the assets of the Special Reserve.
[7] Selected Industrialized Members include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, New Zealand, Norway, Spain, Sweden, and United Kingdom.

FOREWORD

Since 1980 Kidder, Peabody has published major research reports on the Inter-American Development Bank, the Asian Development Bank and the African Development Bank. In addition, we have provided direct testimony before Congress, issued a comprehensive study entitled "The Multilateral Development Banks Analysis and Outlook" and made presentations before investor groups in most of the major international financial centers. Throughout this period we have been consistent in our view that the multilateral development banks are among the strongest credits in the world's capital markets and clearly merit their "Triple A" ratings.

This report on the World Bank is, in many ways, a culmination of our efforts to provide investors and the public a clear understanding of the structure and operations of the multilateral development banks and their interrelationships within the international financial system. As the oldest, and by far the largest multilateral development bank, the World Bank has pioneered in development lending funded by borrowings in the international capital markets, and its charter has served as a model for the subsequently established regional multilateral development banks. With worldwide development responsibilities, its lending programs and strategies are integral to other multilateral and bilateral development programs. This global integration of objectives, strategy, and financial resources has evolved into a powerful and effective force for change in developing countries.

In this report we have continued to focus our analysis on the operations of the multilateral development banks and on the strength of their financial statements. We believe that it is in these areas that investors can best evaluate the quality of their investments in the banks and the public can most accurately judge the effectiveness of their tax dollars in development financing. We believe that both investors and the public will agree that these banks are highly professional lending institutions with conservative borrowing policies and disciplined lending procedures, and that they will be impressed to find that the banks' operations are consistently profitable. We believe further that each of these groups will conclude that support for these banks represents an investment of the highest quality in both monetary and human terms.

THE WORLD BANK

This report represents a continuation of our effort to provide a comprehensive review of the capital structures, operations, and development strategies of the major multilateral development banks. Although our primary focus is on the World Bank (the "Bank"), we have included an in-depth comparative financial analysis of the African Development Bank, Asian Development Bank, European Investment Bank and the Inter-American Development Bank. In addition, where appropriate, we have compared these banks with a representative sample of large U.S. commercial banks. Our purpose is to provide a continuous and reliable flow of information to enable the investor to understand each bank's objectives, its management utilized to pursue these objectives, and the degree of success in attaining them. We believe that through this understanding investors will be better able to judge the appropriate interest rate spread relationships for the debt securities of these banks relative to the debt securities of other credits in the international capital markets.

The World Bank has been on the "cutting edge" of development finance for forty years. During this time it has gone from playing a relatively minor role in early post-war reconstruction finance to become the largest provider of technical assistance and development financing in the world. Its innovative management and flexible structure have enabled the Bank to adapt to the world's rapidly changing and increasingly complex development needs. Over the last four decades, the Bank has made an enormous contribution to the improvement of living standards in developing regions of the world. Its role as a catalyst and as a direct provider of capital has had a direct impact on broad areas of economic and social activities. The Bank is well positioned to continue its leadership in assisting developing countries in their efforts to help themselves.

During this entire period the Bank has been consistently profitable, thereby strengthening its credit and increasing its financial resources. By fiscal 1985, the Bank had total loans disbursed and outstanding of $41.4 billion, liquid investments (net of commitments) of $17.4 billion and net income for the year of $1.14 billion. Its total outstanding debt of $50.2 billion was supported by reserves and unallocated net income of $5.2 billion and usable paid-in capital of $3.2 billion. Its total capital (usable paid-in capital and reserves) of $8.4 billion was larger than that of any commercial bank in the world.

Our evaluation of the Bank is based on a comprehensive analysis of its capital structure, operating history and financial condition as well as its lending and liquidity policies and borrowing practices. Particular attention is paid to actual member country support and the outlook for their continuing support, most particularly by the U.S. and other industrialized countries, for future increases in capital subscriptions. It is our opinion based on this evaluation that the World Bank clearly merits the highest ratings assigned to its securities and that there is no stronger supranational credit in the international capital markets.

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THE WORLD BANK

COMMENTARY

In July 1944, an international conference was held in Bretton Woods, New Hampshire with representatives from forty-five countries. This conference developed an outline for a complex international monetary system and created two new institutions, the International Bank for Reconstruction and Development (the "World Bank" or "Bank")[1] and the International Monetary Fund ("IMF or "Fund"). The Articles of Agreement of the two institutions were signed on July 22, 1944 and they officially came into existence on December 27, 1945.

The Interaction of the World Bank and IMF

The World Bank and IMF complement each other by providing resources for longer-term development assistance and short-term adjustment financing to their member countries within the framework of a stable international monetary system. Their respective charters provided the legal framework and the necessary flexibility in their capital structures and operating covenants to enable them to adjust to the world's changing economic conditions. In the forty years since their creation, a period of great economic and political turmoil, these institutions have been extraordinarily successful in meeting the obligations and responsibilities originally set out for them.

Although the Bank and the IMF (often referred to as "sister" institutions) were created at the same time, hold their annual meetings jointly and have substantially the same membership, their respective capital structures, managements, operations and objectives are entirely separate.

In general, the Bank through its own resources and from borrowings in the private sector provides funding for long-term development projects and programs, while the IMF provides technical assistance and various credit facilities for short-term adjustment needs. Each institution was designed to provide only that technical and financial assistance which would not otherwise be available to their borrowing member countries.

The Bank from the beginning based its lending solely on the priority of need, and management assumed responsibility for providing the necessary feasibility studies and credit analyses to enable the Bank's Executive Directors to evaluate and approve each loan. At the same time, the emerging policies of the IMF were based on a similar belief in non-political, independent operations.

In the ensuing years, the Bank developed a professional staff unparalled in its expertise and experience in development finance. As world economies and development needs changed, the Bank adopted new flexible lending strategies, developed innovative borrowing techniques and expanded technical assistance. When major new needs were identified it created its affiliated institutions, International Development Association and International Finance Corporation, to deal effectively with them. Strict lending disciplines were established early and have been consistently followed. Each loan is thor-

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[1]The World Bank group currently consists of the International Bank for Reconstruction and Development and two affiliated institutions—the International Development Association and the International Finance Corporation. Each of these institutions is legally and financially separate from the other, although their operations complement one another in the pursuit of overall development objectives. In international capital markets, the International Bank for Reconstruction and Development is generally referred to as the World Bank. In this report, in keeping with this usage, the term World Bank will refer solely to the International Bank for Reconstruction and Development unless otherwise stated.

oughly analyzed, fully documented, and constantly supervised during its approval, disbursement and repayment periods. As a result, the Bank has established an impressive record. In the past 40 years the Bank and its affiliates have had operations in more than 130 countries and loan volume of more than $135 billion, which together with funds from other sources, financed investments many times this amount. The Bank has never suffered a loss on its loans and the Bank does not engage in the renegotiation or rescheduling of outstanding loans.

Over the years, the international monetary system has undergone many changes as the underlying political and economic conditions changed. In 1969, in an effort to improve international liquidity, the Special Drawing Right ("SDR")[1] was created to serve as an additional reserve currency. In 1973 exchange rates between currencies, which were originally established at Bretton Woods, were generally allowed to float. Finally in 1978, gold ceased to be maintained at a fixed value in U.S. dollars in central bank transactions. The IMF initiated or cushioned the effect of such changes on international trade and balance of payments.

The IMF's comprehensive technical assistance, consulting and monitoring activities, together with its enormous credit facilities, have been crucial in fostering orderly exchange markets and growth in world trade. In recent years it has played a pivitol role among central banks, financing institutions and the private banking system in dealing with the continuing international debt crises. No other institution, organization or government, has the professional capabilities, financial resources and international standing necessary to play that role.

The Regional Development Banks

The World Bank's Charter, which proved flexible to changing world conditions, served as a model for all the regional multilateral banks. Although the lending policies and procedures of these regional banks were patterned on the Bank's experience, each regional bank has established its own criteria, priorities and disciplines for the approval of, and funding for, loans to its lending region. This diversity of analysis, funding, and implementation techniques has led to a variety of operational strategies to deal with the difficult regionalized economic problems of developing countries. As continuous lenders, providing long-term fixed-rate funds, despite widely varying economic and political conditions, these banks have served to encourage other lenders and investors to continue to provide financing as well. Their role has been especially important during the recent economic and debt crises and could not have been effectively played by any other existing public or private institution.

Regional Development Banks in 1984

The comparative analysis in Part II shows the financial operations and capital strengths of each of these multilateral development banks. Summarized below is a brief description of each bank and the overall impact of their collective operations.

The first regional development bank to be established was the Inter-American Development Bank in 1960, which was designed to provide technical assistance and financing to Latin American member countries. At year-end 1984, the IDB had 43 member countries which had subscribed to $24.536 billion in ordinary and inter-regional capital, of which $2.225 billion was paid-in and $22.311 billion was callable. At that same date, the IDB had approved loans less cancellations

[1]Special Drawing Right—The currency value of the SDR is determined daily by the IMF, at present, by summing the values in U.S. Dollars, based on market exchange rates, of a basket of five specified currencies. These currencies are: U.S. dollar (.54), Deutsche mark (.46), French franc (.74), Japanese yen (34) and Pound sterling (.071).

totaling $17.361 billion, of which $6.258 billion had been disbursed. Borrowings totaled $6.112 billion. Net earnings in 1984 were $251.9 million, up from $219.3 million in 1983.

In 1984 the Inter-American Development Bank completed its twenty-fifth year of operations, a period of vast change in its lending area. During these years, the IDB played an important role both as a catalyst and as a direct provider of funds for economic development. From its own resources, it has provided nearly $28 billion for projects involving approximately $100 billion in total investments. In 1984, the IDB approved $3.567 billion in loans, 17.1% more than the $3.045 billion approved in 1983 and disbursed a record $2.377 billion, 37.4% more than the $1.730 billion disbursed in 1983. The year was also marked by the final accord on the Agreement Establishing the Inter-American Investment Corporation, a new affiliate that will make private sector loans without sovereign guarantees.

The African Development Bank was organized in 1963 solely by independent countries on the African continent and African islands. Its membership was opened to non-regional countries in 1982 in order to increase its subscribed capital resources and to provide access to the international capital markets. At December 31, 1984 the African Development Bank had 75 members, of which 50 were regional countries with two-thirds of the voting power and 25 were non-regional countries with one-third of the voting power. The AfDB had $5.006 billion in subscribed capital, of which $1.252 billion was paid-up and $3.755 billion was callable. At the same date, the AfDB had approved loans less cancellations totaling $2.601 billion, of which $0.795 billion had been disbursed. Borrowings totaled $0.795 billion. Net income (before deduction for statutory commissions) in 1984 increased to $32.004 million, up 106.2% from $15.519 million in 1983.

On December 4, 1984 the African Development Bank issued $100 million of subordinated fixed rate notes, the first subordinated debt financing by any multilateral development bank. It subsequently completed two additional subordinated financings totaling $350 million. In addition, the AfDB issued $595.4 million of senior debt during the year and in the process opened up most of the world's major capital markets for its securities.

The Asian Development Bank was formed in 1966 to provide resources to developing member countries in the Pacific region. Its structure paralleled the World Bank and the other regional development banks. At December 31, 1984 the AsDB had subscribed capital of $14.058 billion, of which $1.716 billion was paid-in and $12.342 billion was callable. At the same date the AsDB had approved loans less cancellations totaling $8.856 billion, of which $3.287 billion had been disbursed. Borrowings totaled $3.868 billion. Net income of the AsDB was $206.5 million in 1984, up 15% from $179.6 million in 1983.

The Asian Development Bank's lending in 1984 reached $2.234 billion, up 18% from $1.893 billion in 1983. The AsDB borrowings in 1984 totaled $972 million and included its first pound sterling issue and its first zero coupon issue in the Eurodollar market.

Summary

As described earlier, these international financing institutions provide development assistance and monetary stability that benefit all member countries. Member country subscriptions and contributions are leveraged far beyond the actual funds paid-in and are employed solely on the basis of economic considerations.

These multilateral development banks ("MDBs") operate much like lending institutions in the private sector. They must produce revenues sufficient to cover all costs and consistently operate at a profit. They are subject to the same independent audits by recognized accounting firms and must comply with many of the same credit restraints. They are, in fact, highly efficient international organizations which are fulfilling missions that no other existing institutions have the structure, staff or resources to accomplish.

The World Bank, together with the regional multilateral development banks, had total cumulative loan approvals of $159.420 billion as of their most recent respective fiscal years, of which $51.722 billion was disbursed and outstanding. Since these banks generally provide only the foreign exchange portion of project costs and those loans usually constitute less than one-half of the cost of the projects financed, this leveraged lending has had an enormous impact on world development.

MEMBER COUNTRY SUPPORT FOR THE WORLD BANK

The World Bank, which is sometimes criticized and often misunderstood, is without a doubt the outstanding success story among international financial institutions. It has provided technical assistance and funding for projects and programs affecting hundreds of millions of people in all parts of the world. It has accomplished this through professional operating procedures and sound financial practices, resulting in profitable operations in each year since 1947.

Requests for member country support for capital subscriptions is often confused with requests for "foreign aid" by legislators and the public, and too often the issues are debated and decisions are made within that context. The purchase of shares (during periodic capital increases) are accordingly looked upon as contributions rather than investments, and the share proceeds are considered to be expended rather than invested. The facts are, however, that the proceeds from subscriptions are truly invested and earn a substantial return as those proceeds (capital) together with leveraged borrowings in the capital markets are invested in development loans and short-term investments. The earnings on these funds over the years have been retained in reserves which at fiscal year-end 1985 totaled $4.918 billion. These reserves have in turn been leveraged and recycled into additional loans and investments generating further income. Moreover, since 1964 transfers of net income to reserves were made after allocations of a portion of the Bank's net income each year, totaling $2.069 billion, had been transferred to its affiliate the International Development Association ("IDA"). IDA makes loans on concessionary terms to the poorest developing countries and these loans are also paid back over time and recycled into new loans. In summary, therefore, each dollar paid in for capital shares of the Bank continues to work and to grow over the years, providing increasing funds for lending to developing countries.

Although in terms of financial strength, the Bank is one of the premier credits in the international capital markets, investors and rating agencies continue to place substantial weight on the underlying commitment of the Bank's member countries, especially the commitment of the United States. In the final analysis this commitment provides the assurance to investors and rating agencies that callable capital subscribed by these countries will always be available, regardless of operational factors, to repay holders of the Bank's debt. This commitment is also appraised as it relates to the willingness of non-borrowing member countries to subscribe to periodic capital increases. Such increases are necessary for the Bank to continue to maintain and increase its lending programs. The role of the Bank as a continuous lender, with the power to withhold approval of new loans and to halt disbursments of outstanding loans, provides a strong and compelling incentive for borrowing member countries to make timely payments of principal and interest on their outstanding loans to the Bank.

In recent years, especially with the downturn in the world's economies, maintaining support for the international financial institutions has been increasingly difficult. However, in order for the

Bank to maintain the highest credit ratings and to have full access to the world's capital markets, the perception of continuing member country support must be maintained.

Benefit to the United States from its Support of The World Bank and IDA

Various attempts have been made over the years to measure the effect of MDB operations on capital providing member countries as compared with the cost of their subscriptions and contributions to the MDBs. Estimates of the benefits received have been made in terms of jobs created, tax revenues received or goods and services sold. Despite the difficulty in quantifying such categories, the overall results were quite clear—capital providing member countries benefited greatly from their subscriptions and contributions in economic as well as humanitarian terms.

Table 1 estimates the cumulative benefits, in terms of balance of payments, to the United States as compared with its subscriptions and contributions to the World Bank and its affiliate, the International Development Association. The results show that cumulative payments to the United States of $15.454 billion exceed the cumulative amount received from the United States of $4.182 billion by $11.272 billion. This estimated $11.272 billion favorable balance of payments provides another, and we believe convincing, economic argument in favor of continuing strong United States support for the World Bank and IDA.

TABLE 1

ESTIMATED EFFECTS OF WORLD BANK/IDA OPERATIONS ON U.S. BALANCE OF PAYMENTS

(Cumulative to June 30, 1985 – in millions of U.S. dollars)

Received from the U.S.	*World Bank*	*IDA*	*Total*
U.S. Contributions (1)	$ 962	$7,682	$ 8,644
Investment Income	6,473	214	6,687
Net Proceeds from Borrowings	9,777	–	9,777
Total Receipts	$17,212	$7,896	$25,108
Paid to the U.S.			
Procurement of Goods and Services (2)	$10,310	$1,904	$12,214
Administrative Expenses	2,175	1,706	3,881
Interest on Borrowings	8,462	–	8,462
Portfolio Investments in the U.S.	11,719	104	11,823
Total Payments	$32,666	$3,714	$36,380
Balance			
Received from the U.S.		$4,182	
Paid to the U.S.	$15,454		
Net Positive Balance of Bank/IDA Operations on U.S. Balance of Payments			$11,272

(1) U.S. contributions to the World Bank include only the paid-in portion. The $962 million figure consists of actual amounts of paid-in U.S. dollars. The $1,114.4 million of U.S. paid-in capital set forth in the Summary Financial Statements is derived from the amount expressed in SDRs, using the rate of exchange of the SDR as of June 30, 1985.

(2) Includes procurement specifically originating in the United States and the same proportion of all procurement not identifiable by country of origin.

Source: The World Bank

THE WORLD BANK

Summary Financial Analysis of Fiscal 1985

In many ways, the outstanding financial results of the World Bank in fiscal 1985 confirmed the sound financial policies established by the Bank years ago. These policies on borrowing, lending and investing have been consistently maintained at "state-of-the-art" levels since the Bank's inception, a period of vast economic and political change.

Through the years, the Bank has aggressively broadened the market for its securities. It has pioneered in opening up new markets, in borrowing various currencies and in creating new instruments. Its access to international markets is unparalleled, and in virtually all countries where its securities are held it is the largest non-resident borrower. On average the Bank has a new issue every 2½ business days.

The Bank has a policy of avoiding undue dependence on one particular market and is careful to ensure that the volume of its issues never saturates any market. It was the first to execute a currency swap and is now perhaps the largest non-dealer in the market having completed more than $5 billion (equivalent) in swaps, in over 150 transactions, with more than 40 counter-parties involving 12 currencies.

The Bank had record net income of $1.137 billion for its fiscal year ended June 30, 1985, up 90% from $600 million in fiscal 1984, principally due to the Bank's low cost of total funds (7.44%) and its extraordinarily high rate of return (12.63%) on its liquid investment portfolio.

Cost of total funds is defined as the cost of the Bank's borrowings blended with its cost-free equity funds consisting of usable paid-in capital (actual investable cash paid-in), reserves and unallocated net income. In fiscal 1985, the average interest cost on the Bank's outstanding debt ($50.2 billion at year-end) was 8.67% and cost-free equity funds totaled $8.4 billion at year-end, consisting of $3.2 billion of usable paid-in capital and $5.2 billion of reserves and unallocated net income.

New borrowings during fiscal 1985 were transacted in 14 different currencies and totaled the equivalent of $11.1 billion. Of this amount, $9.4 billion was in medium- and long-term fixed rate issues, $1.0 billion in medium- and long-term variable rate issues and $0.7 billion in short-term issues. The Bank completed currency swaps of $1.4 billion (equivalent) reducing its cost on those borrowings by an impressive 5.38% and the cost of total fiscal 1985 borrowings by 0.66%. These borrowings were made at an average cost of 7.98% (after swaps), the Bank's lowest borrowing cost since fiscal 1979.

As shown in Table 2 under Profitability Measures, the Bank was able to obtain very favorable spreads on its loans, liquidity and earning assets. These favorable spreads produced the record earnings in fiscal 1985 and a return on average equity of 14.90%.

As noted earlier, the profitability of MDBs provides direct benefits to their borrowing member countries by increasing reserves to support increased borrowing and lending at more favorable rates. In 1985 the strong earnings of the World Bank permitted a lowering of the Bank's pool-based variable rate lending charges and the elimination of a 0.25% front-end fee on new loans. In addition, these earnings enabled the Executive Directors to recommend a special contribution of $150 million to the Special Facility for Sub-Saharan Africa and to continue the Bank's policy of allocating a portion of its net income to IDA by recommending a contribution of $150 million. The $837 million of net income retained in reserves after these allocations will, in time, be leveraged and recycled into new lending to developing member countries.

TABLE 2

WORLD BANK AVERAGE COSTS, PROFITABILITY AND RETURNS

(Percentages, Based on Average Balances During Fiscal Year)

	Fiscal Year 1985	Fiscal Year 1984
Fiscal Year Costs		
Average Cost of:		
New Borrowings in fiscal 1985	7.98%	8.42%
Total Debt Outstanding	8.67	8.75
Total Funds (Debt & Equity[1])	7.44	7.48
Fiscal Year Returns		
Average Returns on:		
Loans Disbursed and Outstanding[2]	9.04%	8.98%
Liquid Investments[3]	12.63	9.95
Total Earning Assets	10.10	9.25
Profitability Measures		
Spreads (difference between)		
A. Loans:		
– Return on Loans Outstanding and Cost of Total Debt	0.37%	0.23%
– Return on Loans Outstanding and Cost of Total Funds	1.60	1.50
B. Liquidity:		
– Return on Liquid Investments and Cost of Total Debt	3.96	1.20
– Return on Liquid Investments and Cost of Total Funds	5.19	2.47
C. Earning Assets:		
– Return on Total Earning Assets and Cost of Total Funds	2.66	1.77
Net Income		
Return on Average Equity[1]	14.90%	8.36%
Return on Average Liquid Investments and Loans (Earning Assets)	2.09	1.20
Leverage & Returns on Capital		
Ratio of Outstanding Loans to Equity[4]	4.0:1	4.1:1
Ratio of Outstanding Debt to Equity[4]	4.9:1	4.8:1

[1]Equity defined as usable paid-in capital, reserves and accumulated net income.
[2]Interest on loans, commitment charges, and front-end fees as a percent of average disbursed loans outstanding.
[3]Book return includes realized capital gains (losses). Financial return, including unrealized capital gains (losses), was 16.15 percent for fiscal 1985 and 9.20 percent for fiscal 1984.
[4]Equity defined as total paid-in capital, reserves, and accumulated net income.
Source: The World Bank Annual Report 1985.

Future Role of the World Bank

Thoughout its history, the World Bank has constantly adapted its policies to meet changing world needs. This process is continuing today and in many ways is accelerating as the exigencies of the recent international debt crisis and persistant trade imbalances create difficult economic and monetary conditions.

Beyond the Bank's traditional role of providing long-term, fixed-rate lending for projects, there is the pressing need for new lending instruments, such as structural adjustment lending (with conditionality), which the Bank is attempting to meet. Structural adjustment lending, which was initiated in 1980, had been utilized through year-end 1985 in support of 31 operations in 17 countries totaling more than $4.5 billion for the Bank and IDA combined.

Although the Bank and the IMF have exercised complementary roles in their activities over the years, the present conditions require greater and more effective collaboration if they are to achieve their respective goals. It is clear that much more can be accomplished through greater coordination of lending programs, better timing of disbursements and more effective blending of the conditions attached to each institution's loan commitments. In addition, a proposal is under consideration, advanced by the United States, which would create a new international lending pool to be jointly administered by the Bank and the IMF. This pool (estimated eventually to reach $5 billion), is to be generated from a variety of sources, including the World Bank and IMF, and would be primarily for lending to African countries.

These and other changes in the role of the World Bank demonstrate the necessity for stepped up lending by the Bank. To help meet the near term needs of the more vulnerable member countries and to continue its traditional lending programs, an estimated $45 billion of loans over the three year period 1986–1988 would be required. To fund such a lending program, a meaningful general capital increase will be necessary to augment the funds provided from loan repayments, reinvested net income and borrowings. Although it is always difficult to achieve agreement on the amount and timing of a capital increase, it is essential to consider that the near term cost of such an increase as measured by the amount of paid-in capital required, would be small compared to the cost of failure to deal with present problems. Moreover, such an expanded lending program, if successful, would provide enormous benefits to both capital providers and borrowing member countries. As the alternatives for dealing with the problems confronting the world are examined, we believe that a consensus will evolve that a timely and meaningful general capital increase will be in the best interests of capital providing member countries as well as in the best interests of borrowing countries.

COMPARATIVE ANALYSIS: MULTILATERAL DEVELOPMENT BANKS

Loan Limitations

The charters of the World Bank, African Development Bank, Asian Development Bank, and Inter-American Development Bank each limits the amount of loans and guarantees outstanding to the total amount of subscribed capital, plus the unimpaired reserves and surplus of each Bank. This loan limitation is often referred to as the "one-to-one" gearing ratio. The European Investment Bank limits its loans and guarantees to 250% of its total subscribed capital. It should be noted, however, that the EIB does not include its reserves and surplus in its lending ratio computations.

The following table presents an analysis of the current lending levels of these institutions relative to their subscriptions and unimpaired reserve and surplus base.

In our opinion loan limitations, as statutory restrictions, do not affect the operations of these banks nearly as much as each bank's liquidity policies and borrowing limitations, whether stated or implied. The borrowing policies of these banks generally correlate the amount borrowed with the amount of callable capital subscribed by their member countries, with particular weight given to the amount of callable capital of industrial country members. This correlation imposes a limit on the amount which each Bank can borrow on favorable terms, thus limiting the resources available for lending.

Funded Debt Ratios & Borrowing Limitations

Borrowing limitations were initially adopted in order to provide a stronger basis for the rating of each of these bank's securities. When the MDBs were first created, their securities were evaluated primarily on the basis of the structural support provided by their member governments' "guarantees" as reflected by each country's subscribed callable capital, which could only be used to meet debt service obligations.

OUTSTANDING LOANS AND LOAN RATIOS
(In thousands of U.S. dollars)

	Total Approved Undisbursed and Disbursed Loans Outstanding	*(Disbursed) Total Loans Outstanding*	*Loans Undisbursed Balance*
WB[1]:	$81,583,042	$41,382,078	$40,200,964
% Subscribed Capital & Unimpaired Reserves	128.5%	65.2%	63.3%
WB[2]:	$76,365,488	$37,840,388	$38,525,100
% Subscribed Capital & Unimpaired Reserves	127.2%	63.0%	64.2%
AfDB[3]:	$ 2,400,351	$ 795,271	$ 1,605,080
% Subscribed Capital & Unimpaired Reserves	46.8%	15.5%	31.3%
AsDB[4]:	$ 8,585,904	$ 3,286,683	$ 5,299,221
% Subscribed Capital & Unimpaired Reserves	56.9%	21.8%	35.1%
IDB[5]:	$14,485,987	$ 6,257,909	$ 8,228,078
% Subscribed Capital & Unimpaired Reserves	55.6%	24.0%	31.6%
EIB[6]:	$22,095,989	$19,634,786	$ 2,461,203
% Subscribed Capital & Unimpaired Reserves	190.0%	168.9%	21.2%
% Subscribed Capital only	216.4%	192.3%	24.1%

[1]At 6/30/85 for International Bank for Reconstruction & Development. Undisbursed includes approved but not yet effective loans.
[2]At 6/30/84 for International Bank for Reconstruction & Development. Undisbursed includes approved but not yet effective loans.
[3]At 12/31/84 for ordinary capital resources; year-end conversion rate of 1 UA = U.S. $0.98021. Undisbursed includes approved but unsigned loans.
[4]At 12/31/84 for ordinary capital resources. Undisbursed includes approved but not yet effective loans.
[5]At 12/31/84 for combined ordinary and inter-regional capital resources.
[6]At 12/31/84; Year-end conversion rate 1 European Unit of Account = U.S. $0.708946, Undisbursed includes loan guarantees.

Note: Loan Limitation for EIB based only on "subscribed capital". All other MDB's based upon "subscribed capital plus unimpaired reserves". Unimpaired reserves are net of the Special Reserve.

The undisbursed loan exposure of each of the MDBs can be more adequately assessed when the strong liquidity positions of these institutions are measured relative to this exposure, as the following illustrates:

LIQUIDITY
Temporary Investments % Undisbursed Loans

	Liquid Assets (000)	*Liquid Assets/Undisbursed Loans*[7]
WB[1]	$19,840,582	49.4%
WB[2]	$15,742,894	40.9%
AfDB[3]	$ 1,272,016	79.2%
AsDB[4]	$ 2,572,013	48.5%
IDB[5]	$ 2,701,581	32.8%
EIB[6]	$ 1,518,332	61.7%

[1]At 6/30/85 for International Bank for Reconstruction & Development, WB includes cash & investments less the Special Reserve.
[2]At 6/30/84 for International Bank for Reconstruction & Development. WB includes cash & investments less the Special Reserve.
[3]At 12/31/84 for ordinary capital resources. AfDB includes cash & investments less the Special Reserve of $610.458 million plus undrawn borrowings amounting to $661.558 million.
[4]At 12/31/84 for ordinary capital resources.
[5]At 12/31/84 for combined ordinary & inter-regional capital.
[6]At 12/31/84; Year-end conversion rate of 1 European Unit of Account = U.S. $0.708946.
[7]Undisbursed loans include approved but not yet effective.

OUTSTANDING FUNDED DEBT AND FUNDED DEBT RATIOS

	Net Funded Debt (Expressed in thousands of U.S. dollars)	Net Funded Debt % Callable Capital
WB[1]	$46,791,482	87.1%
WB[2]	$42,209,309	82.7%
AfDB[3]	$ 795,431	21.2%
AsDB[4]	$ 3,868,364	31.3%[7]
IDB[5]	$ 6,112,345	27.4%
EIB[6]	$17,728,636	193.3%

[1] At 6/30/85 for International Bank for Reconstruction & Development.
[2] At 6/30/84 for International Bank for Reconstruction & Development.
[3] At 12/31/84 for ordinary capital resources: year-end conversion rate of 1 UA = U.S. $0.980210.
[4] At 12/31/84 for ordinary capital resources.
[5] At 12/31/84; year-end conversion rate of 1 European Unit of Account = U.S. $0.708946.
[7] Includes all currencies of AsDB's callable capital.

Today, rating agencies and investors not only evaluate the amount and the quality of each bank's callable capital but more importantly, they analyze the quality of the operations of these banks and the strength of their financial records. Nevertheless, a comparison of the ratio of each bank's funded debt to its total callable capital provides an indication of the amount of "leveraging" involved in each of these banks.

With respect to specific borrowing limitations, certain comparisons can also be made:

The Inter-American Development Bank has adopted a policy limiting the amount of its borrowings and guarantees chargeable to its ordinary and inter-regional capital resources (which is scheduled to be merged by the end of 1986) to the subscribed callable capital of its non-borrowing members. This borrowing limitation effectively provides a guarantee of the IDB's "Triple A" industrial members, to the extent of their subscribed callable capital.

The Asian Development Bank has also adopted a policy similar in principle to that of the IDB. The AsDB's borrowing limitation restricts borrowings and guarantees to the amount of the callable capital of its member countries whose currencies are convertible at the time of borrowing.

The African Development Bank has adopted innovative borrowing limitations to ensure access to capital markets on favorable terms and to permit the AfDB's full membership capital to be utilized. It accomplished this by authorizing the issuance of two classes of debt securities—senior and subordinated. All debt of the African Development Bank is deemed senior except debt which by its terms is expressly subordinate in right of payment from the proceeds of a call on callable capital. Both classes of debt rank *pari passu* except in the event of a call on the callable capital, whereupon the holders of the subordinated obligations will be subordinated in right of payment to holders of debt which is not so subordinated.

The AfDB has adopted a borrowing limitation which limits senior debt to 80% of the callable capital of the its non-borrowing member countries. These non-borrowing countries are for the most part the major industrial countries of Europe, the United States, Canada, and Japan. Total debt, both senior and subordinated, is limited to 80% of total callable capital.

Neither the World Bank nor the European Investment Bank have publicly articulated borrowing limitations.

SUMMARY FINANCIAL COMPARISON RATIOS
SELECTED MULTILATERAL DEVELOPMENT BANKS
AND UNITED STATES MONEY CENTER BANK SAMPLE (Charts 1-21)

Latest Rating
Fitch/Moody's/Standard
& Poor's

	UNITED STATES MONEY CENTER BANK SAMPLE* — *Median Ratios*† — Includes: Bankers Trust, Chase Manhattan, Chemical, Citicorp, Continental Illinois, First Chicago, Bank of Boston, Harris Bancorp, Irving Bancorp, Manufacturers Hanover, Mellon Bank, J.P. Morgan, Northern Trust, and Republic N.Y.		AAA/Aaa/AAA THE WORLD BANK — *International Bank for Reconstruction & Development*		
	(1983)	*(1984)*	*(Year Ended 6/30/83)*	*(Year Ended 6/30/84)*	*(Year Ended 6/30/85)*
I EARNINGS & PROFITABILITY RATIOS					
Total Interest or Loan Income					
Five Year Cmpd. Growth Rate	9.92%	4.27%	13.8%	13.6%	12.7%
(Pre-Tax)					
Net Income					
Five Year Cmpd. Growth Rate	9.46%	7.98%	16.6%	0.5%	16.8%
% Gross Earning Assets (MDBs: Total Assets)	0.75%	0.72%	1.4%	1.0%	1.5%
% Total Assets	0.64%	0.62%	1.4%	1.0%	1.5%
% Stockholders' Equity (Paid-In & Reserves Only)[b]	14.25%	14.03%	8.5%	6.5%	11.3%
Total Loans: Five Year Cmpd. Growth Rate (Plus Leases: Comm'l. Banks)	11.39%	9.83%	10.3%	9.1%	12.4%[c]
Gross Earning Assets: Five Year Cmpd. Growth Rate (MDBs: Total Assets)	9.67%	9.11%	11.9%	11.5%	19.9%
Long-Term Debt: Five Year Cmpd. Growth Rate	8.71%	17.20%	9.6%	9.2%	13.9%
Stockholders' Equity: Five Year Cmpd. Growth Rate	12.45%	13.90%	7.6%[b] 8.7%[c]	5.9%[b] 8.6%[c]	9.3%[b] 12.4%[c]
II LIQUIDITY RATIOS					
Temporary Investments % Gross Earning Assets (MDBs: Total Assets)	23.92%	17.98%	24.5%	26.6%	26.5%
Total Loans Outstanding % Gross Earning Assets (MDBs: Total Assets)	70.11%	76.15%	61.3%	62.7%	54.5%
Temporary Investments % Funded Debt (Net)	N.A.	N.A.	35.7%	38.0%	43.0%
Temporary Investments % Undisbursed Loans††	N.A.	N.A.	36.6%**	40.9%**	49.4%**
III CAPITAL RATIOS					
(A) Capital Adequacy Ratios					
Average Equity to Average Loans (MDBs: Year-End)	7.86%	8.02%	26.1%[b] 166.4%[c]	24.5%[b] 159.4%[c]	24.3%[b] 154.1%[c]
Average Equity to Average Assets	4.80%	4.54%	16.0%[b]	15.4%[b]	13.2%[b]
(B) Capital Structure Ratios					
Long-Term Debt to Total Capitalization	30.41%	36.58%	81.1%[b] 40.2%[c]	82.0%[b] 41.2%[c]	82.3%[b] 42.3%[c]
IV ASSET QUALITY: CONSTRAINTS AND RATIOS					
(A) *Constraints:*					
Limit (by Policy) on funded debt as a percentage of Callable Capital[a]	N.A.	N.A.	None	None	None
Limit (by Charter) on loans and guarantees outstanding as a percentage of equity capital	None	None	100%[h]	100%[h]	100%[h]
(B) *Asset Quality Ratios:*					
Net Charge Offs to Stockholders' Equity	4.19%	5.45%[k]	0%	0%	0%
Net Charge Offs to Average Loans	0.38%	0.48%	0%	0%	0%
Earnings Coverages of Loan Losses	4.98x	4.77x	No Losses	No Losses	No Losses
Foreign Loans to Total Loans	N.A.	37.00%	100%	100%	100%
Dividend Payout to Net Income	39.92%	43.57%	26.6%	16.7%	26.4%
Capital Formation Rate	9.04%	8.28%	6.3%	5.4%	8.3%
Pre-Tax Net Oper. Income to Total Interest (Fully Consolidated)	N.A.	N.A.	1.24x	1.16x	1.28x
Lead Bank Fixed Charge Coverage	1.45x	1.20x	1.24x	1.16x	1.28x
United States Subscription % Capital Stock	0%	0%	21.0%	20.5%	20.9%
"Sovereign Guarantee"–Callable Capital of U.S. to Funded Debt (Net)	0%	0%	26.2%	24.6%	23.9%
United States Subscription to Funded Debt (Net)	0%	0%	28.9%	27.1%	26.3%
"Sovereign Guarantees"–Callable Capital of U.S., Canada, European Members# to Funded Debt (Net)	0%	0%	70.2%	67.5%	64.4%
U.S., Canada, European Members# Subscriptions to Funded Debt (Net)	0%	0%	77.3%	74.2%	70.7%
"Sovereign Guarantees"–Callable Capital of U.S., Canada, European Members# Japan, Australia & New Zealand (where applic.) to Funded Debt (Net)	0%	0%	83.0%	78.7%	77.8%
U.S., Canada, European Members#, Japan, Australia and New Zealand (where applic.) Subscriptions to Funded Debt (Net)	0%	0%	91.3%	86.4%	85.4%
"Sovereign Guarantees"–Total Callable Capital to Funded Debt (Net)	0%	0%	125.2%	120.9%	114.8%
Total Subscriptions plus Reserves (Equity) to Funded Debt (Net)	N.A.	N.A.	148.5%	142.9%	136.3%

Footnotes:

N.A. = Not Applicable

[a]The terms "funded debt" and "borrowings" are used interchangeably in this analysis and refer to "funded debt less unamortized debt discount".

[b]For the compound growth rates and respective ratios referred to, Paid-Up & Reserves were used for the AfDB while Paid-In & Reserves were used for the other MDBs.

[c]For the compound growth rates and respective ratios referred to, Subscribed & Reserves were used for all of the MDBs.

[d]The AfDB's policy is to limit the senior borrowings and guarantees to 80% of the callable capital of its non-borrowing members and to limit the total borrowings represented by both senior and subordinated debt to 80% of the total callable capital of all its member countries.

[e]The AsDB's Charter does not limit borrowings. However, it is the stated policy of the Bank to limit borrowings to 100% of the callable capital of its members whose currencies are convertible at time of borrowing.

†Median Ratios for the United States Money Center Sample presented as reported and as adjusted. Northern Trust and Harris Bancorp were not included in the 1983 Money Center Bank Sample.

††Undisbursed loans include unsigned loans or approved loans but not yet effective.

*Assets of the Special Reserve have been added to Temporary Investment.

**Assets of the Special Reserve have been netted out of Temporary Investments.

AAA/Aaa/AA AFRICAN DEVELOPMENT BANK		AAA/Aaa/AAA ASIAN DEVELOPMENT BANK		AAA/Aaa/AAA INTER-AMERICAN DEVELOPMENT BANK		–/Aaa/AAA EUROPEAN INVESTMENT BANK	
Ordinary Capital Resources		*Ordinary Capital Resources*		*Total Ordinary and Inter-Regional Capital*		*Ordinary Operations*	
(Year Ended 12/31/83)	*(Year Ended 12/31/84)*	*(Year Ended 12/31/83)*	*(Year Ended 12/31/84)*	*(Year Ended 12/31/83)*	*(Year Ended 12!31/84)*	*(Year Ended 12/31/83)*	*(Year Ended 12/31/84)*
18.9% 26.0%**	16.7% 24.6%**	14.9%	15.0%	14.1%	15.8%	16.1% 33.3%**	11.8% 30.3%**
14.9% 21.7%**	26.5% 35.1%**	15.8%	8.1%	6.5%	6.1%	12.3% 29.0%**	3.1% 20.1%**
1.0%	1.5%	2.9%	3.0%	2.4%	2.4%	1.4%	1.3%
1.0%	1.5%	2.9%	3.0%	2.4%	2.4%	1.4%	1.3%
1.1%	2.3%	6.7%	7.1%	5.8%	6.1%	11.3%	11.1%
14.8% 21.6%**	12.1% 19.7%**	14.7%	11.9%	13.5%	15.7%	10.1% 26.4%**	7.1% 24.8%**
7.1% 13.5%**	18.1% 26.2%**	12.9%	13.2%	15.0%	15.7%	9.1% 25.2%**	6.2% 23.8%**
Neg. 1.2%**	17.8% 25.8%**	17.8%	19.9%	15.5%	19.2%	8.7% 24.8%**	6.3% 23.9%**
30.5%[b] 38.2%[b]**	27.9%[b] 36.6%[b]**	5.4%[b]	6.1%[b]	13.9%[b]	11.2%[b]	4.3%[b] 19.7%[b]**	2.7%[b] 19.8%[b]**
33.8%[c] 41.8%[c]**	31.2%[c] 40.1%[c]**	7.9%[c]	12.9%[c]	16.8%[c]	13.1%[c]	4.7%[c] 20.2%[c]**	3.1%[c] 20.2%[c]**
14.3%	30.7%	38.2%*	40.5%*	31.6%*	29.4%*	9.2%	6.6%
48.2%	37.7%	50.7%	48.5%	57.4%	59.7%	82.2%	85.3%
51.0%	81.2%	68.4%*	74.3%*	56.1%*	50.4%*	12.1%	8.6%
68.3%**[j]	79.2%**[j]	46.5%	48.5%	36.6%	32.8%	81.3%	61.7%
199.2%[b]	177.6%[b]	85.8%[b]	88.4%[b]	71.9%[b]	66.3%[b]	15.5%[b]	14.2%[b]
740.9%[c]	649.7%[c]	403.0%[c]	463.9%[c]	440.4%[c]	422.8%[c]	72.8%[c]	60.9%[c]
95.9%[b]	67.0%[b]	43.5%[b]	42.9%[b]	41.3%[b]	39.6%[b]	12.7%[b]	12.1%[b]
22.6%[b]	36.0%[b]	56.2%[b]	57.1%[b]	57.8%[b]	59.6%[b]	85.6%[b]	86.4%[b]
7.3%[c]	13.3%[c]	21.4%[c]	20.2%[c]	18.3%[c]	18.8%[c]	55.8%[c]	59.7%[c]
80%[d]	80%[d]	100%[e]	100%[e]	100%[f]	100%[f]	None	None
100%[g]	100%[g]	100%[h]	100%[h]	100%[h]	100%[h]	250%[i]	250%[i]
0%	0%	0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%	0%	0%
No Losses	No Losses	No Losses	No Losses	No Losses	No Losses	No Losses	No Losses
100%	100%	100%	100%	100%	100%	100%	100%
0%	0%	0%	0%	0%	0%	0%	0%
1.1%	2.3%	6.7%	7.1%	5.8%	6.1%	11.3%	11.1%
1.38x	1.72x	1.68x	1.65x	1.53x	1.50x	1.20x	1.18x
1.38x	1.72x	1.68x	1.65x	1.53x	1.50x	1.20x	1.18x
5.9%	5.8%	21.9%	13.9%	35.1%	34.6%	0%	0%
55.1%	27.6%	64.9%	53.7%	131.7%	126.5%	0%	0%
73.5%	36.7%	73.8%	61.0%	145.6%	139.0%	0%	0%
248.7%	126.8%	122.3%	118.0%	169.3%	162.7%	60.8%	50.5%
331.6%	169.0%	141.2%	134.6%	187.4%	178.9%	67.7%	56.2%
294.1%	149.5%	186.2%	200.6%	173.6%	166.7%	60.8%	50.5%
392.1%	199.3%	216.9%	228.4%	192.1%	183.3%	67.7%	56.2%
933.2%	472.0%	288.3%	319.0%	374.4%	365.0%	62.3%	51.7%
1,276.3%	649.6%	366.2%	394.1%	447.5%	432.9%	79.1%	67.4%

[f] The IDB's Charter does not limit borrowings. However, it is the policy of the Bank to limit borrowings and guarantees, less the Special Reserve, to the subscribed callable capital of the non-borrowing members of the Bank, which include Canada, the United States and the non-regional members.

[g] Loan limitation based upon subscribed capital plus the unimpaired reserves and surplus in the AfDB's Ordinary Capital Resources.

[h] Loan limitation based upon subscribed capital plus unimpaired reserves. "Outstanding loans" for the AsDB and AfDB, for the purpose of applying the loan limitation, include both loan commitments and loans outstanding. World Bank includes only "effective loans less undisbursed". IDB includes disbursed and outstanding.

[i] Loan limitation based upon subscribed capital (paid-in and callable) only. "Outstanding loans" for EIB, for the purpose of applying the loan limitation, include both disbursed and undisbursed loans.

[j] Liquidity for African Development Bank includes undrawn lines of credit and/or undrawn borrowing facilities equal to $661.6 million in 1984 and $787.7 million in 1983.

[k] Money Center Sample for this ratio does not include Irving Bancorp and Republic New York in 1984.

*United States Money Center Sample data supplied by "Cates Bancompare I", produced by Cates Consulting Analysts, Inc., of New York, N.Y.

**Five year compound growth rate in U.A.s and E.C.U.s for AfDB and EIB respectively.

#Selected Members include: Austria, Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, and United Kingdom.

PART I
THE WORLD BANK
ANALYSIS

Kidder, Peabody & Co.
Incorporated

PART I

THE WORLD BANK ANALYSIS

TABLE OF CONTENTS

THE WORLD BANK

The World Bank, headquartered in Washington, D.C., is the pre-eminent financial institution providing development aid and technical expertise for the world's poorer nations and is one of the strongest credits in the international capital markets. The Bank's genesis was the United National Monetary and Financial Conference held in Bretton Woods, New Hampshire in July 1944. The representatives to the Bretton Woods conference developed the outlines of the post-war international economic system and created two complementary financial institutions -- the International Monetary Fund ("IMF") and the International Bank of Reconstruction and Development (the "World Bank" or "Bank")

The IMF was designed to promote international currency stability by helping alleviate temporary balance of payments deficits. It also had the purpose of assisting in the elimination of exchange restrictions and the observance of accepted rules of international financial conduct. The Bank was designed to help with the reconstruction of its member countries after the termination of World War II and to assist in long-term development through facilitating the flow and investment of capital.

On December 27, 1945 the Articles of Agreement (the "Agreement") was formally accepted by a majority of the Bretton Woods participants, and six months later the Bank opened for business. Eventually all 45 participants at Bretton Woods, except for the Soviet Union, joined the Bank, although Cuba, Czechoslovakia and Poland subsequently withdrew from membership. Currently the Bank has 148 member countries ranging in size from St. Christopher and Nevis with a population of only 46,000 people to the Peoples Republic of China with a population numbering more than 1 billion people. The United States is the largest shareholder with approximately 20% of the voting power. Only members of the IMF can be considered for membership in the Bank. Each member's subscription to the capital stock of the Bank is related to its quota in the IMF, which is designed to reflect the country's relative economic strength.

Since the Bank's establishment two affiliated organizations have been created—International Finance Corporation ("IFC") in 1956 and International Development Association ("IDA") in 1960. IFC promotes economic progress in developing countries by mobilizing domestic and foreign capital to stimulate the growth in the private sector in developing members. IFC is legally and financially separate from the Bank and relies principally on its own staff to conduct its operations. IDA provides assistance at concessionary rates to the poorest developing countries. (IDA and the International Bank for Reconstruction and Development are often referred to together as the World Bank, although for the purposes of this report, in keeping with usage in international markets, the term "World Bank" or "Bank" means only the International Bank for Reconstruction and Development.) Funds from IDA, which had total assets of $32.817 billion at June 30, 1985, are used to finance concessionary or "soft" lending to those members with the lowest per capita gross national products and more limited debt repayment capacities. These concessionary resources are primarily obtained from subscriptions and direct contributions from member countries and do not include any borrowed funds. The Bank's capital resources are totally separate, legally and operationally, from IDA with separate financial statements and distinct policies and purposes. Thus, the "soft" lending operations of IDA do not in any way infringe upon or otherwise affect the credit behind the Bank's borrowings.

At June 30, 1985 the Bank's subscribed capital was $58.846 million and its total assets were $75.988 billion, making it the largest of the multilateral development banks. Measured in terms of assets the Bank is comparable in size to the major international commercial banks and in terms of paid-in capital and reserves, which totaled $10.061 billion ($8.369 billion "usable" paid-in capital and reserves) at June 30, 1985, the Bank was larger than any commercial bank. Because of its financial strengths and the strong backing of its members, the Bank has also become one of the premier credits in the world's capital markets.

In performing its role in world development, the Bank has established its preminence by acting as a financial intermediary in channeling market-based funds at advantageous rates to developing member countries, primarily for specific projects. Since its inception the Bank's total cumulative loan approvals was $112 billion for more than 2,500 operations in over 135 countries. In 1985 alone the Bank approved loans totaling $11.358 billion in connection with 131 operations in 44 countries.

Funds from the Bank typically cover only about a third of the cost of these projects, although the percentage for any particular project may be much higher. The Bank's loans have covered a wide range of development activities—they have helped to develop agriculture, build roads, railways, and ports, improve health, education and industry, build power plants, extend communication facilities, improve water supply and sewerage facilities and address a wide variety of other tasks. Because of the severe economic problems facing many developing countries, in recent years the Bank has begun making loans for structural and sectoral adjustment purposes.

The success of the Bank depends in large measure on its highly qualified staff, the expertise it has developed over the years and the relationship it has established with its borrowers. Its ability to raise funds in a variety of markets on the most favorable terms is also a function of its financial strength, its operational efficiency and the strong and continuous backing of its member countries. This report describes the characteristics of the Bank that make it a premier credit and analyzes the factors that should contribute to its continuing financial and operational strength.

Unless otherwise noted, all descriptive, statistical and analytical data in this report refer to the operations of the Bank only, and not to IDA or IFC.

MEMBERSHIP

The Bank is owned by its 148 member countries, each of which has signed the Articles of Agreement (the "Agreement"), which serves as the charter of the Bank.

The Agreement, among other things, establishes and defines the purposes, structure and organization of the Bank. The strong, continuous support of its member countries, under widely varying political and economic conditions, has been vital to the Bank's worldwide development efforts. Both borrowing and non-borrowing members derive substantial benefits from membershp in the Bank. The borrowing countries obviously benefit by gaining access to loans and technical assistance on terms and conditions that would not otherwise be available. The non-borrowing members benefit directly by gaining access to markets for those goods and services funded by the Bank's lending operations and benefit indirectly from the economic development and social progress stimulated by that lending. Trade between non-borrowing and borrowing countries is increased as economic growth occurs in borrowing countries. (See Table 1, page viii.)

The United States is the largest single shareholder in the bank; it alone accounts for 20.90% of the Special Drawing Right ("SDR") 58.948 billion ($58.846 billion) subscribed capital of the Bank. The next largest shareholders are Japan (6.93%), the United Kingdom (6.00%), the Federal Republic of Germany (5.83%) and France (5.81%). The 16 members of the Bank who are also members of the Development Assistance Committee ("DAC") of the Organization for Economic Co-operation and Development ("OECD")* account for 64.24% of the subscribed capital of the Bank.

The voting power of each member is related to

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*Members of the Bank who are members of the DAC of the OECD are: the United States, Japan, the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, the Netherlands, Belgium, Australia, Sweden, Austria, Denmark, Finland, New Zealand and Norway.

its capital subscription. At June 30, 1985 the aggregate voting power of the members of the DAC of the OECD was 61.17% of the total voting power; the voting power of the United States was 19.70% of the total. The percentage voting power of any one country varies slightly as new subscriptions are received. As amendments to the Agreement require the consent of 60% of the members having 80% of the voting power, as recently as December 31, 1984 the U.S. voting power alone was sufficient to block any amendments to the Agreement. A list of the members of the Bank at June 30, 1985, showing each member's subscription of capital stock and voting power, is set forth in Table 1, which also includes the breakdown of subscribed capital between paid-in capital and callable capital. The authorized capital stock of the Bank at June 30, 1985 was SDR 78.650 billion (786,500 shares).

Subscribed Capital

Each share of subscribed capital consists of a paid-in capital portion and callable capital portion. At June 30, 1985 the total subscribed capital of the Bank was SDR 58.948 billion ($58.846 billion), of which SDR 5.152 billion ($5.143 billion) (8.74%) was paid-in and SDR 53.796 billion ($53.703 billion) (91.26%) was callable.

Paid-in Capital

Paid-in capital subscriptions become effective when paid. They are divided into two parts. The first part, consisting of $0.625 billion, which was initially paid in gold or U.S. dollars or converted by subscribing members into U.S. dollars, may be freely used by the Bank in any of its operations. The second, consisting of $4.518 billion which was paid in the currencies of subscribing members, may be lent only with the consent of the member whose currency is involved. At June 30, 1985 $2.527 billion had been used with such consent for lending purposes or allocated for such use. For purposes of selected ratios, the term "usable" capital has been employed; it consists of the $0.625 billion initially paid in gold or U.S. dollars or converted by subscribing members into U.S. dollars and the $2.527 billion which has been used with members' consent for lending purposes.

Callable Capital

Of the $53.703 billion callable portion of subscribed capital, $47.077 billion is subject to call only as and when required to meet the obligations of the Bank for funds borrowed or loans guaranteed by it, and accordingly may not be used to make loans. In the event of a call, payment must be made by each member concerned, at its option, either in gold, in U.S. dollars or in the currency required to discharge the obligation of the Bank for the purpose for which the call was made.

The remainder of the callable capital, $6.626 billion, may also be called only when required to meet obligations of the Bank for funds borrowed or loans guaranteed by it, pursuant to resolutions of the Bank's Board of Governors. Of this amount, 10% would be payable in gold or U.S. dollars and 90% in the currencies of subscribing members. Although these resolutions are not binding on future Boards of Governors, they do record an understanding among members that this amount will not be called for use by the Bank in its lending activities or for administrative purposes.

Calls on the callable portion of subscribed capital are required to be uniform in percentage on all shares of capital, but obligations of the members of the Bank to make payment upon such calls are independent of each other. The failure of one or more members to make payment on any such call would not excuse any other member from its obligation to make payment. Further calls can be made on nondefaulting members if the amount received on a call is insufficient to meet the obligations of the Bank for which the call was made. The Bank has the right and is bound to make further successive calls

TABLE 1

THE WORLD BANK

STATEMENT OF SUBSCRIPTIONS TO CAPITAL STOCK AND VOTING POWER

June 30, 1985 and June 30, 1984

Expressed in thousands of units of currency—Footnotes omitted

	June 30, 1985								
	Subscriptions			Amounts Paid In		Amounts Subject to Call		Voting Power	
Members	Shares	Percentage of Total	Expressed in Special Drawing Rights (SDR)	Expressed in Special Drawing Rights (SDR)	Expressed in Current U.S. Dollars	Expressed in Special Drawing Rights (SDR)	Expressed in Current U.S. Dollars	Number of Votes	Percentage of Total
Afghanistan	300	0.05	30,000	3,000	$ 2,995	27,000	$ 26,954	550	0.09
Algeria	4,755	0.81	475,500	39,605	39,537	435,895	435,146	5,005	0.80
Antigua and Barbuda	20	*	2,000	200	200	1,800	1,797	270	0.04
Argentina	5,831	0.99	583,100	53,610	53,518	529,490	528,580	6,081	0.97
Australia	12,737	2.16	1,273,700	109,777	109,589	1,163,923	1,161,922	12,987	2.07
Austria	5,469	0.93	546,900	45,882	45,804	501,018	500,156	5,719	0.91
Bahamas	171	0.03	17,100	1,710	1,707	15,390	15,364	421	0.07
Bahrain	566	0.10	56,600	2,777	2,773	53,823	53,730	816	0.13
Bangladesh	1,242	0.21	124,200	12,420	12,399	111,780	111,588	1,492	0.24
Barbados	519	0.09	51,900	2,365	2,361	49,535	49,450	769	0.12
Belgium	14,321	2.43	1,432,100	123,703	123,490	1,308,397	1,306,148	14,571	2.33
Belize	39	0.01	3,900	390	389	3,510	3,504	289	0.05
Benin	100	0.02	10,000	1,000	998	9,000	8,985	350	0.06
Bhutan	9	*	900	90	90	810	809	259	0.04
Bolivia	264	0.04	26,400	2,640	2,635	23,760	23,719	514	0.08
Botswana	331	0.06	33,100	715	714	32,385	32,329	581	0.09
Brazil	10,794	1.83	1,079,400	92,582	92,423	986,818	985,121	11,044	1.76
Burkina Faso	100	0.02	10,000	1,000	998	9,000	8,985	350	0.06
Burma	591	0.10	59,100	5,910	5,900	53,190	53,099	841	0.13
Burundi	150	0.03	15,000	1,500	1,497	13,500	13,477	400	0.06
Cameroon	200	0.03	20,000	2,000	1,997	18,000	17,969	450	0.07
Canada	21,782	3.70	2,178,200	189,295	188,970	1,988,905	1,985,486	22,032	3.52
Cape Verde	16	*	1,600	160	160	1,440	1,437	266	0.04
Central African Republic	100	0.02	10,000	1,000	998	9,000	8,985	350	0.06
Chad	100	0.02	10,000	1,000	998	9,000	8,985	350	0.06
Chile	1,240	0.21	124,000	12,400	12,379	111,600	111,408	1,490	0.24
China	23,482	3.98	2,348,200	204,240	203,889	2,143,960	2,140,275	23,732	3.79
Colombia	1,175	0.20	117,500	11,750	11,730	105,750	105,568	1,425	0.23
Comoros	16	*	1,600	160	160	1,440	1,437	266	0.04
Congo, People's Republic of the	100	0.02	10,000	1,000	998	9,000	8,985	350	0.06
Costa Rica	131	0.02	13,100	1,310	1,308	11,790	11,770	381	0.06
Cyprus	788	0.13	78,800	4,730	4,722	74,070	73,943	1,038	0.17
Denmark	5,136	0.87	513,600	42,955	42,881	470,645	469,836	5,386	0.86
Djibouti	31	0.01	3,100	310	309	2,790	2,785	281	0.04
Dominica	16	*	1,600	160	160	1,440	1,437	266	0.04
Dominican Republic	589	0.10	58,900	2,980	2,975	55,920	55,824	839	0.13
Ecuador	368	0.06	36,800	3,680	3,674	33,120	33,063	618	0.10
Egypt, Arab Republic of	3,444	0.58	344,400	28,080	28,032	316,320	315,776	3,694	0.59
El Salvador	141	0.02	14,100	1,410	1,408	12,690	12,668	391	0.06
Equatorial Guinea	64	0.01	6,400	640	639	5,760	5,750	314	0.05

Source: The World Bank Annual Report 1985.

STATEMENT OF SUBSCRIPTIONS TO CAPITAL STOCK AND VOTING POWER

June 30, 1985 and June 30, 1984

Expressed in thousands of units of currency—Footnotes omitted

	June 30, 1985								
	Subscriptions			Amounts Paid In (Note A)		Amounts Subject to Call (Note A)		Voting Power	
Members	*Shares*	*Percentage of Total*	*Expressed in Special Drawing Rights (SDR)*	*Expressed in Special Drawing Rights (SDR)*	*Expressed in Current U.S. Dollars*	*Expressed in Special Drawing Rights (SDR)*	*Expressed in Current U.S. Dollars*	*Number of Votes*	*Percentage of Total*
Ethiopia	533	0.09	53,300	2,488	$ 2,483	50,812	$ 50,725	783	0.12
Fiji	481	0.08	48,100	2,100	2,096	46,000	45,921	731	0.12
Finland	3,726	0.63	372,600	31,420	31,366	341,180	340,593	3,976	0.63
France	34,260	5.81	3,426,000	298,993	298,479	3,127,007	3,121,632	34,510	5.51
Gabon	120	0.02	12,000	1,200	1,198	10,800	10,781	370	0.06
Gambia, The	53	0.01	5,300	530	529	4,770	4,762	303	0.05
Germany, Federal Republic of	34,347	5.83	3,434,700	299,757	299,242	3,134,943	3,129,554	34,597	5.52
Ghana	856	0.15	85,600	8,560	8,545	77,040	76,908	1,106	0.18
Greece	945	0.16	94,500	9,450	9,434	85,050	84,904	1,195	0.19
Grenada	17	*	1,700	170	170	1,530	1,527	267	0.04
Guatemala	167	0.03	16,700	1,670	1,667	15,030	15,004	417	0.07
Guinea	713	0.12	71,300	4,070	4,063	67,230	67,114	963	0.15
Guinea-Bissau	27	*	2,700	270	270	2,430	2,426	277	0.04
Guyana	579	0.10	57,900	2,895	2,890	55,005	54,910	829	0.13
Haiti	589	0.10	58,900	2,977	2,972	55,923	55,826	839	0.13
Honduras	110	0.02	11,000	1,097	1,096	9,903	9,885	360	0.06
Hungary	4,203	0.71	420,300	34,753	34,693	385,547	384,885	4,453	0.71
Iceland	680	0.12	68,000	3,780	3,774	64,220	64,110	930	0.15
India	23,002	3.90	2,300,200	198,972	198,630	2,101,228	2,097,615	23,252	3.71
Indonesia	7,777	1.32	777,700	66,173	66,059	711,527	710,304	8,027	1.28
Iran, Islamic Republic of	1,580	0.27	158,000	15,800	15,773	142,200	141,956	1,830	0.29
Iraq	956	0.16	95,600	9,560	9,544	86,040	85,892	1,206	0.19
Ireland	2,701	0.46	270,100	21,548	21,510	248,552	248,125	2,951	0.47
Israel	1,108	0.19	110,800	11,080	11,061	99,720	99,549	1,358	0.22
Italy	19,842	3.37	1,984,200	172,240	171,944	1,811,960	1,808,845	20,092	3.21
Ivory Coast	834	0.14	83,400	5,840	5,830	77,560	77,427	1,084	0.17
Jamaica	446	0.08	44,600	4,460	4,452	40,140	40,071	696	0.11
Japan	40,830	6.93	4,083,000	356,478	355,865	3,726,522	3,720,117	41,080	6.56
Jordan	233	0.04	23,300	2,330	2,326	20,970	20,934	483	0.08
Kampuchea, Democratic	214	0.04	21,400	2,140	2,136	19,260	19,227	464	0.07
Kenya	1,315	0.22	131,500	9,363	9,346	122,137	121,928	1,565	0.25
Korea, Republic of	3,163	0.54	316,300	25,600	25,556	290,700	290,200	3,413	0.54
Kuwait	6,451	1.09	645,100	54,515	54,421	590,585	589,570	6,701	1.07
Lao People's Dem. Republic	100	0.02	10,000	1,000	998	9,000	8,985	350	0.06
Lebanon	90	0.02	9,000	900	898	8,100	8,086	340	0.05
Lesotho	362	0.06	36,200	985	983	35,215	35,154	612	0.10
Liberia	213	0.04	21,300	2,130	2,126	19,170	19,137	463	0.07
Libya	1,951	0.33	195,100	19,510	19,476	175,590	175,288	2,201	0.35
Luxembourg	825	0.14	82,500	5,055	5,046	77,445	77,312	1,075	0.17
Madagascar	219	0.04	21,900	2,190	2,186	19,710	19,676	469	0.07

TABLE 1 (continued)

THE WORLD BANK

STATEMENT OF SUBSCRIPTIONS TO CAPITAL STOCK AND VOTING POWER

June 30, 1985 and June 30, 1984

Expressed in thousands of units of currency–Footnotes omitted

	June 30, 1985								
	Subscriptions			Amounts Paid In		Amounts Subject to Call		Voting Power	
Members	Shares	Percentage of Total	Expressed in Special Drawing Rights (SDR)	Expressed in Special Drawing Rights (SDR)	Expressed in Current U.S. Dollars	Expressed in Special Drawing Rights (SDR)	Expressed in Current U.S. Dollars	Number of Votes	Percentage of Total
Malawi	150	0.03	15,000	1,500	$ 1,497	13,500	$ 13,477	400	0.06
Malaysia	4,250	0.72	425,000	35,165	35,105	389,835	389,165	4,500	0.72
Maldives	262	0.04	26,200	105	105	26,095	26,050	512	0.08
Mali	173	0.03	17,300	1,730	1,727	15,570	15,543	423	0.07
Malta	163	0.03	16,300	1,630	1,627	14,670	14,645	413	0.07
Mauritania	100	0.02	10,000	1,000	998	9,000	8,985	350	0.06
Mauritius	678	0.12	67,800	3,763	3,756	64,037	63,927	928	0.15
Mexico	6,360	1.08	636,000	53,715	53,623	582,285	581,284	6,610	1.06
Morocco	2,612	0.44	261,200	20,765	20,729	240,435	240,022	2,862	0.46
Mozambique	272	0.05	27,200	2,720	2,715	24,480	24,438	522	0.08
Nepal	533	0.09	53,300	2,488	2,483	50,812	50,725	783	0.12
Netherlands	15,117	2.56	1,511,700	130,700	130,475	1,381,000	1,378,626	15,367	2.45
New Zealand	3,313	0.56	331,300	27,690	27,642	303,610	303,088	3,563	0.57
Nicaragua	91	0.02	9,100	910	908	8,190	8,176	341	0.05
Niger	100	0.02	10,000	1,000	998	9,000	8,985	350	0.06
Nigeria	2,941	0.50	294,100	29,410	29,359	264,690	264,235	3,191	0.51
Norway	2,410	0.41	241,000	24,100	24,059	216,900	216,527	2,660	0.42
Oman	192	0.03	19,200	1,920	1,917	17,280	17,250	442	0.07
Pakistan	2,519	0.43	251,900	25,190	25,147	226,710	226,320	2,769	0.44
Panama	216	0.04	21,600	2,160	2,156	19,440	19,407	466	0.07
Papua New Guinea	246	0.04	24,600	2,460	2,456	22,140	22,102	496	0.08
Paraguay	386	0.07	38,600	1,195	1,193	37,405	37,341	636	0.10
Peru	938	0.16	93,800	9,380	9,364	94,420	84,275	1,188	0.19
Philippines	3,598	0.61	359,800	29,398	29,347	330,402	329,835	3,848	0.61
Portugal	1,324	0.22	132,400	13,240	13,217	119,160	118,955	1,574	0.25
Qatar	1,096	0.19	109,600	7,431	7,418	102,169	101,993	1,346	0.21
Romania	2,001	0.34	200,100	20,010	19,976	180,090	179,780	2,251	0.36
Rwanda	174	0.03	17,400	1,740	1,737	15,660	15,633	424	0.07
St. Christopher and Nevis	25	*	2,500	250	250	2,250	2,246	275	0.04
St. Lucia	29	*	2,900	290	290	2,610	2,605	279	0.04
St. Vincent	13	*	1,300	130	130	1,170	1,168	263	0.04
São Tomé and Principe	14	*	1,400	140	140	1,260	1,258	264	0.04
Saudi Arabia	11,212	2.90	1,121,200	96,370	96,204	1,024,830	1,023,068	11,462	1.83
Senegal	362	0.06	36,200	3,620	3,614	32,580	32,524	612	0.10
Seychelles	11	*	1,100	110	110	990	988	261	0.04
Sierra Leone	150	0.03	15,000	1,500	1,497	13,500	13,477	400	0.06
Singapore	320	0.05	32,000	3,200	3,195	28,800	28,750	570	0.09
Solomon Islands	283	0.05	28,300	290	290	28,010	27,962	533	0.09
Somalia	189	0.03	18,900	1,890	1,887	17,010	16,981	439	0.07
South Africa	5,713	0.97	571,300	49,630	49,545	521,670	520,773	5,963	0.95

STATEMENT OF SUBSCRIPTIONS TO CAPITAL STOCK AND VOTING POWER

June 30, 1985 and June 30, 1984

Expressed in thousands of units of currency—Footnotes omitted

	June 30, 1985								
	Subscriptions			Amounts Paid In		Amounts Subject to Call		Voting Power	
Members	*Shares*	*Percentage of Total*	*Expressed in Special Drawing Rights (SDR)*	*Expressed in Special Drawing Rights (SDR)*	*Expressed in Current U.S. Dollars*	*Expressed in Special Drawing Rights (SDR)*	*Expressed in Current U.S. Dollars*	*Number of Votes*	*Percentage of Total*
Spain	9,135	1.55	913,500	78,015	$ 77,881	835,485	$ 834,049	9,385	1.50
Sri Lanka	2,110	0.36	211,000	16,353	16,324	194,647	194,313	2,360	0.38
Sudan	600	0.10	60,000	6,000	5,990	54,000	53,907	850	0.14
Suriname	162	0.03	16,200	1,620	1,617	14,580	14,555	412	0.07
Swaziland	440	0.07	44,000	1,670	1,667	42,330	42,257	690	0.11
Sweden	7,367	1.25	736,700	62,568	62,460	674,132	672,974	7,617	1.22
Syrian Arab Republic	1,233	0.21	123,300	8,642	8,628	114,658	114,460	1,483	0.24
Tanzania	350	0.06	35,000	3,500	3,494	31,500	31,446	600	0.10
Thailand	3,111	0.53	311,100	25,152	25,109	285,948	285,456	3,361	0.54
Togo	150	0.03	15,000	1,500	1,497	13,500	13,477	400	0.06
Trinidad and Tobago	667	0.11	66,700	6,670	6,659	60,030	59,927	917	0.15
Tunisia	373	0.06	37,300	3,730	3,724	33,570	33,512	623	0.10
Turkey	3,408	0.58	340,800	27,762	27,715	313,038	312,499	3,658	0.58
Uganda	333	0.06	33,300	3,330	3,324	29,970	29,918	583	0.09
United Arab Emirates	980	0.17	98,000	9,800	9,783	88,200	88,048	1,230	0.20
United Kingdom	35,376	6.00	3,537,600	328,445	327,880	3,209,155	3,203,638	35,626	5.69
United States	123,177	20.90	12,317,700	1,116,290	1,114,371	11,201,410	11,182,155	123,427	19.70
Uruguay	518	0.09	51,800	5,180	5,171	46,620	46,540	768	0.12
Vanuatu	323	0.05	32,300	643	641	31,657	31,603	573	0.09
Venezuela	7,560	1.28	756,000	64,265	64,155	691,735	690,546	7,810	1.25
Viet Nam	543	0.09	54,300	5,430	5,421	48,870	48,786	793	0.13
Western Samoa	267	0.05	26,700	170	170	26,530	26,484	517	0.08
Yemen Arab Republic	455	0.08	45,500	1,802	1,799	43,698	43,622	705	0.11
Yemen, People's Dem. Rep. of	336	0.06	33,600	3,360	3,354	30,240	30,188	586	0.09
Yugoslavia	1,509	0.26	150,900	15,090	15,064	135,810	135,577	1,759	0.28
Zaire	2,643	0.45	264,300	21,037	21,001	243,263	242,844	2,893	0.46
Zambia	1,151	0.20	115,100	11,510	11,490	103,590	103,412	1,401	0.22
Zimbabwe	817	0.14	81,700	8,170	8,156	73,530	73,404	1,067	0.17
Total—June 30, 1985	589,476	100.00	58,947,600	5,151,824	$5,142,968	53,795,776	$53,703,301	626,476	100.00
Total—June 30, 1984	543,154		54,315,400	4,818,052	4,968,424	49,497,348	51,042,160	579,654	

*Less than 0.005 percent.

until the amounts received are sufficient to meet such obligations. No member, however, could be required on any such call to pay more than the unpaid balance of its capital subscription.

No calls on capital have ever been made. With the Bank's successful lending operations, strong earnings, substantial reserves and conservative liquidity policy, no call is considered likely. Nevertheless, callable capital, acting in effect as a guarantee of each member country to the extent of its callable capital subscription, provides a bedrock of security for the Bank's debt holders. At June 30, 1985 total outstanding borrowings of $50.242 billion constituted 145.6% of the callable capital of the members of the DAC of the OECD and 93.6% of the callable capital of all members.

A substantial portion of the debt of the Bank is held by the central banks of its members. In 1985, for example, the Bank placed $1.863 billion in the category of medium- and long-term borrowings (17% of total funds borrowed) with official sources and another $1.250 billion in short-term borrowings through its Central Bank Facility (an increase of $501 million over the amount outstanding at fiscal year-end 1984). This additional source of funding from members of the Bank provides an added measure of protection for non-member debt holders.

MANAGEMENT

In accordance with the Agreement, all of the powers of the Bank are vested in the Board of Governors, consisting of one Governor and one Alternate Governor appointed by each member. Each Governor, or Alternate in the absence of a Governor, exercises the voting power of the member represented. Each member is entitled to 250 votes plus one vote for each share held. The Board of Governors meets officially once a year at its Annual Meeting. The Board of Governors might meet, however, at such other times as it may deem appropriate or when a meeting is called by the Executive Directors. The individual appointed by each country as Governor is usually a high ranking official of the member's government, generally the Minister of Finance or the equivalent. The Governor appointed by the United States is the Secretary of the Treasury.

A simple majority of the total votes cast is needed to effect a decision by the Board of Governors, except for certain decisions including amendments to the Agreement, the admittance of new members or the establishment of levels for additional capital subscriptions. The Agreement may be amended (except for certain provisions the amendment of which requires acceptance by all members) by consent of 60% of the members having 80% of the total voting power.

In accordance with the Agreement, the Board of Governors has delegated to the Executive Directors the authority to exercise all the powers of the Bank, except those expressly reserved to the Board of Governors under the Agreement. Five of the Executive Directors are appointed, one by each of the five members having the largest number of shares of capital stock at the time of such appointment (the United States, Japan, the United Kingdom, the Federal Republic of Germany and France) and sixteen are elected by the Governors representing the other members. Each Executive Director serves full-time for a term of two years and may be re-elected.

The Executive Directors function as a board and are in continuous session at the Bank's headquarters. They meet as often as the business of the Bank requires, usually at least once per week. Decisions are made by the Executive Directors by a simple majority vote, with each Executive Director (or Alternate if an Executive Director is not present) being entitled to cast the number of votes of the member or members by which he is appointed or elected. In practice, decisions by the Executive Directors are made by consensus rather than formal vote. The Executive Director for the United States recently resigned, and his successor has not yet been appointed. The Alternate is Hugh W. Foster.

The President of the Bank is elected by the Executive Directors for a five-year term and may be re-elected. He is Chairman of the Executive Directors but does not vote except to break a tie. The President is chief of the operating staff of the Bank and is responsible for the organization, appointment and dismissal of the officers and staff.

Organization

The organization chart (Table 2) shows the overall management structure of the Bank, and the specific responsibilities and functions of the various departments and offices are shown.

A.W. Clausen, as President, is responsible for the organization, operations and administration of the Bank. Mr. Clausen took office on July 1, 1981 after serving over three decades with the Bank of America and BankAmerica Corporation, the last 11 years as President and Chief Executive Officer of both institutions. He is the sixth President of the Bank. Mr. Clausen follows in the footsteps of five other United States citizens who were President of the Bank: Eugene Meyer, John J. McCloy, Eugene R. Black, George D. Woods and Robert S. McNamara.

During his tenure Mr. Clausen has worked actively to improve the organizational structure and management systems of the Bank. Having taken office during a period of severe worldwide economic difficulties, Mr. Clausen has moved rapidly to expand the types of financing the Bank makes available to its developing member countries. As a result, the Bank has been increasing its emphasis on structural adjustment loans and is actively supporting private funding of loans to developing countries by expanding the utilization of cofinancing techniques. He has been involved in the Bank's efforts to coordinate better its activities with the IMF and to expand the size and role of the IFC.

Two of Mr. Clausen's principal executives are Moeen A. Qureshi, Senior Vice President, Finance and Ernest Stern, Senior Vice President, Operations. Mr. Qureshi, a Pakistani, is an economist, having earned his Ph.D in 1953 from Indiana University. He has been involved with international financial institutions for over 25 years, serving for 12 years in various positions with the IMF and serving from 1970 to 1980 with the IFC, most recently as its Executive Vice President. Beginning in 1979 he also served as Vice President, Finance of the Bank, and in 1980 he was appointed Senior Vice President, Finance. Mr. Stern is an American and an economist, having earned his Ph.D in 1964 from the Fletcher School of Law and Diplomacy. He worked in various positions with the United States Agency for International Development from 1963 to 1972. In 1972 Mr. Stern joined the Bank and was appointed Vice President, Operations in 1978. Since 1980 he has served as Senior Vice President, Operations.

Five other Vice Presidents report directly to the President. They are Anne O. Krueger, Vice President, Economics and Research; Martijn J.W.M. Paijmans, Vice President, Personnel and Administration; Jose Botafogo G., Vice President, External Relations; Ibrahim F.I. Shihata, Vice President and General Counsel; and Timothy T. Thahane, Vice President and Secretary. Important policy decisions are referred to the Managing Committee, consisting of the President, the two Senior Vice Presidents and the five Vice Presidents who report directly to the President.

The Financial Staff is responsible for the Bank's financial operations and advises on financial policies. It is organized under four Vice Presidents: Eugene H. Rotberg, Vice President and Treasurer; Hans C. Hittmair, Vice President & Controller; D. Joseph Wood, Vice President, Financial Policy, Planning & Budgeting; K. Georg Gabriel, Vice President, Pension Fund. The Financial Staff also has two departments: Internal Auditing and the Tokyo Office. Borrowing programs, investment of liquid assets and disbursements are carried out by this staff. The Financial Staff also undertakes IDA replenishment negotiations. The Financial Staff coordinates the Bank's plans, programs and budgets, operates the Bank's accounting and financial reporting system, and conducts independent audits of financial and administrative functions. The Tokyo office is responsible for liaison with the Japanese government and financial community.

The office of Treasurer is of particular importance to debt holders of the Bank. As Treasurer, Mr. Rotberg is responsible for the borrowing of resources from governments and from the worldwide capital markets in order to finance the Bank's lending program. Mr. Rotberg is also responsible for the management and investment of the Bank's holdings in various currencies throughout the world. The sophistication that the Bank brings to its money market and capital market operations have been vitally important to the successful financial operations and profitability of the Bank. Mr. Rotberg, an American, is a lawyer who received his Bachelor of Laws degree from the University of Pennsylvania. Prior to joining the Bank, Mr. Rotberg was Chief Counsel, Office of Policy Research with the United States Securities and Exchange Commission.

The Operations Staff carries out the Bank's development projects and programs, including formulation of country economic and sector strategies and preparation and implementation of the Bank's loans through six regional and two functional Vice Presidents. The six regional Vice Presidencies are organized into country programs and sectoral projects departments. Together they are responsible for the Bank's development projects and programs, within specific geographic areas. They are: Regional Vice President, Eastern and Southern Africa, Edward V.K. Jaycox; Regional Vice President, Western Africa, Wilfried P. Thalwitz; Regional Vice President, East Asia and Pacific, Attila Karaosmanoglu; Regional Vice President, South Asia, W. David Hopper; Regional Vice President, Europe, Middle East, and North Africa, Willi A. Wapenhans; Regional Vice President, Latin America and the Caribbean, A. David Knox. Technical staff in the energy and industry sectors, because of the specialized nature of their work, are grouped under the functional area of the Vice President, Energy and Industry, Jean-Loup Dherse. Another functional Vice Presidency is that of the Vice President, Operations Policy, S. Shahid Husain, which is responsible for providing general policy and functional guidance and quality control for all regional operational activities. This Vice Presidency is also responsible for project work in certain sectors that have not been assigned to regions. The Operations staff also includes the staff of the Vice President, Cofinancing, Teruyuki Ohuchi.

The Economics and Research staff is responsible for increasing the Bank's knowledge and understanding of the international economy and the development process. This staff conducts research in the development process and develops and operates macroeconomic data systems (e.g., external debt, capital flows, national accounts and balance of payments). It is responsible for macroeconomic analyses and projections of factors affecting the prospects of developing countries.

The Personnel and Administration staff is responsible for policies and services relating to personnel, administration and organization. The External Relations Staff is responsible for disemination of information on development and the Bank's activities. It also coordinates and promotes relations with governmental agencies and other international institutions dealing with development. The Legal Department advises on legal matters relating to borrowing and lending activities and administrative and personnel matters. It also advises on the interpretation of the Agreement. The Secretary's Department assists in conducting the business of the Board of Governors and Executive Directors and serves various liaison functions between the Executive Directors and the President and senior management.

The Operations Evaluations staff, under Director-General Shiv S. Kapur, reports directly to the Executive Directors and the President. Its purpose is

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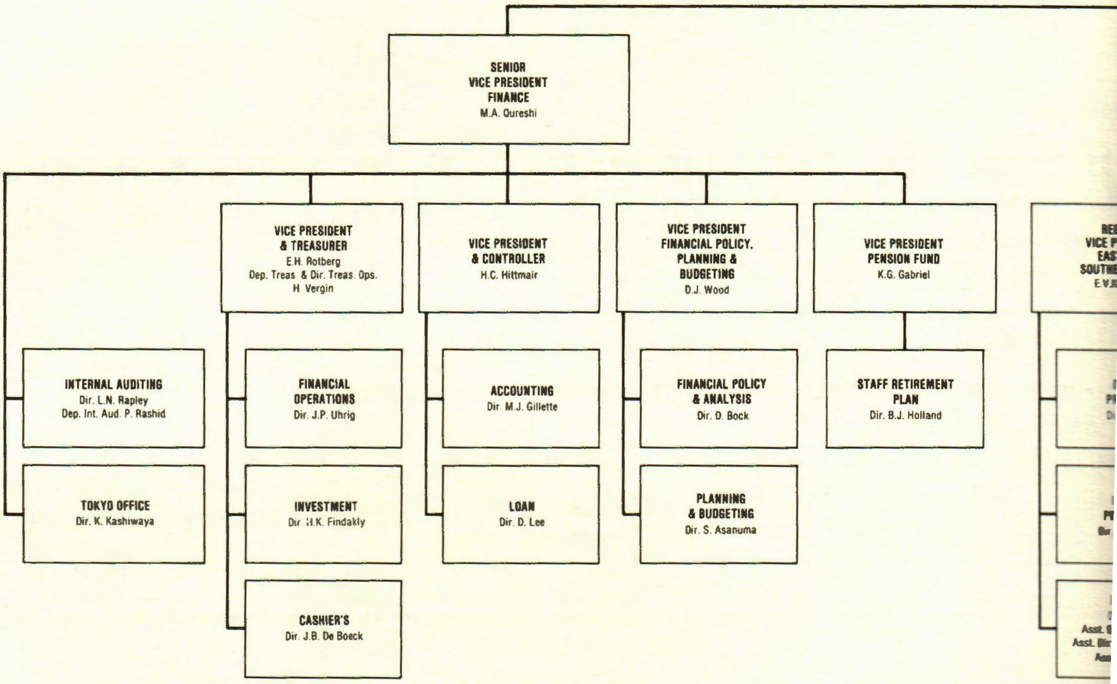


OTHER FIELD OFFICES

Geneva Office
New York Office
Regional Mission in Eastern & Southern Africa
Regional Mission in Western Africa
Regional Mission in Thailand
Resident Mission in Bangladesh
Resident Mission in Benin
Resident Mission in Bolivia
Resident Mission in Burkina
Resident Mission in Burundi
Resident Mission in Cameroon
Resident Mission in Colombia
Resident Mission in Ethiopia
Resident Mission in Ghana
Resident Mission in India
Resident Mission in Madagascar
Resident Mission in Mali
Resident Mission in Nepal
Resident Mission in Niger
Resident Mission in Nigeria
Resident Mission in Pakistan
Resident Mission in Peru
Resident Mission in Rwanda
Resident Mission in Saudi Arabia
Resident Mission in Senegal
Resident Mission in Somalia
Resident Mission in Sri Lanka
Resident Mission in Sudan
Resident Mission in Tanzania
Resident Mission in Togo
Resident Mission in Uganda
Resident Mission in Zaire
Resident Mission in Zambia
Resident Mission in Zimbabwe

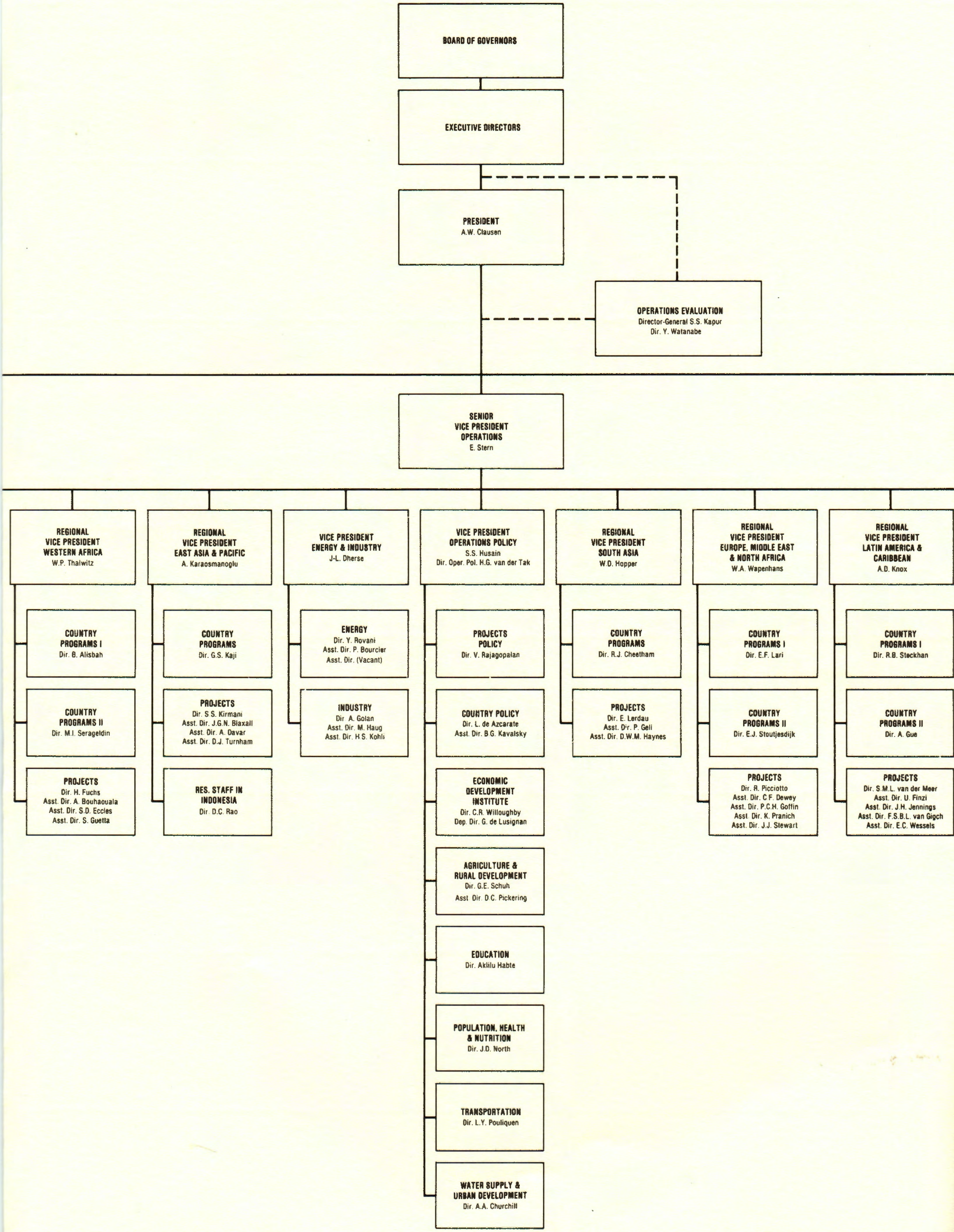
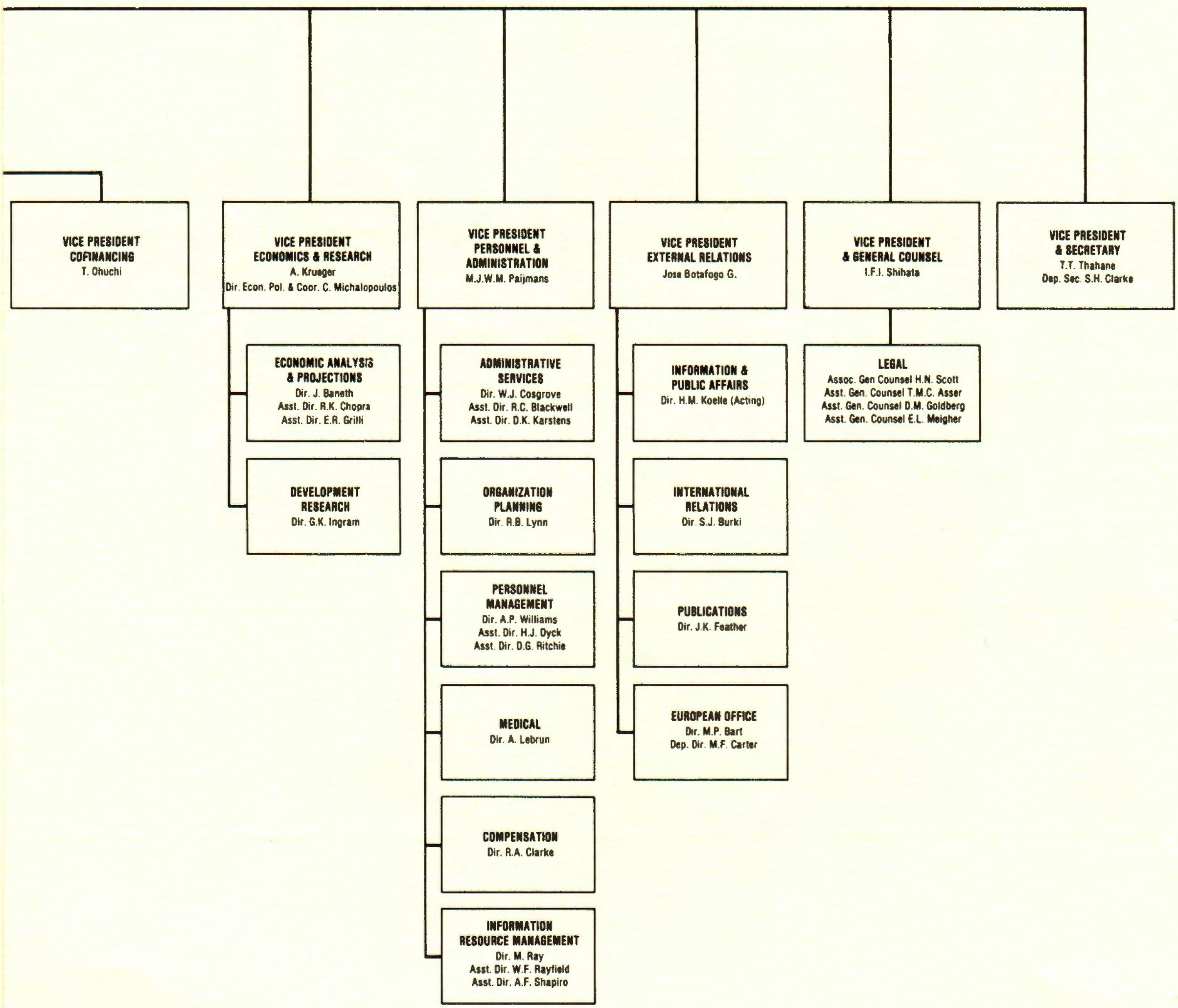

BOARD OF GOVERNORS
EXECUTIVE DIRECTORS
PRESIDENT
A.W. Clausen
OPERATIONS EVALUATION
Director-General S.S. Kapur
Dir. Y. Watanabe
SENIOR VICE PRESIDENT OPERATIONS
E. Stern
REGIONAL VICE PRESIDENT WESTERN AFRICA
W.P. Thalwitz
COUNTRY PROGRAMS I
Dir. B. Alisbah
COUNTRY PROGRAMS II
Dir. M.I. Serageldin
PROJECTS
Dir. H. Fuchs
Asst. Dir. A. Bouhaouala
Asst. Dir. S.D. Eccles
Asst. Dir. S. Guetta
REGIONAL VICE PRESIDENT EAST ASIA & PACIFIC
A. Karaosmanoglu
COUNTRY PROGRAMS
Dir. G.S. Kaji
PROJECTS
Dir. S.S. Kirmani
Asst. Dir. J.G.N. Blaxall
Asst. Dir. A. Davar
Asst. Dir. D.J. Turnham
RES. STAFF IN INDONESIA
Dir. D.C. Rao
VICE PRESIDENT ENERGY & INDUSTRY
J-L. Dherse
ENERGY
Dir. Y. Rovani
Asst. Dir. P. Bourcier
Asst. Dir. (Vacant)
INDUSTRY
Dir. A. Golan
Asst. Dir. M. Haug
Asst. Dir. H.S. Kohli
VICE PRESIDENT OPERATIONS POLICY
S.S. Husain
Dir. Oper. Pol. H.G. van der Tak
PROJECTS POLICY
Dir. V. Rajagopalan
COUNTRY POLICY
Dir. L. de Azcarate
Asst. Dir. B.G. Kavalsky
ECONOMIC DEVELOPMENT INSTITUTE
Dir. C.R. Willoughby
Dep. Dir. G. de Lusignan
AGRICULTURE & RURAL DEVELOPMENT
Dir. G.E. Schuh
Asst Dir. D.C. Pickering
EDUCATION
Dir. Aklilu Habte
POPULATION, HEALTH & NUTRITION
Dir. J.D. North
TRANSPORTATION
Dir. L.Y. Pouliquen
WATER SUPPLY & URBAN DEVELOPMENT
Dir. A.A. Churchill
REGIONAL VICE PRESIDENT SOUTH ASIA
W.D. Hopper
COUNTRY PROGRAMS
Dir. R.J. Cheetham
PROJECTS
Dir. E. Lerdau
Asst. Dir. P. Geli
Asst. Dir. D.W.M. Haynes
REGIONAL VICE PRESIDENT EUROPE, MIDDLE EAST & NORTH AFRICA
W.A. Wapenhans
COUNTRY PROGRAMS I
Dir. E.F. Lari
COUNTRY PROGRAMS II
Dir. E.J. Stoutjesdijk
PROJECTS
Dir. R. Picciotto
Asst. Dir. C.F. Dewey
Asst. Dir. P.C.H. Goffin
Asst. Dir. K. Pranich
Asst. Dir. J.J. Stewart
REGIONAL VICE PRESIDENT LATIN AMERICA & CARIBBEAN
A.D. Knox
COUNTRY PROGRAMS I
Dir. R.B. Steckhan
COUNTRY PROGRAMS II
Dir. A. Gue
PROJECTS
Dir. S.M.L. van der Meer
Asst. Dir. U. Finzi
Asst. Dir. J.H. Jennings
Asst. Dir. F.S.B.L. van Gigch
Asst. Dir. E.C. Wessels

TABLE 2
THE WORLD BANK
ORGANIZATION CHART



to evaluate independently the results of projects and programs after the completion of loan disbursements by the Bank.

At June 30, 1985 the total staff of the Bank on regular and fixed term appointments was 5,866, 3% higher than year-end 1984. Professional staff totaled 2,920 and represented 112 nationalities.

LENDING OPERATIONS

General

The Bank's lending policies and procedures provide the basic framework for its operations and are essential elements in the assessment of its credit. The inherent quality of the Bank's loan portfolio—specifically its creation, supervision and overall level of performance—in large measure determines the success of the Bank in fulfilling its mission to its member countries and its responsibility to its debt holders. In recent years, the Bank has adapted its approach to lending operations to contend with the severe strains in the world economy, inadequacies of economic policies in a variety of countries and the sharp decline in capital flows to developing countries. For these reasons, a detailed description of these lending policies and the lending instruments utilized by the Bank are essential for an understanding of the Bank's credit.

The Bank makes loans principally for specific projects and programs which have a high priority in the development scheme of the borrowing developing member country. Increasingly, the Bank, in response to changing world-wide economic conditions and the needs of its developing members, has utilized other forms of lending, such as structural adjustment loans discussed below. The Agreement contains clear standards for the process of approval and disbursements of loans. The Bank's lending policies, formulated in accordance with the Agreement, seek to ensure that the Bank's loans are made to developing members for financially and economically sound purposes that have a high priority in the developing member country. Proposed projects are thoroughly analyzed with regard to their technical and economic feasibility, and the potential benefits to the developing member are carefully projected and quantified from this analysis.

The Bank's loans are either made to or guaranteed by the borrowing member country or by a governmental agency or authority of that country, such as its central bank, which engages the full faith and credit of the borrowing country. Prior to making a loan, the Bank must be satisfied that, in the prevailing market conditions, the borrower would be unable to obtain financing on reasonable commercial terms. The Bank closely supervises the use of loan proceeds by the borrower to ensure that funds are used, as intended, only for authorized purposes.

Loans by the Bank are of varying maturities, depending on the type of project financed, and generally range from 15 to 20 years with grace periods of from three to five years prior to the commencement of principal repayments. Loans are commonly disbursed over a period of five to seven years.

Loans by the Bank usually cover only about one-third of the cost of a project, particularly foreign exchange needs. The remainder of the cost is provided by other sources, most often by the borrowing country itself or by its political subdivision. The Bank has increasingly engaged in cofinancing arrangements under which loans from the Bank are associated with funds provided by official or private institutions in the financing of particular projects or programs.

Since July 1982, loans have been made at a variable rate; loans negotiated prior to that time were made at fixed rates. The variable rate is adjusted every six months to maintain a level of approximately ½ of 1% per annum above the weighted average cost to the Bank of its outstanding borrowings drawn down after June 30, 1982. Initially quantified in U.S. dollars, the Bank's loans are disbursed in a variety of currencies. The principal

TABLE 3

THE WORLD BANK

SUMMARY OF CURRENCIES REPAYABLE ON LOANS OUTSTANDING

(June 30, 1985)

Currencies	*Amount Outstanding* (*Expressed in millions of U.S. dollars*)	
Swiss Francs	$10,742.4	26.0%
Japanese Yen	9,759.2	23.6
Deutsche Marks	9,109.7	22.0
U.S. Dollars	6,835.8*	16.5
Netherlands Guilders	2,845.1	6.9
Pounds Sterling	384.0	0.9
Austrian Schillings	260.0	0.6
Canadian Dollars	161.3	0.4
French Francs	92.9	0.2
Other (36 currencies)	1,191.6	2.9
Total	$41,382.0	100.0%

*Includes $100 million U.S. dollar/Swiss franc linked loan.

amount of and interest on loans are payable in the currencies lent. Thus, as required by the Agreement, the burden of exchange risks on loans is placed in the hands of the borrowers. For loans negotiated since July 1980, the repayment obligations of borrowers in various currencies are determined on the basis of a currency pooling system which is designed to equalize exchange rate risks among borrowers. Table 3 sets forth the currency distribution of the Bank's loans outstanding at June 30, 1985. As can be seen from Table 3, the Bank has emphasized the making of its loans in low nominal interest rate currencies. This fact, combined with the strength of the U.S. dollar in recent years has resulted in a lower overall cost of funds for borrowing members than if more of such loans had been dominated in U.S. dollars.

A vital component of the Bank's lending operations is its continous review of the creditworthiness of its member countries that have obligations to the Bank as borrowers. The Bank adjusts its lending operations to reflect the results of these reviews. The creditworthiness of these countries vary according to a number of factors including relative overall external debt levels and changes in the prices and volumes of their exports relative to their imports. The poorest members of the Bank, which have the least flexibility to adapt to adverse conditions, borrow mainly from the Bank's affiliate, IDA. IDA provides credit on highly concessionary terms to these countries. Table 4 sets forth by country the current eligibility for Bank loans and IDA credits.

The Bank's lending policies have served the Bank and its members well. Since its establishment the Bank has suffered no losses on its loans, and delays in loan service payments have been insignificant to its financial performance and operations. Moreover, the Bank does not participate in debt rescheduling agreements.

Lending Process

The Bank has well defined procedures for each step of the lending process—from determining over-

TABLE 4

LIST OF CURRENT IDA AND IBRD RECIPIENTS

Per Capita GNP	*IDA Only*	*IDA/IBRD Blend*	*IBRD Only*
Over $2,240			Oman Bahamas Barbados Cyprus Yugoslavia Uruguay Algeria Seychelles Romania
$1,636-2,240			Mexico Portugal Hungary Panama Argentina Korea, Rep.* Brazil Chile* Malaysia Fiji Jordan* Syrian Arab Rep.*
$791-1,635	Grenada		Ecuador* Colombia* Paraguay* Dominican Rep.* Jamaica Tunisia* Congo, People's Rep.* Turkey* Mauritius* Belize Guatemala Lebanon Peru Costa Rica* Botswana* Nicaragua* Swaziland* Thailand* Cameroon*
$401-790	Vanuatu Western Samoa Solomon Islands Zambia Guyana Yemen Arab Republic Yemen, PDR Djibouti Lesotho Liberia Maldives Mauritania Senegal		Papua New Guinea* Nigeria* Philippines* Morocco* Zimbabwe* Ivory Coast* El Salvador* Egypt, Arab Rep.* Honduras* Indonesia*
$400 or less	Sudan Sierra Leone Cape Verde Mozambique Comoros Ghana Haiti Sao Tome & Prin. Guinea Benin Gambia Madagascar Central African Rep. Togo Rwanda Somalia Burundi Niger Tanzania Uganda Equatorial Guinea Burkina Faso Burma Guinea Bissau Nepal Zaire Mali Bhutan Ethiopia Bangladesh Lao PDR Chad Afghanistan	Pakistan Kenya Sri Lanka China India Malawi	*Former IDA recipient. Note: Reflects status of countries as of June 30, 1985. Countries are listed in descending order of 1983 per capita GNP.

Source: The World Bank.

all needs and priorities by region and by country to the evaluation of projects or programs shortly after their completion. These lending procedures cover the initial selection of high priority sectors in developing members and identify suitable projects within these sectors. They include thorough technical and financial appraisals, legal documentation and careful implementation and supervision of each of the selected projects. Each step is principally executed or monitored directly by the Bank's own projects staff, who comprise almost three-quarters of all operational staff employed by the Bank and nearly half of all professional staff. The Bank's project staff include substantial numbers of economists, financial analysts and engineers as well as specialists in a wide variety of other disciplines. Typically, specialists come to the Bank after extensive experience in their field; most have worked in developing countries

A fundamental step in the Bank's overall lending process involves the analysis of the needs of a country in which lending is contemplated and its economic sectors (such as transportation, agriculture, or energy). These analyses provide the framework for evaluating national and sectoral policies and problems and for formulating an appropriate long-term development assistance strategy for the country. A key role is played by the "country economic mission", which is a group of experts from the Bank that visits a borrowing country to collect and analyze information, review policy issues, formulate the Bank's views, and discuss with the government its development programs and policies. A country economic mission also assesses a country's "creditworthiness" for Bank or IDA lending. The report prepared by the country's economic mission provides the basis for the Bank's strategy for assistance, including policy and institutional changes for the economy as a whole and for its major sectors. It sets forth the size, terms and purposes of the Bank's lending program and the sectors to which it is directed, taking into consideration the activities of other entities and the Bank's capabilities.

These studies enable the Bank to formulate development priorities of each country in concert with appropriate officials and professionals of the borrowing members and to provide the lending framework within which specific projects will be selected. Projects are then identified that support a coherent development strategy and which both the government of the borrowing country and the Bank consider suitable.

The life cycle of the Bank's project lending usually consists of six stages: identification, preparation, appraisal, negotiation and approval, implementation and supervision, and evaluation. The intensity of the Bank's involvement varies at each stage. The total process, including approving and disbursing a project loan, often extends over seven to ten years. Typically, more than two years are required to identify, prepare, appraise and negotiate a loan before it is presented to the Bank's Executive Directors for loan approval. A typical loan may be disbursed over a period of five to seven years. Approximately 28 staff months are expended in the pre-approval stages and approximately 23 staff months are devoted to supervising the implementation of a typical project. Evaluation is usually done within six to eight months after the project is completed and requires about 2½ staff months.

Identification—Projects are identified that support the development strategy prepared by the country economic mission staff and which both the government of the borrowing country and the Bank consider suitable. Projects are generally proposed by governments, although the Bank, other international organizations and even private enterprises propose projects. All projects must meet a test of *prima facie* feasibility—that is, technical and institutional approaches must be available at costs commensurate with expected benefits. Once identified, projects are incorporated into a multi-year lending program for each country that forms the basis for the Bank's future work in that country. A "pipeline" of country projects and programs are compiled and maintained to assure that the resources necessary to bring each project to completion are available and for programming and budgeting the Bank's operations.

Preparation—After identification of a project and its inclusion in the "pipeline", the project must be designed. A preparatory report is developed by the borrower, which may be assisted by the Bank's staff or by outside consultants. This report describes the objectives of the project, identifies principal issues, and establishes its timetable. The report reflects the collection and analysis of the basic data needed to determine the technical, institutional, financial, economic and social soundness of the project. The preparatory work usually requires feasibility studies followed by more detailed studies of the most promising alternatives.

Appraisal—Appraisal is the sole responsibility of the Bank. Bank staff members, sometimes assisted by individual consultants, usually spend three to five weeks in the field and additional time at the Bank's headquarters to review and verify all aspects of the project. An Appraisal Report, prepared by the staff, provides a comprehensive review of all aspects of the project and lays the foundation for implementing and eventually evaluating a project. Its purpose is to examine the economic need for the project, its technical feasibility, and its financial and institutional soundness. The Appraisal Report forms the basis for Bank management's decision on whether to proceed to the stage of negotiations with the borrower.

Negotiation and Approval—At the negotiation phase the Bank and the borrower endeavor to agree on the terms and conditions of the Bank's loan. The loan agreements and documentation customarily used are similar to those found in commercial lending. Along with such general "boiler plate" requirements as adequacy of insurance, requirements for proper repair and maintenance, and compliance with applicable laws and regulations are specific covenants defining various financial ratios and rates of return, the amount and ranking of additional debt, and reporting requirements. In every case, these covenants are comprehensive, definitive and strictly enforced.

If all phases have been positive and the project still meets the priorities and policies of the Bank and the member country, the Appraisal Report and the loan documents are presented to the Bank's Executive Directors for approval. The Bank cannot make a loan for a project without the approval of the Executive Directors. After approval of a loan, an additional period averaging six months elapses before the Bank declares the loan agreement effective. Loan effectiveness depends on the satisfaction of legal requirements designed to ensure that domestic loan approval or ratification requirements have been met and, in some cases, the fulfillment of other conditions concerning the efficient implementation of the project.

Implementation and Supervision—Loan proceeds are not distributed in lump sums and can only be drawn down as needed to implement a project. Since loan disbursements are made against project expenditures, the disbursement period frequently extends over several years. During this implementation period, the Bank acts in accordance with the Agreement to ensure that the proceeds are used only for the purposes for which the loan was granted.

Borrowers submit periodic reports on the progress of implementation. The Bank regularly sends supervision missions to ensure that the project is proceeding as planned. In these missions, Bank staff with experience in the sector or the country visit project sites to review progress, to monitor compliance with the Bank's policies and to assist borrowers in identifying and resolving problems as they arise.The frequency of such missions vary. In the periodic internal reviews of projects by the Bank, some projects are classified as belonging to a special "problem" category. These projects, usually about 10% of the total, are watched with particular care and may be visited three or four times per year.

The borrower is responsible for procurement under the projects, but the borrower's actions are subject to review by the Bank. In most cases, loan documentation requires the borrower to obtain goods and services through international competitive bidding open to suppliers and contractors in all of its member countries, plus Switzerland. To foster the development of local capabilities, a degree of preference is accorded to domestic suppliers and contractors.

Evaluation—In the evaluation phase, each project is evaluated to determine the extent to which productivity and other goals were met. The regular projects staff prepares a completion report on each project after the last disbursement. Each project completion report ("PCR") is reviewed by the Operations Evaluation Department ("OED"), which is entirely separate from the operating staff of the Bank and which reports directly to the Executive Directors, and comments are solicited from the borrower. The OED selects certain projects for a performance audit (89 projects were selected out of 183 for which PCRs were prepared in 1985). Each audit re-estimates financial factors such as the economic rate of return based on the actual costs of the project and provides updated information on operating costs and expected benefits. For a small number of selected projects, the OED prepares "impact evaluation reports" five years after the last disbursements.

This system of independently evaluating the results of projects has become an important part of the Bank's own process, making its development assistance more effective. It provides the Executive Directors with a measure of the relative performance of projects, the analysis of which can lead to improvement in the effectiveness of the Bank's lending programs. It has also become an important aspect of the Bank's accountability to its member countries.

The OED prepares an annual report of its project audits. These reports indicate that many projects in recent years had costs which rose beyond initial expectations, often as a result of inflation and exchange-rate movements, or took longer to complete than planned. As a result, many projects were modified during implementation to reduce their scope in order to keep down total expenditures. Nevertheless, the reports demonstrate that the large majority of projects were successful in meeting their objectives and had yielded satisfactory rates of return at the time of their evaluation.

Loans

At June 30, 1985, the Bank had approved loans less cancellations totaling $81.583 billion to member countries. The Bank diversifies its loan portfolio by region and by borrower. Table 5 sets forth the regional distribution of loans approved by the Bank in 1983-85. Table 5 also shows the same information for IDA, which demonstrates the emphasis of IDA to South Asia (45.9%) and Sub-Saharan Africa (36.5%). The five largest borrowers from the Bank accounted for 35.75% of the Bank's total approved loans. Those countries are Brazil (10.27%), Mexico (7.73%), Indonesia (6.60%), Turkey (6.47%) and the Philippines (4.68%). Of more than 90 borrowing members 19 have loans outstanding of greater than $500 million, of which 12 have loans outstanding of more than $1 billion. Table 6 sets forth a summary statement of loans outstanding by borrower at June 30, 1985.

As noted earlier the Bank has never suffered a loan loss in its history, and it has maintained a firm policy of not engaging in the rescheduling of any of its loans. The Bank has succeeded with this policy because borrowing countries have substantial incentives to remain current with their debt service. Each borrowing country is also a subscribing member country of the Bank, which has paid-in capital to the Bank and has engaged the credit of all other member countries. In addition to the loss of access to favorable loans from the Bank and the impairment of the borrower's credit in world markets, a defaulting country would face more immediate, unfavorable consequences. No new loan, either ordinary or concessionary through IDA, would be approved for a delinquent borrower, and disburse-

TABLE 5

THE WORLD BANK

REGIONAL DISTRIBUTION OF TOTAL LOANS APPROVED 1983-85

Regions	*1983*	*1984*	*1985*
East Asia and Pacific	31.9%	24.1%	23.4%
Eastern and Southern Africa	2.9	3.7	0.6
Europe, Middle East and North Africa	22.1	25.6	21.0
Latin America and the Caribbean	30.5	25.1	32.2
South Asia	10.5	15.6	19.1
Western Africa	2.1	5.9	3.7
Total	100.0%	100.0%	100.0%
Total (in millions of U.S. dollars)	$11,136.3	$11,947.3	$11,358.3

IDA

REGIONAL DISTRIBUTION OF TOTAL LOANS APPROVED 1983-85

Regions	*1983*	*1984*	*1985*
East Asia and Pacific	4.8%	12.0%	14.7%
Eastern and Southern Africa	24.0	20.7	23.5
Europe, Middle East and North Africa	2.1	2.0	1.4
Latin America and the Caribbean	1.9	0.7	1.5
South Asia	54.4	51.4	45.9
Western Africa	12.8	13.2	13.0
Total	100.0%	100.0%	100.0%
Total (in millions of U.S. dollars)	$3,340.7	$3,575.0	$3,028.1

ments of effective but undisbursed loan proceeds would be discontinued. Since loans are typically disbursed over a period of years as costs are incurred for projects being implemented, the interruption or discontinuance of these disbursements would be particularly damaging. In addition to these very real and immediate incentives to remain current, the Bank's loans are long-term, with relatively small annual debt service requirements for most countries. Current lending is at a variable rate which only varies slowly as a result of changes in the Bank's overall borrowing costs. Borrowing members that are facing general debt repayment problems, many of which involve short-term, floating-rate debt from commercial lenders, will clearly give priority to servicing loans from the Bank.

In the event that a borrower is late in making payment on a loan (loan interest, other charges or principal), the Bank takes aggressive action. At 30 days after a payment is due the Bank issues a warning to the member country. At 60 days after a payment is due, the Bank informs the member country that it will stop disbursements on all loans to that member unless the overdue amount is paid within 14 days. At 75 days after payment is due, the Bank stops disbursements on all loans to that member, but the Bank continues to accrue interest and other charges on such loans. At six months after a payment is due, the Bank's policy is to place in non-accrual status all loans made to or guaranteed by that member, unless the Bank's management determines that the overdue amount will be collected in the immediate future. Interest and other charges on non-accruing loans are included in income only to the extent that payments have actually been received by the Bank. At June 30, 1985 the Bank's loans to or guaranteed by one member country (Nicaragua) with an aggregate balance outstanding of $136.0 million, including an overdue amount of $9.0 million, were on non-accrual status.

The Bank's loan portfolio is diversified by sector. In conjunction with its member countries, the Bank sets guidelines for the allocation of loans by sector, by region and by country. These guidelines are adjusted from time to time in light of changing needs and requirements.

In its early years, the Bank emphasized allocations for infrastructure loans, primarily electric power and transportation projects, in order to provide a framework around which other areas of development could progress. While projects are still being directed to those areas, the Bank is now giving particular attention to projects that can directly benefit the poorest people in developing member countries by helping them raise their productivity and gain access to the necessities of life. In addition, human resources sectors (such as education, urban development and population and nutrition), although small in proportion to overall Bank lending, are receiving increased emphasis by the Bank. A breakdown by sector of the Bank's total loans approved through June 30, 1985 and in fiscal years 1983, 1984 and 1985 is set forth in Table 7.

In recent years, the largest share of Bank lending has been allocated to help finance agriculture and rural development projects, which received $2,389.6 million in fiscal 1985, representing 21% of total lending. Agriculture and rural development can be expected to remain the largest sector in the Bank's operations in the future.

Energy still remains an important component of total lending. Combining lending for specific energy projects and power projects results in total loan approvals of $3,365.3 million in fiscal 1985, representing 30% of total lending. Electric power is the principal component of energy expenditures, but projects involving coal, oil and gas and reforestation are also important. The Bank's lending for transportation decreased in fiscal 1985, totaling $1,866.9 million, representing 16% of total lending. The most important sector in transportation lending in recent years has been lending for roads and highways. Lending for railways and ports and shipping facilities are also important. A lesser number of loans have been made for projects relating to airports.

Loans to industry and in the development finance company sectors totaled $1,141.0 million, which represented 10% of total lending. The Bank lends in the industry sector to large-scale projects in basic industrial sectors such as steel, cement, textiles, chemicals, fertilizers and mining. In addition, the Bank supports small- and medium-scale productive enterprises through local development finance companies. Development finance companies are financial institutions whose major activity is to mobilize medium- and long-term resources to finance investment projects of productive enterprises. Some are privately owned and some are government controlled.

The Bank is expected to continue its emphasis on infrastructure development through the sectors of industry, transportation, energy and telecommunications. Increased emphasis will be placed on striking the appropriate balance between funding more projects and assisting in the rehabilitation of existing capacity.

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TABLE 6

THE WORLD BANK -- SUMMARY STATEMENT OF LOANS

June 30, 1985 and June 30, 1984
Expressed in thousands of U.S. dollars—Footnotes omitted

	June 30, 1985				
Borrower or Guarantor	*Total Loans*	*Loans Approved But Not Yet Effective*	*Undisbursed Loans*	*Loans Outstanding*	*Percent of Total Loans Outstanding*
Algeria	$ 1,155,754	$ 262,000	$ 538,034	$ 355,720	0.86
Argentina	1,480,182	180,000	750,175	550,007	1.33
Australia	45,664	–	–	45,664	0.11
Bahamas	17,301	–	7,695	9,606	0.02
Bahamas, Barbados, Grenada, Guyana, Jamaica, Trinidad and Tobago, and United Kingdom	36,169	–	4,690	31,479	0.08
Bangladesh	49,140	–	–	49,140	0.12
Barbados	51,068	–	27,000	24,068	0.06
Belize	5,185	–	1,621	3,564	0.01
Bolivia	196,393	–	18,970	177,423	0.43
Botswana	173,693	10,700	63,939	99,054	0.24
Brazil	8,740,776	1,525,000	2,964,700	4,251,076	10.27
Cameroon	597,453	180,300	190,149	227,004	0.55
Chile	621,131	207,000	159,913	254,218	0.61
China	1,787,590	542,600	985,213	259,777	0.63
Colombia	3,502,364	129,000	1,570,130	1,803,234	4.36
Congo, People's Republic of the	65,041	–	21,561	43,480	0.11
Costa Rica	339,732	83,500	43,508	212,724	0.51
Cyprus	167,425	23,800	72,570	71,055	0.17
Dominican Republic	227,128	5,800	96,625	124,703	0.30
Ecuador	403,772	8,000	179,292	216,480	0.52
Egypt, Arab Republic of	2,269,167	717,300	725,196	826,671	2.00
El Salvador	124,657	–	25,886	98,771	0.24
Ethiopia	42,098	–	–	42,098	0.10
Fiji	56,232	–	–	56,232	0.14
Finland	8,822	–	–	8,822	0.02
Gabon	9,721	–	–	9,721	0.02
Ghana	105,998	–	5,799	100,199	0.24
Ghana, Ivory Coast, and Togo	21,430	–	–	21,430	0.05
Greece	147,043	–	9,984	137,059	0.33
Guatemala	274,989	–	95,446	179,543	0.43
Guinea	47,219	–	–	47,219	0.11
Guyana	57,307	–	1,732	55,575	0.13
Honduras	395,194	26,500	77,121	291,573	0.70
Hungary	797,587	–	529,915	267,672	0.65
Iceland	22,200	–	–	22,200	0.05
India	6,815,623	2,110,200	2,954,215	1,751,208	4.23
Indonesia	7,095,703	833,400	3,531,476	2,730,827	6.60
Iran, Islamic Republic of	303,543	–	–	303,543	0.73
Iraq	49,022	–	–	49,022	0.12
Ireland	55,843	–	–	55,843	0.13
Israel	56,895	–	–	56,895	0.14
Ivory Coast	1,185,369	141,300	256,558	787,511	1.90
Ivory Coast and Senegal	6,096	–	6,055	41	–
Jamaica	503,560	9,000	106,918	387,642	0.94
Japan	105,887	–	–	105,887	0.26
Jordan	426,467	71,500	245,423	109,544	0.26
Kenya	952,821	32,600	309,863	610,358	1.47
Kenya, Tanzania, and Uganda	7,097	–	–	7,097	0.02
Korea, Republic of	4,358,103	411,000	963,569	2,983,534	7.21
Lebanon	56,668	–	27,393	29,275	0.07

SUMMARY STATEMENT OF LOANS

June 30, 1985 and June 30, 1984
Expressed in thousands of U.S. dollars—Footnotes omitted

	June 30, 1985				
Borrower or Guarantor	*Total Loans*	*Loans Approved But Not Yet Effective*	*Undisbursed Loans*	*Loans Outstanding*	*Percent of Total Loans Outstanding*
Liberia	$ 109,229	$ –	$ 23,063	$ 86,166	0.21
Madagascar	25,022	–	–	25,022	0.06
Malawi	84,881	6,400	17,966	60,515	0.15
Malaysia	1,229,899	37,700	535,217	656,982	1.59
Mauritania	46,910	–	–	46,910	0.11
Mauritius	148,643	–	53,481	95,162	0.23
Mexico	5,527,254	598,000	1,731,671	3,197,538	7.73
Morocco	1,952,981	207,600	823,878	921,503	2.23
New Zealand	762	–	–	762	–
Nicaragua	137,436	–	1,450	135,986	0.33
Nigeria	2,151,626	253,000	876,832	1,021,794	2.47
Norway	5,515	–	–	5,515	0.01
Oman	81,394	23,000	23,283	35,111	0.08
Pakistan	1,003,554	433,000	218,641	351,913	0.85
Panama	462,321	51,000	152,870	258,451	0.62
Papua New Guinea	140,309	9,700	98,372	32,237	0.08
Paraguay	367,166	5,000	159,505	202,661	0.49
Peru	1,279,554	86,500	630,971	562,083	1.36
Philippines	3,234,079	104,000	1,191,652	1,938,427	4.68
Portugal	757,258	108,100	373,759	275,399	0.67
Romania	1,443,082	–	28,628	1,414,454	3.42
Senegal	99,398	–	24,116	75,282	0.18
Seychelles	6,200	6,200	–	–	–
Sierra Leone	7,978	–	–	7,978	0.02
Singapore	68,759	–	–	68,759	0.17
Spain	92,030	–	–	92,030	0.22
Sri Lanka	134,007	74,100	8,726	51,181	0.12
Sudan	39,693	–	–	39,693	0.10
Swaziland	51,582	8,600	6,369	36,613	0.09
Syrian Arab Republic	347,437	30,000	59,878	257,559	0.62
Tanzania	261,734	–	26,100	235,634	0.57
Thailand	2,748,062	112,500	871,859	1,763,703	4.26
Togo	1,678	–	–	1,678	–
Trinidad and Tobago	34,328	–	–	34,328	0.08
Tunisia	1,170,998	179,700	550,211	441,087	1.07
Turkey	4,731,578	698,500	1,357,615	2,675,463	6.47
Uganda	32,238	–	–	32,238	0.08
United Kingdom	1,139	–	–	1,139	–
Uruguay	307,074	4,000	187,894	115,180	0.28
Venezuela	45,044	–	–	45,044	0.11
Yugoslavia	3,099,551	382,500	871,923	1,845,128	4.46
Zaire	40,961	–	–	40,961	0.10
Zambia	393,191	–	94,391	298,800	0.72
Zimbabwe	383,619	10,000	217,883	155,736	0.38
Subtotal members	80,308,476	10,939,600	28,786,538	40,582,338	
International Finance Corporation	1,170,514	–	474,826	695,688	1.68
Other	104,052	–	–	104,052	0.25
Total–June 30, 1985	$81,583,042	$10,939,600	$29,261,364	$41,382,078	100.00
Total–June 30, 1984	$76,365,488	$ 8,493,824	$30,031,276	$37,840,388	

TABLE 7

THE WORLD BANK

SUMMARY STATEMENT BY SECTOR OF LOANS APPROVED

Purposes	Total Loans Approved to June 30, 1985		Fiscal Years Ended June 30, 1983		1984		1985	
			(Dollar amounts in millions of U.S. dollars)					
Agriculture and Rural Development	$ 23,411.2	21%	$ 2,386.3	21%	$ 2,071.5	17%	$ 2,389.6	21%
Development Finance Companies	10,432.0	9	1,177.9	11	762.3	6	506.1	4
Education	4,203.9	4	296.4	3	491.2	4	514.9	5
Energy:								
Oil, gas, and coal	5,506.0	5	979.1	9	539.3	4	1,193.7	11
Power	20,492.5	18	1,529.2	14	2,266.3	19	2,171.6	19
Industry	7,379.0	7	625.1	6	704.3	6	635.0	6
Non-project	6,932.4	6	1,174.7	10	1,026.9	9	435.0	4
Population, Health and Nutrition	542.2	5	60.5	–	68.5	1	160.9	1
Small-scale Enterprises	2,727.8	2	516.1	4	597.6	5	553.1	5
Technical Assistance	200.6	–	25.7	–	14.5	–	44.5	–
Telecommunications	1,828.2	2	–	–	166.5	1	59.6	1
Tourism	363.6	–	–	–	–	–	–	–
Transportation	20,580.8	18	1,406.1	13	2,243.4	19	1,866.9	16
Urban Development	2,901.1	3	328.3	3	447.0	4	204.6	2
Water Supply and Sewerage	5,420.5	5	630.9	6	549.9	5	622.8	5
Total (1)	$112,921.8	100%	$11,136.3	100%	$11,949.2	100%	$11,358.3	100%

(1) Excludes loans to IFC.
Source: The World Bank Annual Report 1985.

Table 8 sets forth the maturity schedule of the Bank's effective loans at June 30, 1985. Because of the Bank's emphasis in recent years on lending not associated with specific projects and projects with quicker pay-outs, the average life of the Bank's loans is shortening (8.00 years in fiscal 1985 as compared with 8.30 years and 8.54 years in fiscal 1984 and fiscal 1983, respectively).

Lending Categories

The Bank's traditional approach to supporting development has been through project loans. The Bank still provides most of its financial and technical assistance to developing member countries by lending to specific projects. The Bank has realized, however, a need to utilize a wider range of lending instruments to address the changing worldwide economic environment and to improve the functioning of members' economies in support of long-term growth. As a result, in recent years the Bank has actively engaged in lending for adjustment purposes and made use of other types of lending instruments. Table 9 sets forth the amounts of commitments in fiscal 1981 and fiscal 1985 in respect of the major categories of lending by the Bank.

Structural Adjustment—The Bank began structural adjustment lending in 1980. The purpose of structural adjustment loans is to help reduce the current account deficit of borrowers to a sustainable level and to restore momentum for growth. Structural adjustment lending from the Bank or IDA is usually complementary to their project lending and IMF supported adjustment programs. Such lending is subject to "conditionality" in that borrowers must agree to specific policy and institutional reforms

TABLE 8

THE WORLD BANK

SUMMARY OF EFFECTIVE LOANS BY MATURITY

(June 30, 1985)

During the Fiscal Years	*Amount Maturing* (Expressed in millions of U.S. dollars)
1986	$ 3,976.6
1986 to 1987	4,742.6
1987 to 1988	5,482.1
1988 to 1989	5,976.9
1989 to 1990	6,298.8
1990 to 1995	25,441.4
1995 to 2000	20,710.4
2000 to 2005	3,387.4
2005 to 2009	7.2
Undetermined*	(5,380.0)
Total	$70,643.4

*Represents cancellations, prepayments and exchange adjustments that have not been allocated to specific maturities.

prior to borrowing. At June 30, 1985 the Bank and IDA had approved 31 operations totaling $4.5 billion in 17 member countries. In 1985 structural adjustment commitments were $233 million for the Bank and IDA combined (1.6% of total commitments). This amount does not reflect the extent to which the Bank is involved in policy and institutional issues related to structural adjustments. Participation by borrowers in structural adjustment lending has been limited by the quality and credibility with which borrowers attempt to deal with their structural adjustment problems.

Structural change has been promoted in a number of countries by sector adjustment loans, which are narrower in scope than structural adjustment loans. Such loans increased from 2.0% of total Bank and IDA lending in 1981 to 7.4% in fiscal 1985. Structural and sector adjustment loans are both fast disbursing loans; they are drawn in tranches and the loan proceeds can be used for broad categories of imports.

Since February 1983, structural and sector adjustment loans have also been used in connection with the Bank's Special Action Program ("SAP") to assist member countries in adjusting to the current economic environment. The SAP involves financial measures and policy advice to help those countries that are demonstrating a willingness to cope with adverse economic conditions through policies aimed at improving export competitiveness, mobilizing additional domestic resources, and adjusting overall expenditures to diminished foreign and domestic resources in a manner least damaging to their growth prospects. The SAP includes structural and sector adjustment loans, faster disbursement on high priority projects, expanded advisory services on the

TABLE 9

THE WORLD BANK AND IDA

SUMMARY OF COMMITMENTS BY MAIN CATEGORY OF LENDING (BANK AND IDA)

(Dollar amounts expressed in millions of U.S. dollars)

Instrument	*Fiscal Years Ended June 30,* 1981		1985	
Specific Investment	$ 6,064	49.3%	$ 7,140	49.6%
Sector Operations				
(a) Sector Investment and Maintenance	2,533	20.6%	4,002	27.8
(b) Financial Intermediary	2,314	18.8%	1,599	11.1
(c) Sector Adjustment	244	2.0%	1,058	7.4
Structural Adjustment	782	6.4%	233	1.6
Technical Assistance	279	2.3%	206	1.5
Emergency Reconstruction	75	0.6%	148	1.0
Total	$12,291	100.0%	$14,386*	100.0%

*1985 total consists of $11,358.3 million in loans approved by the Bank and 3,028.1 million in credits approved by IDA.

design and implementation of appropriate policies and efforts aimed at enlisting the aid of other donors.

The Bank has been criticized from time to time for entering too slowly into adjustment lending at a time of severe economic problems in its developing member countries. Now, however, it appears that such loans will continue to play an increasingly important role in future lending operations of the Bank, particularly in the Bank's efforts to provide additional emphasis to Sub-Saharan Africa.

Institution Building and Sector Management—The Bank has placed increasing emphasis on institution building in developing member countries. The use of sector investment loans or loans to development finance corporations and other financial intermediaries, especially in countries in Asia and Latin America, are expected to become increasingly important to the Bank. The Bank is also emphasizing institutional strengthening by assisting borrowers in the reform of publicly-owned productive enterprises. The Bank works to assist borrowers to secure enhanced operational efficiency of public enterprises, greater selectivity by governments in public sector investments and more adequate cost-recovery in such investments.

In fiscal 1985 27.8% of total lending by the Bank and IDA was for sector investment, compared with 20.6% in fiscal 1981. Sector management issues are expected to receive more attention as the Bank assists countries in making better investment decisions and introducing more flexible pricing policies.

Cofinancing—The Bank encourages borrowers to augment the Bank's resources with other sources of finance. In cofinancing transactions the Bank acts as a catalyst in enhancing the flow of capital to its borrowing members. In cofinancing arrangements loans from the Bank are associated with funds provided by official or private institutions in the financing of particular projects or programs. Cofinancing is an important way for the Bank to increase flows of assistance to developing member countries. The three main categories of cofinancing partners with the Bank are: (a) official sources, including governments and their agencies and multilateral financial institutions; (b) export credit agencies, which either lend directly or provide guarantees or insurance to commercial banks extending export credits; and (c) commercial banks.

In fiscal 1985 the Bank and IDA were involved in 104 cofinancing projects involving a total of $4.839 billion in cofinancing on projects with a total cost of $23.733 billion. Loans by the Bank and credits by IDA in connection with such projects were $4.749 billion and $1.536 billion, respectively.

The largest source of cofinancing has traditionally been from official sources. Cofinancing by official sources totaled $2.454 billion in fiscal 1985, 51% of total cofinancing.

Export credit flows have been restrained in recent years by uncertainties surrounding the creditworthiness of many borrowers. The Bank has initiated programs with a large number of export credit agencies in order to increase cofinancing with them. Cofinancing by export credit agencies totaled $1.321 billion in fiscal 1985, 27% of total cofinancing.

Cofinancing by banks totaled $1.064 billion in fiscal 1985, 22% of total cofinancing. As cofinancing operations with commercial banks have remained relatively steady in recent years, the Bank has placed added emphasis on cofinancing with commercial banks. A number of specific cofinancing alternatives have been considered, most involving a broader role for the Bank in monitoring country conditions, guaranteeing loans of commercial banks, providing for cross-default provisions in loan agreements or in supporting the flow of new lending into high priority sectors.

In January 1983 the Executive Directors of the Bank approved a trial program linking the finance provided by commercial lenders more closely with the Bank. Because of its initial success, this so-called B-loan program has been extended to 1986 and enables the Bank to commit a total of up to $500 million. At year-end 1985 the Bank had entered into B-loans in connection with 11 operations, which had a total value of nearly $1.5 billion. Under the B-loan program the Bank, in addition to making its own loans for projects or programs, may participate in the parallel commercial loan in a project or program. Such loans offer greater comfort to commercial lenders because the Bank, which has a special status with borrowers, participates in a major portion of the commercial loan. It also gives the borrower greater access to commercial markets and at the same time extends maturities of commercial loans to lengths more appropriate for development investments. Direct financial participations by the Bank in such loans are on commercial terms or on the Bank's normal lending terms. Such participations, like regular Bank loans, are either guaranteed by or made directly to a member. The Bank does not act in the capacity of a manager or agent of such loans made by commercial lenders.

B-loan instruments in general provide three different options to lenders. In the Direct Financial Participation Option, the Bank participates in the later maturities of a commercial loan to provide comfort to colenders and to achieve a lengthening of maturities beyond a point to which the commercial banks would normally commit themselves. In the Guarantee Option, the Bank guarantees the later maturities of a loan made by commercial banks and thus provides an incentive for the colenders to fund the later maturities with short-term funds for a significantly longer period than would otherwise be the case. Alternatively, the Bank would offer the commercial lenders a put option under certain circumstances. In the Contingent Obligation after Level Payments Option, the Bank takes a contingent participation in the final maturity of a commercial loan designed with a fixed level of installments that combine floating-interest and variable-principal repayments. If interest rates were to rise above the initial rate, the amortization of the loans would not be completed on the original schedule. The Bank is obligated to finance the final repayment if the commercial banks are not willing to refinance the principal balance outstanding at maturity. In none of these options would the Bank accept a mandatory (i.e., automatic) cross-default provision in the loan terms. A fourth approach has been approved by the Executive Directors which is the prearranged sale of participations in the Bank's loans arranged on commercial terms. The Bank has announced a program to sell $300 million in participations in certain of its fixed-rate loans pursuant to this option. Participations will be in outstanding loans of 15 members, maturities will range from six months to 12 years and the minimum denomination of each participation will be at least $1 million.

LIQUIDITY

One of the principal strengths of the Bank from the point of view of debt holders is its policy of maintaining high levels of liquidity. At June 30, 1985 cash and investment assets, net of the Special Reserve, totaled $19.841 billion, which was 49.4% of undisbursed loans (including loans approved but not yet effective) and 30.7% of the Bank's total debt (including the Special Reserve in investment assets). At the same date, the Bank's liquid assets, net of commitments for settlement and cash collateral received or loaned securities, totaled $17.360 billion. The Bank has systematically increased its liquidity portion over the years by borrowing in excess of its current needs at times when funds were available at levels the Bank considered reasonable in terms of costs and maturities. Under its current liquidity policy, the Bank seeks to maintain its cash and liquid investments in the range of 40% to 45% of its projected net cash requirements for the succeeding three years. This high liquidity affords the Bank substantial flexibility in its borrowing and lending operations. As difficult market conditions can unexpectedly restrict the size and frequency of the Bank's debt issues, high levels of liquidity enable the Bank to forego new borrowings from time to time when costs and maturities are considered inappropriate. As the Bank has at any time substantial amounts of effective but undisbursed loans ($29.261 billion at June 30, 1985) to which the Bank is contractually committed, the Bank's liquidity allows flexibility in the funding of disbursements. This is especially important if the Bank's lending and disbursement plans change, as in the case of the Special Action Program which increased the rate of loan disbursements.

Pursuant to a resolution of the Executive Directors, the Bank's liquid investments are limited to obligations of member governments and of certain agencies and instrumentalities of the U.S. government and to time deposits and other unconditional obligations of banks and financial institutions. Operating from its trading room at the Bank's headquarters, the Bank is an extremely active participant in the money and capital markets. The Bank is one of the largest buyers of U.S. government securities and attempts to increase returns on these securities through the use of techniques such as repurchase agreements and a security-loan program. The Bank invests in a wide variety of instruments with maturities of from one day to five years in a variety of currencies. (No instrument held by the Bank can have a maturity greater than five years and three months.) Although most investments are in U.S. dollars, the Bank has substantial holdings at any one time in Deutsche marks, Pounds sterling, Japanese yen, and French francs. Approximately 20 other currencies are also generally included in the Bank's portfolio. The overall currency mix of investments is dependent upon worldwide interest rate levels. Since the average weighted life of the Bank's borrowings is longer than its liquid investments, the Bank attempts to manage its liquidity position so that its return on short-term funds is higher than its cost of long-term funds.

The Bank is one of the most sophisticated investors in the money and capital markets. Its entire portfolio is available for trading purposes and is managed to achieve the highest potential future rate of return, regardless of the book cost of a security or the accounting consequences of a trade.

The Bank makes active use of quantitative methods to evaluate its trading performance. It reviews its performance after-the-fact against randomly selected portfolios, against maintaining the status quo, and against the optimum performance based on hindsight. The Bank attempts to make predictions of interest rates for five different time periods and six different instruments ranging from one day to five years at 50%, 25% and 10% probability levels. In short, the Bank attempts to purchase securities with the probability of the highest return with the least probable risk and to sell securities which have the lowest potential return and highest probable risk.

In making its interest rate forecasts the Bank relys upon its own staff, econometric models, outside economists, and inputs from commercial and investment banks. In addition, the Bank maintains open lines for trading purposes with 20 firms throughout the United States and has daily telephone communications with the major dealers in Euro and Asian capital markets.

The profitability of the Bank's liquid asset policy is shown by comparing the data in Chart 1, which shows costs of various funds of the Bank to the data in Chart 2, which shows return on various assets of the Bank. The substantial spreads realized by the Bank between return on average liquid investments and the cost of new borrowings and the average cost of total borrowings are due both to the ability of the Bank to borrow at low rates in a variety of currencies and its sophisticated investment management policies. The spread between the Bank's average return on liquid investments and the cost of average total debt outstanding in fiscal 1985 was 3.96%, compared with 1.20% in fiscal 1984; the spread between the Bank's average liquid investments and the average cost of total funds (debt and equity) was 5.19%, compared with 2.47% in fiscal 1984; and the spread between the Bank's return on average liquid assets and cost of new borrowings in fiscal 1985 was 4.65%, compared with 4.53% in fiscal 1984. The high levels of liquidity and the positive spread on the investment of these funds provide substantial income for the Bank. In fiscal 1985 income from investments was $2.019 billion, which was 36.5% of total income of the Bank.

BORROWING OPERATIONS

The Bank is the largest non-resident borrower in most of the world's capital markets. The Bank's policy is to diversify the markets for its securities by offering them to governmental and private investors in as many countries and currencies for which acceptable terms are available to the Bank. The Bank seeks to diversify the currencies in which, and the markets from which, it borrows. Shifting patterns of nominal interest rates, inflation rates, savings, and balances of payments have been reflected in shifting patterns in the major markets that have been the source of funds for the Bank. During the last five years the Bank has borrowed from non-governmental investors in the markets of 16 countries and has borrowed from official sources in 110 countries.

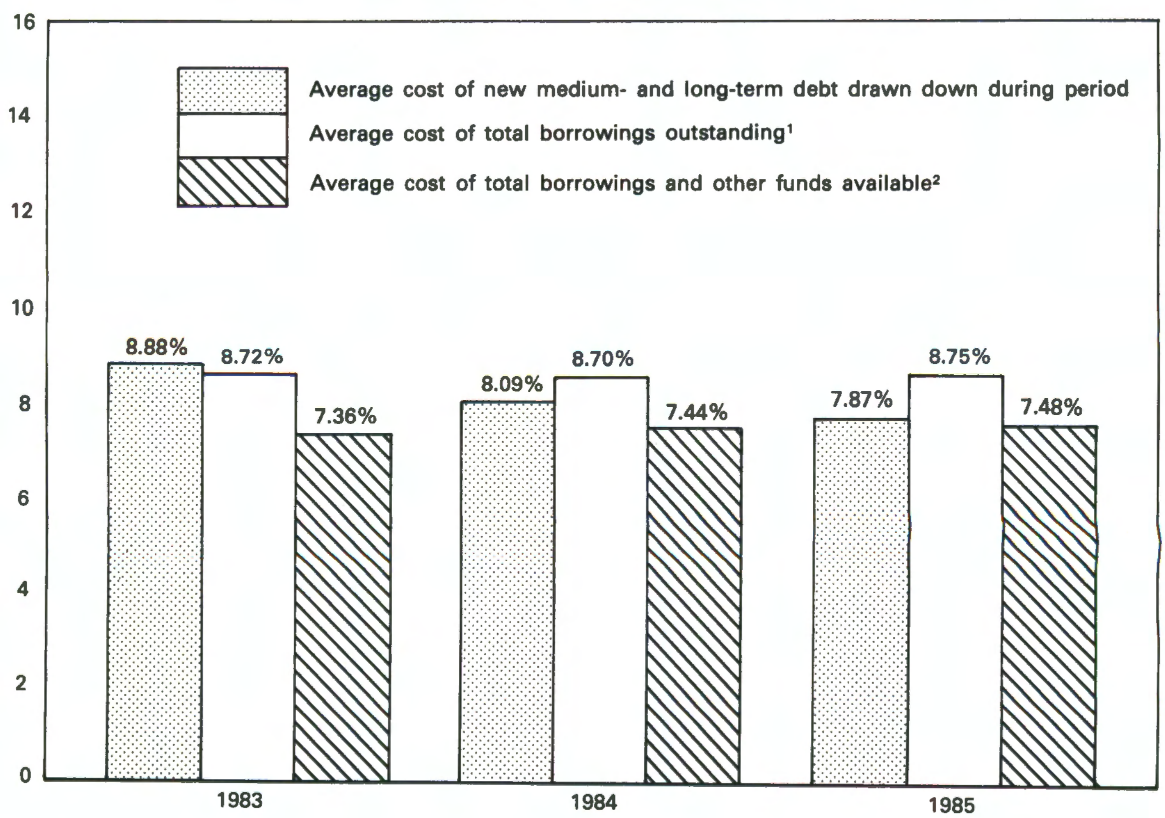
The Bank attempts to maintain maximum flexibility in its borrowing program through the use of its liquidity and its diversification of sources of funds, markets, currencies and borrowing instruments.

The Bank borrows both publicly and privately in the world's capital markets and from its own member countries and their central banks. The Bank's debt is rated "Triple A" by all major United States rating services and is accorded equivalent status in other capital markets. Under the Agreement, the Bank may borrow only with the approval of the member in whose markets funds are borrowed and the member in whose currency the borrowing is denominated, and only if each such member agrees that the proceeds may be exchanged for the currency of any other member without restriction.

The Bank's loans generally support medium- to long-term development projects. In addition, the Bank attempts to reduce the volatility of rates it charges its borrowers (who pay a variable rate on loans contracted after July 1, 1982). Otherwise they could be subject to substantial increases in interest payments during prolonged periods of cyclically high rates. As a result, the vast majority of the Bank's borrowings are medium- and long-term at fixed interest rates. In recent years, however, the Bank has increased the flexibility in its borrowing program by utilizing both short-term and variable rate borrowings. Table 10 sets forth the Bank's outstanding borrowings at June 30, 1985. At June 30, 1985 medium- and long-term fixed-rate debt totaled $45.444 billion, which was 90.5% of the $50.242 billion total borrowings outstanding at such date.

Since September 1982 the Bank has undertaken short-term borrowings. At June 30, 1985 the Bank's

CHART 1
THE WORLD BANK
Summary Comparison of Average Cost of Funds 1983-1985



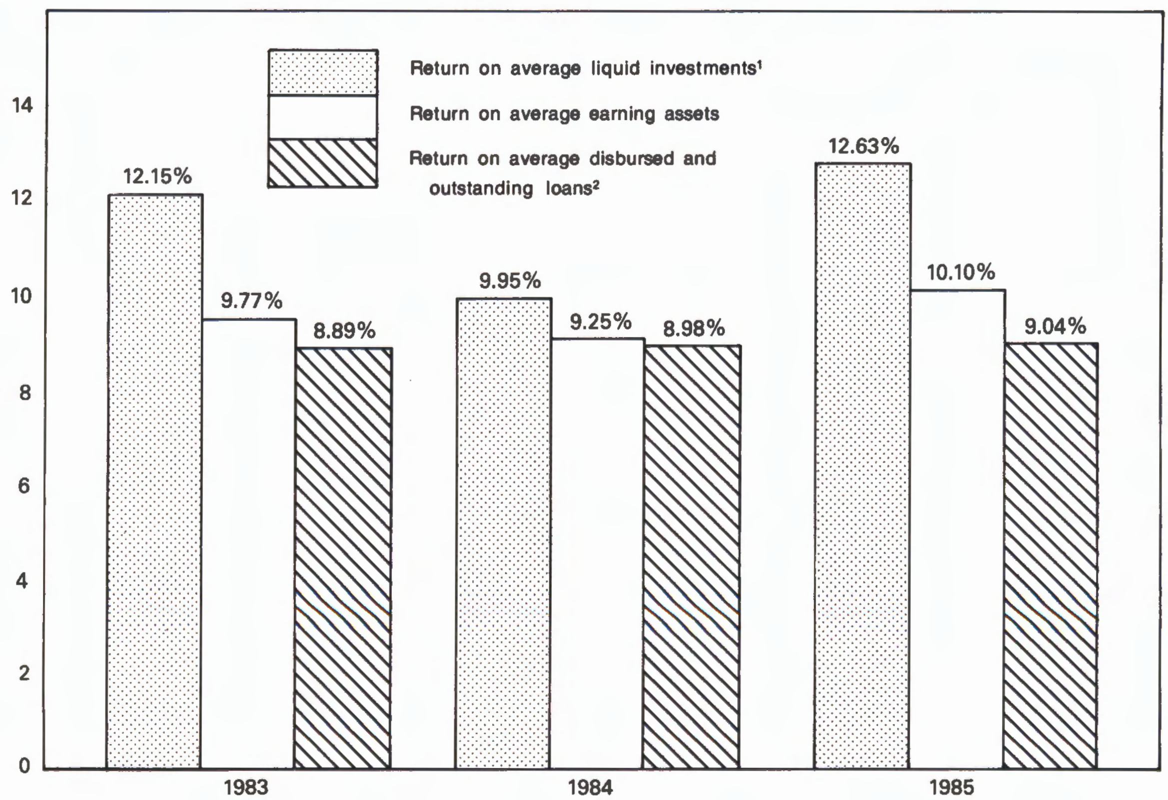
[1] Interest expense (net of income from currency swaps), including net amortization of discounts, premiums and issuance and other expenses as a percentage of average borrowings outstanding cost of funded debt.
[2] Interest expense (net of income from currency swaps), including net amortization of discounts, premiums and issuance and other expenses as a percentage of average total funds available.

short term borrowings totaled $3.450 billion, consisting of $1.25 billion in its Central Bank Facility and $2.20 billion in its Discount Note Program in the United States, which was 6.9% of total debt outstanding at such date.

In November 1983, the Executive Directors established guidelines for variable rate borrowings. Such borrowings, together with short-term fixed-rate borrowings are not permitted to exceed 15% of the Bank's total outstanding debt. At June 30, 1985 the combined total outstanding of such variable rate borrowings was $1.347 billion, which was 2.7% of the Bank's total outstanding debt.

In fiscal 1985 alone the Bank borrowed $11.1 billion (exclusive of the refinancings of $2.7 billion of short-term debt) at an average cost (after swaps) of 7.98%. Of this amount $9.0 billion was from private sources and $2.1 billion was from official sources. Of the total borrowings, $9.3 billion (after swaps) were medium-and long-term fixed rated borrowings with an average maturity of 8.2 years and an average cost of 7.74%; $1.1 billion (after swaps) were variable rate borrowings with an average maturity of 9.3 years and average interest rate of 7.87%; short-term borrowings consisted of a $500 million addition to the Central Bank Facility and a $200 million increase in the Bank's existing $2 bil-

CHART 2
THE WORLD BANK
Summary Comparison of Return on Funds 1983-85



[1]Book return includes realized capital gains (losses).
[2]Interest on loans, commitment charges, and front-end fees as a percentage of average disbursed and outstanding loans.

lion Discount Note Program. Including the $500 million increase in the Central Bank Facility, total borrowings from official sources in fiscal 1985 totaled $2.364 billion, 21% of fiscal 1985 borrowings.

In fiscal 1985 U.S. dollars constituted the largest portion of borrowings, representing 31% before swaps and 23% after swaps. Borrowings in low nominal rate currencies (Deutsche marks, Japanese yen, Swiss francs and Dutch guilders) represented 59% of total borrowing before swaps and 70% after swaps.

The Bank makes extensive use of currency swaps to manage the currency composition of its borrowings. The Bank initiated in the first currency swap transaction and is widely regarded as one of the leading participants in swap transactions. The Bank has completed currency swaps aggregating over $5 billion with over 40 counterparties in nearly 150 separate transactions including 12 currencies. All these swaps have been on a medium- or long-term basis. Currency swaps have enabled the Bank to have access to preferred currencies at effective rates below the rate of direct borrowings by the Bank of the particular currency. They have also allowed the Bank to separate somewhat the decision as to the type of currency to be borrowed from the decision as to the market from which to borrow. In 1985 the Bank entered into 50 currency swap transactions totaling $1,360 million, with an average maturity of 6.4 years. Interest costs on the Bank's total borrowings in fiscal 1985 were reduced by .68% as a result of these swaps. The Bank began to use interest rate swaps in fiscal 1985, but to a more limited extent than currency swaps. In particular, the Bank has used interest rate swaps to convert fixed-rate funds to floating-rate funds.

The Bank avoids any exchange risks on its borrowings by making loans in the currencies borrowed and holding cash and investments in those currencies until the funds are disbursed. Borrowing member countries are required to repay their loans in the currencies borrowed.

A summary statement of the Bank's outstanding borrowings at June 30, 1985 is shown in Table 10. At June 30, 1985, the average life of the Bank's outstanding borrowings was 5.8 years, comprising of the average life of borrowings placed with official sources (governments, central banks and other governmental institutions) of 2.4 years and of borrowings placed with all others of 6.4 years. The weighted average cost was 9.14% before swaps and 8.55% after swaps. The maturity structure at that date is set forth in Table 11.

FINANCIAL RECORD AND ANALYSIS

A multilateral development bank, just as any commercial enterprise, must be income producing to fulfill its responsibilities to its members and to justify the confidence of capital providing member countries and debt holders. The ability to generate income to service debt and create reserves is as necessary for such an institution as it is for any other borrower in the capital markets. The Bank has been profitable in each year since 1947. This record, plus the Bank's underlying financial and operational strengths, have made the bank one of the pre-eminent credits in the world's capital markets.

Financial Statements

The summary Balance Sheets and Statements of Income set forth in Tables 12 and 13, respectively, indicate the substantial financial strengths of the Bank at June 30, 1985. Comparison of the five-year growth rate for selected income statement and balance sheet items are made with the other multilateral development banks, with comments, in Part II of this report.

The Bank's primary source of income is its lending operations, consisting principally of interest charges and, to a lesser extent, commitment charges. The principal other source of income for the Bank is income from investments. For the most

TABLE 10

THE WORLD BANK
SUMMARY STATEMENT OF BORROWINGS

June 30, 1985
(Expressed in thousands of U.S. dollars)

Medium- and Long-Term Borrowings and Currency Swaps – Footnotes omitted

Currencies	*Medium- and Long-Term Borrowings* *Principal Outstanding*	*Weighted Average Cost (%)*	*Due Dates*	*Currency Swap Agreements* *Payable (Receivable)*	*Weighted Average Cost (Return) (%)*	*Due Dates*	*Net Currency Obligations*
Austrian schillings	$ 172,719	8.66	1986-94	$ 61,672	9.58	1985-94	
				(57,143)	(8.37)	1985-94	$ 177,248
Belgian francs	151,842	11.54	1985-90	(77,536)	(11.55)	1986-90	74,306
Canadian dollars	667,543	11.19	1985-2083	(298,815)	(12.02)	1985-91	368,728
Danish kroner	18,273	11.67	1992	(17,955)	(11.66)	1986-92	318
Deutsche mark	7,857,467	8.11	1985-99	923,352	8.19	1985-92	8,780,819
European currency units	338,077	10.39	1988-95	(107,297)	(10.32)	1985-93	230,780
French francs	4,830	7.53	1986-87	–	–	–	4,830
Italian lire	61,001	12.07	1985-92	(49,743)	(13.60)	1986-92	11,258
Japanese yen	9,565,009	8.08	1985-2001	98,922	6.75	1985-93	9,663,931
Kuwaiti dinars	205,893	9.45	1985-92	–	–	–	206,893
Libyan dinars	101,333	12.00	1990	–	–	–	101,333
Luxembourg francs	32,495	10.07	1989-90	(15,939)	(9.57)	1986-90	16,556
Netherlands guilders	2,635,942	9.36	1985-2005	228,433	8.01	1985-91	2,864,375
Norwegian kroner	39,777	11.68	1986-91	–	–	–	39,777
Pounds sterling	1,252,362	12.23	1985-2003	129,508	10.65	1985-93	
				(63,400)	(10.21)	1986-93	1,318,470
Swedish kronor	9,382	6.53	1985-92	–	–	–	9,382
Swiss francs	7,465,810	6.19	1985-95	2,853,004	6.62	1985-94	10,318,814
United Arab Emirates dirhams	32,689	8.02	1986-89	–	–	–	32,689
United States dollars	16,133,454	11.21	1985-2015	(4,302,282)	(13.18)	1985-94	11,831,172
United States dollars/Swiss franc linked	100,000	6.92	1989	–	–	–	100,000
Venezuelan bolivares	1,489	7.44	1985-87	-	–	–	1,489
Subtotal	46,847,387	9.14*					
Plus contracts to borrow	–						
Principal at face value	46,847,387						
Less net unamortized discounts and premiums	55,905						
Total	$46,791,482						

*8.55% after adjustment for swap activities.

Short-Term Borrowings

Currency: U.S. Dollars	*Principal Outstanding*	*Weighted Average Cost (%)*
Discount Notes		
Principal outstanding at face value	$2,207,350	
Plus contracts to borrow	14,400	
Principal at face value	2,221,750	
Less net unamortized discounts	21,256	
Subtotal	2,200,494	7.71
Central Bank Facility	1,250,000	8.33
Total	$3,450,494	

Source: The World Bank Annual Report 1985.

TABLE 11

THE WORLD BANK

SUMMARY MATURITY SCHEDULE ON MEDIUM– AND LONG-TERM BORROWINGS OUTSTANDING

(June 30, 1985)

During the Fiscal Years	*Amount Maturing* (*Expressed in millions of U.S. dollars*)
1986	$ 4,194
1987	6,239
1988	4,938
1989	4,952
1990	5,393
1990 to 1995	15,834
1995 to 2000	4,085
2000 to 2005	765
2005 to 2015	300
2015 and thereafter	147
Total	$46,847

part, expenses consist of interest and other costs relating to the Bank's borrowing program, and of administrative expenses net of the management fee charged to the IDA and the service and support fee charged to the IFC.

Income from lending operations is primarily a function of the amount of total loans outstanding and the interest rate charged for such loans. Loans disbursed and outstanding have grown steadily since the Bank's inception and totaled $41.382 billion at June 30, 1985, an average annual compound growth rate of 12.4% since 1981. For loans negotiated since July 1982 the Bank charges interest at a variable rate to reflect the Bank's weighted average cost of borrowings drawn down after June 30, 1982. Over time this should result in the Bank's interest income being consistently slightly above its average cost of borrowings.

Income is also derived from a commitment fee of 0.75% on the undisbursed portion of loans. From January 1982 until January 1985 the bank also received a front-end fee on its loans at the time a loan became effective. For loans submitted after January 9, 1985 there is no front-end fee. This front-end fee was 0.25% of the principal amount of the loan at the time it was terminated.

Investment income reflects the Bank's liquidity policy, the growth in reserves and the level of interest rates in the markets in which the Bank invests. Income from investments has increased as a percentage of total income from 27.1% in fiscal 1981 to 36.5% in fiscal 1985, principally due to the increasing levels of liquidity of the Bank. As noted earlier, it is the Bank's policy to maintain cash and liquid investments in the range of 40–45% of its projected net cash requirements for the succeeding three years. As loan approvals have grown steadily (although disbursements were below projections in fiscal 1985), this policy has resulted in comparable growth in liquid assets. (The Special Reserve, totaling $293 million, is also included in liquid assets.) Accordingly, investment assets have increased from $8.108 billion in 1981 to $19.777 billion at June 30, 1985, an average annual compound growth rate of 25.0%. Expenses for interest and other financing costs reflect primarily the borrowing costs in the various world markets in which the Bank borrows in order to fund its lending program. As the amount of borrowings has risen steadily, these expenses have grown substantially. In 1985 interest and other financial expenses were $3.993 billion, up from $2.104 billion in 1981, an average annual compound growth rate of 17.4%. Effective interest costs have been reduced substantially from nominal borrowing rates through the extensive use of currency swaps by the Bank. In fiscal 1985 interest costs were reduced by $322 million because of currency swaps.

Administrative expenses represent the total cost of operating the Bank, less the fees charged to IDA and IFC. As the operations of the Bank have grown in size and complexity to meet the needs of its developing members, administrative expenses have also grown. Personnel, both professional and clerical, have increased gradually as the Bank has expanded its operations. Administrative expenses increased from $254.8 million in fiscal 1981 to $354.8 million in fiscal 1985, an average annual compound growth rate of 8.6%, which is somewhat below the rate of growth rate in total loans outstanding.

Profitability of the Bank depends principally on the cost of the Bank's borrowings, the amount of paid-in capital, reserves and retained earnings available for lending and investment, the level of interest and other charges earned on the Bank's loans (as well as the absence of losses on the Bank's loans), and the rate of return earned on its liquid assets. Net income for fiscal 1985 was a record $1.137 billion, due primarily to the 2.66% spread in the bank's average cost of funds and its return on its earnings assets. During fiscal year 1985, the average cost of borrowings and other funds available was 7.44%, and the return on average earning assets was 10.10%. As a result, the Bank's return on average equity (usable paid-in capital, reserves and accumulated net income) was 14.90%.

Reserves

In accordance with the Agreement, the Bank maintains two major reserves—the Special Reserve and the General Reserve.

The Special Reserve was created to provide contingency funds for the sole purpose of meeting liabilities of the Bank on its borrowings and guarantees. Until 1964 the Special Reserve was funded by a commision charged on each outstanding loan. As a result of a decision made in 1964, the allocation of such commissions was eliminated and no further additions are being made to the Special Reserve. At June 30, 1985 the Special Reserve was $292.5 million. Special Reserve assets comprise obligations of the U.S. government and its instrumentalities; they are included under Investments in the Bank's assets.

The General Reserve, being available for possible loan losses and other contingencies, is funded by the allocation of Net Income after other allocations have been made. Although the Agreement provides the option of distributing some or all of net income to the Bank's members, this option has never been exercised. Since 1964 the Bank has transferred in each year to IDA a part of that year's net income that was not needed for allocation to reserves to be retained for the Bank's business. The Executive Directors have recommended to the Board of Governors that $150 million be allocated to IDA from fiscal 1985 net income. They have also recommended that $150 million be transferred as a contribution by the Bank to the Special Facility for Sub-Saharan Africa, which is administered by IDA.

TABLE 12

BALANCE SHEETS

June 30, 1985 and June 30, 1984
Expressed in thousands of U.S. dollars – Footnotes omitted

Assets

		1985		1984
DUE FROM BANKS				
Unrestricted currencies (including interest-bearing demand deposits $39,299–1985, $47,597–1984)	$ 66,900		$ 106,012	
Currencies subject to restrictions	289,425		354,986	
		$ 356,325		460,998
INVESTMENTS				
Obligations of governments and their instrumentalities	16,714,853		10,036,553	
Time deposits and other obligations of banks and financial institutions	3,061,942		5,537,881	
		19,776,795		15,574,434
CASH COLLATERAL INVESTED		5,608,017		1,812,555
RECEIVABLE ON ACCOUNT OF SUBSCRIBED CAPITAL				
Non-negotiable, non-interest-bearing demand obligations	1,174,326		1,088,573	
Amounts required to maintain value of currency holdings	205		278	
		1,174,531		1,088,851
RECEIVABLES–OTHER				
Contracts to borrow	14,037		83,789	
Receivable for investment securities sold	4,053,816		444,615	
Accrued income on loans	1,054,958		938,113	
Accrued interest on investments	239,777		243,750	
Net receivable from currency swaps	695,219		370,315	
		6,057,807		2,080,582
LOANS OUTSTANDING				
Total loans	81,583,042		76,365,488	
Less loans approved but not yet effective	10,939,600		8,493,824	
Less undisbursed balance of effective loans	29,261,364		30,031,276	
		41,382,078		37,840,388
OTHER ASSETS				
Land and buildings (less accumulated depreciation of $24,932–1985, $22,491–1984)	200,279		192,779	
Unamortized issuance costs of borrowings	318,050		284,955	
Notional amounts required to maintain value of currency holdings	798,806		706,530	
Miscellaneous	314,823		297,964	
		1,631,958		1,482,228
		$75,987,511		$60,340,036

Source: The World Bank Annual Report 1985

BALANCE SHEETS

June 30, 1985 and June 30, 1984
Expressed in thousands of U.S. dollars – Footnotes omitted

Liabilities, Capital and Reserves

		1985	*1984*
LIABILITIES			
Accrued charges on borrowings		$ 1,478,751	$ 1,324,170
Notional amounts required to maintain value of currency holdings		325,095	287,928
Accounts payable and other liabilities		293,615	227,821
Payable for investment securities purchased		6,537,171	1,256,044
Payable for cash collateral received		5,608,017	1,812,555
Due to International Development Association		1,142,339	1,047,339
Short-term borrowings		3,450,494	2,721,467
Medium- and long-term borrowings		46,791,482	42,293,520
CAPITAL AND RESERVES (SDRs in thousands)			
Capital stock			
Authorized capital (SDR 78,650,000–1985, SDR 71,650,000–1984)			
Subscribed capital (SDR 58,947,600–1985, SDR 54,315,400–1984)	$58,846,269		56,010,584
Less uncalled portion of subscriptions (SDR 53,795,776–1985, SDR 49,497,348–1984)	53,703,301		51,042,160
		5,142,968	4,968,424
Payments on account of pending subscriptions		60,712	58,667
Special reserve		292,538	292,538
General reserve			
Accumulated net income	4,883,287		4,383,248
Cumulative translation adjustments	(1,156,085)		(933,724)
		3,727,202	3,449,524
Accumulated net income–unallocated		1,137,127	600,039
		$75,987,511	$60,340,036

TABLE 13

STATEMENTS OF INCOME

For the fiscal years ended June 30
Expressed in thousands of U.S. dollars – Footnotes omitted

	1985	1984	1983	1982	1981
INCOME					
Income from loans:					
Interest	$3,238,737	$2,961,922	$2,486,728	$2,160,688	$1,986,529
Commitment charges	239,144	239,828	212,674	191,579	177,133
Front-end fees	10,062	33,964	97,451	39,079	–
Income from investments	2,019,138	1,399,022	1,417,113	954,463	813,255
Other income	21,671	19,786	18,491	26,510	22,135
Total income	$5,528,752	$4,654,522	$4,232,457	$3,372,319	$2,999,052
EXPENSES					
Borrowing expenses:					
Interest on borrowings	$3,932,867	$3,638,395	$3,085,065	$2,423,271	$2,104,068
Amortization of issuance costs	59,903	48,590	43,191	32,650	25,367
Adminsitrative expenses	354,820	329,959	321,919	290,060	254,824
Other expenses	4,970	5,539	6,781	5,986	4,690
Total expenses	$4,352,560	$4,022,483	$3,456,956	$2,751,967	$2,388,949
OPERATING INCOME	$1,176,192	$ 632,039	$ 775,501	$ 620,352	$ 610,103
Contributions to special programs	39,065	32,000	23,500	22,700	–
NET INCOME	$1,137,127	$ 600,039	$ 752,001	$ 597,652	$ 610,103

STATEMENTS OF ACCUMULATED NET INCOME– UNALLOCATED

For the fiscal years ended June 30
Expressed in thousands of U.S. dollars – Footnotes omitted

	1985	1984	1983	1982	1981
Accumulated net income–unallocated at beginning of fiscal year	$ 600,039	$ 752,001	$ 597,652	$ 610,103	$ 587,901
Allocation to General Reserve	(500,039)	(552,001)	(472,652)	(509,103)	(469,901)
Transfer to International Development Association	(100,000)	(200,000)	(125,000)	(101,000)	(118,000)
Net income for fiscal year	1,137,127	600,039	752,001	597,652	610,103
Accumulated net income–unallocated at end of fiscal year	$1,137,127	$ 600,039	$ 752,001	$ 597,652	$ 610,103

STATEMENTS OF CHANGES IN GENERAL RESERVE

For the fiscal years ended June 30
Expressed in thousands of U.S. dollars – Footnotes omitted

		1985	1984	1983	1982	1981
ACCUMULATED NET INCOME						
Balance at beginning of fiscal year	$4,383,248		$3,831,247	$3,358,595	$2,849,492	$2,379,591
Allocation of portion of accumulated net income	500,039		552,001	472,652	509,103	469,901
		$4,883,287	4,383,248	3,831,247	3,358,595	2,849,492
CUMULATIVE TRANSLATION ADJUSTMENTS						
Balance at beginning of fiscal year	(933,724)		(697,144)	(527,559)	(282,761)	220,618
Translation adjustments for fiscal year	(222,361)		(236,580)	(169,585)	(244,798)	(503,379)
		(1,156,085)	(933,724)	(697,144)	(527,559)	(282,761)
BALANCE AT END OF FISCAL YEAR		$3,727,202	$3,449,524	$3,134,103	$2,831,036	$2,566,731

Source: The World Bank Annual Reports.

The General Reserve also reflects cumulative translation adjustments. Assets and liabilities of the Bank are translated at market rates of exchange to the United States dollar. Income and expenses are generally translated at an average of the market rates of exchange in effect during each month. The effect of these translation adjustments, with the exception of those relating to capital subscriptions, are charged to or credited to the General Reserve. For fiscal 1985, of the Bank's net income of $1.137 billion, $837.1 million is expected to be allocated to the General Reserve. As a result, the General Reserve at year-end (after cumulative translation adjustments) of $3.727 billion plus the expected allocation to the General Reserve of $837.1 million was 88.7% of paid-in capital.

Under the Agreement, the capital stock of the Bank is expressed in terms of U.S. dollars of the weight and fineness in effect on July 1, 1944 (the "1944 dollar"). As of April 1, 1978, amendments to the IMF's Articles of Agreement abolished par values for currencies and gold as the common denominator of the monetary system. The amendments required that all calcuations for the IMF's purpose be made on the basis of the SDR. The Bank still has under consideration the effect of these amendments on the valuation of the Bank's capital stock. The Bank's capital and the obligations of each member with respect to capital subscriptions could be measured at either $1.20635 (the last official value of the 1944 dollar at the time of the change) or the value in U.S. dollars by reference to the SDR as determined from time to time by the IMF. In the absence of a definitive determination by the Board of Governors, the Bank has valued its capital stock on the basis of the SDR in U.S. dollars at the date of computation. As the U.S. dollar has revalued against the SDR since 1978, expressing the value of the Bank's capital stock in terms of the current U.S. dollar value of the SDR ($0.998281 per SDR), rather than in terms of $1.20635, results in the value in U.S. dollars of the Bank's capital stock being substantially less than if based upon the $1.20635 valuation. If the value of the capital stock were expressed in terms of $1.20635, the subscribed capital would have been $71.111 billion at June 30, 1985, the uncalled portion of subscriptions $64.897 billion and paid-in capital $6.215 billion.

The Bank has stated that the choice of valuation methods does not have a material effect on the financial position or results of the operations of the Bank. The principal difference in valuation is the effect on the callable capital stock of the Bank. If the $1.20635 valuation were to be used in the event of a call at the present time, the total callable capital obligation of members would be greater than if the current SDR exchange rate were used. As the gearing ratio of the Bank is based in part on the amount of callable capital of the Bank, the effect at current exchange rates of the choice of valuation method is that the total amount of outstanding loans and guarantees might reach the gearing ratio limit at an earlier time than otherwise. From the point of view of debt holders of the Bank, the valuation chosen is more conservative in this respect than the other method so long as the U.S. dollar is stronger than 1 SDR=$1.20635.

OTHER OPERATIONS

In addition to its financial operations, the Bank engages in a wide variety of other activities in support of the development process in its member countries. The Bank furnishes technical assistance to its members both in connection with and independently of its loan operations. In 1985, $206 million of the Bank's total loans approved were directly for technical assistance. Substantially larger amounts were included as components of projects of other sectors for such items as technical and feasibility studies, the services of experts and consultants, and training and advisory services for supervision or engineering. Technical assistance is also provided when a member country asks for assistance on questions of general policy, planning or administration.

The Bank's Economic Development Institute ("EDI") also provides technical assistance to developing countries. EDI was established in 1955 to provide training for senior officials of developing countries and to help them improve the management of their economies and increase the efficiency of their investment programs. EDI draws on the working experience and empirical research of the Bank in providing training programs and seminars for officials from ministries of finance and planning, agencies dealing with various sectors of development and central banks and development finance institutions.

AFFILIATED ORGANIZATIONS

The Bank's activities are supplemented by two affiliated organizations—International Development Association("IDA"), established in 1960, and International Finance Corporation ("IFC"), established in 1956. IFC and IDA are entities which are legally and financially entirely distinct from the Bank. Executive Directors of the Bank serve as *ex officio* members on the Board of Directors of IFC and as Executive Directors of IDA if they represent at least one country which is a member of these organizations. The President of the Bank is also the President of IDA and IFC. IDA and the Bank have the same staff and IDA pays the Bank a fee for management services. IFC employs its own staff, but shares some staff members with the Bank. IFC also pays the Bank a service and support fee.

IDA

IDA was established in 1960 and currently has 132 members. At June 30, 1985 its total assets were $32.817 billion. IDA's resources are used to help finance development projects and programs in the poorest members. IDA's purpose is to promote economic development in low-income member countries by providing financing on terms which are more flexible and bear less heavily on balances of payments than those of conventional loans. IDA makes money available on concessionary terms for high priority projects in those very poor countries that cannot afford to borrow on the Bank's terms. Some IDA borrowers also obtain some loans from the Bank.

IDA "credits" have 50 year maturities with 10 year grace periods prior to the commencement of the repayment of principal. No interest is charged; rather, a service charge of ¾ of 1% per annum is charged on disbursed and outstanding credits. For credits negotiated after January 5, 1982, a commitment charge of ½ of 1% is payable on the undisbursed balance of credit committed. As the IDA lends on concessionary terms to the Bank's poorest members, it allows the Bank to concentrate its funds on member countries that have a greater ability to pay. Most IDA borrowers are in Sub-Saharan Africa and South Asia. Although the IDA lends only to governments, funds are often relent to fund private and public enterprises within the borrowing country.

IDA has four main sources of funds—members' subscriptions, contributions by members, transfers from the Bank's income and to a lesser extent repayments on IDA credits. The initial subscription to IDA by each member was roughly proportional to its capital subscription in the Bank. IDA's charter provides for two categories of membership. Part I members include the richer countries which pay their full subscription in convertible funds, all of which can be used in IDA lending. Part II members, which are developing countries, pay only 10% of their subscription in convertible funds. The remaining 90% is paid in the member's own currency and cannot be used for lending without the consent of the member.

Since its inception, there have been seven replenishments of IDA's funds. The seventh is a three-year $9 billion replenishment begun in 1984. At June 30, 1985 notification of contributions, which are payable in three equal annual tranches, totaling $7,777 had been received by IDA in connection with the seventh replenishment. The amount of the seventh replenishment is smaller than the $12 billion requested, largely because of objections from the United States government. The result of the lower replenishment will be a stable, but circumscribed role for IDA in terms of the amount of credits it can make available in the next few years.

Subscriptions and supplementary contributions to the IDA at June 30, 1985 totaled the equivalent of $31.272 billion, which does not include $4.842 billion of the contributions committed in the seventh replenishment which are not yet due. For each of the fiscal years of the Bank since 1964, the Bank decided that its financial position made it unnecessary to retain all its earnings and it transferred a portion of its earnings to IDA. Such grants have aggregated $2.069 billion, not including $150 million that the Executive Directors have recommended to the Board of Governors as a transfer by grant to IDA from the Bank's fiscal 1985 net income. Of the total amount contributed to IDA by the Bank, $1.142 billion had not yet been paid and was invested by the Bank for its own account. These funds will be paid to the IDA as needed to finance disbursements on IDA's credit commitments.

The demand for IDA funds has always exceeded its resources. In allocating funds, the IDA takes into consideration the poverty and per capita income levels of its members, the creditworthiness of the prospective borrower, the economic performance of the prospective borrower and the availability of projects suitable for IDA funding. At present, IDA credits are severely rationed for countries with a per capita income in excess of $790 in 1983 U.S. dollars. Although credits may be granted to countries with a per capita income in excess of this amount, there is a strong presumption against such lending. Per capita income levels below this amount will not automatically grant a country access to IDA credits. Some countries with income levels below this amount are considered capable of servicing some Bank loans or a blend of Bank loans and IDA credits.

At June 30, 1985 IDA had approved $33.955 billion in development credits to 85 countries. The five largest recipients of credits were India (39.75%), Bangladesh (8.40%), Pakistan (5.96%), Indonesia (3.77%) and Egypt (3.51%). During fiscal 1985, IDA approved development credits totaling $3.028 billion to 45 countries. A notable example of the success of IDA credits and Bank lending has been the success in assisting the dramatic increase in agricultural production in South Asia, where IDA has been particularly active. These increases have sharply reduced the need for food imports, particularly in India, which has become virtually self-sufficient. In addition, many countries which were once eligible for IDA credits have developed to the stage where they have been "graduated" from IDA eligibility because of their ability to finance on more conventional borrowing terms. The Bank and IDA have been criticized in the past for graduating members too slowly from IDA eligibility, since maintaining a country's eligibility for IDA credits tends to reduce the amount of credits available for others. From the point of view of debt holders of the Bank, however, such cautiousness by the Bank helps to ensure that those eligible for Bank lending are able to repay loans on commercial terms. If countries were to be graduated too quickly from IDA credits, or from a blend of IDA credits and Bank loans, they might have difficulty meeting additional debt service costs.

IFC

IFC was established in 1956 as an affiliate of the Bank to help promote and assist productive private enterprises in developing countries. In seeking to fulfill its mission, IFC makes funds available to investors and provides technical, financial and legal advice. IFC identifies and promotes ventures, finds sponsors for them and encourages others to invest in them. IFC makes investments in private enterprises in member countries without a member's guarantee. At June 30, 1985 IFC's portfolio contained loans and equity investments in 366 companies located in 74 developing countries with a total value of $2.948 billion.

IFC, based on its experience as an investor, expects to expand its role as a catalyst for increasing flows of private funds to developing countries. This will allow such countries to make greater use of advanced technology, marketing contacts and capital available from foreign investors.

At June 30, 1985, 126 countries were members of IFC. At that date its authorized capital was $650 million, of which $546 million had been subscribed. The United States was the largest shareholder with 26.87% of the capital stock and 25.44% of the total voting power of IFC. The Directors of IFC have submitted a proposal to the Board of Governors, which will become effective upon approval by Governors exercising 75% of the voting power, to increase the authorized capital stock to $1.300 billion. During fiscal 1985 IFC approved 75 loans and investments in 38 developing countries totaling $937 million, of which $328 million will be syndicated or sold to other investors. The $609 million, net of syndications, to be invested by IFC is 81% higher than the $391 million net investments approved in fiscal 1984. The Bank may make loans to IFC without the guarantee of a member, subject to certain limitations. At June 30, 1985 IFC had borrowings of $825 million of which $696 million was lent by the Bank, excluding loans of $475 million from the Bank to IFC which were undrawn.

The Executive Vice-President, William Ryrie, is responsible for day-to-day operations of the IFC. Mr. Ryrie is a former senior British civil servant and a former British Executive Director of the Bank and IMF.

IFC conducts its operations in accordance with certain principles. It always invests with other parties and will not make a loan if the member country has objections. Money lent by IFC must be spent in a member country or in Switzerland. As a general rule, IFC does not take part in the management of ventures in which it invests, nor is it represented on the board of directors. IFC recycles its funds by selling securities in its portfolio, preferably to investors in the country in which the enterprise is located.

Multilateral Investment Guarantee Agency ("MIGA")

The proposed MIGA is an important initiative by the Bank to increase the flow of private capital to developing countries. MIGA would have the authority to guarantee investments against non-commercial risks. These risks include transfer and inconvertability of currencies, expropriation and nationalization, breach of government contract (in certain cases) coupled with denial of justice and war and civil unrest. The Executive Directors have recommended to the Board of Governors the approval of MIGA. If approved by the Board of Governors, MIGA will become operational upon the total subscription of SDR 1 billion.

MIGA will make guarantees or co-guarantees with national insurance agencies, make guarantees in countries that do not have a national insurance agency, guarantee investments that are not eligible for national guarantee programs, and guarantee multi-nationally financed investments. MIGA may also reinsure guarantees written by national insurance agencies.

DEVELOPING MEMBER COUNTRIES

Although the foregoing analysis focuses primarily on the structure and operations of the World Bank, no report on the Bank would be complete without a brief examination of the economic characteristics of developing member countries, particularly as they relate to the Bank's operations. Clearly, the economic strength of the borrowing countries, as reflected by such indicators as per capita gross national product ("GNP"), GNP growth, balance of payments and external debt, can directly affect the ability of developing member countries to service their debt, thereby affecting the quality of the Bank's loan portfolio.

As the Bank lends to developing countries in all regions of the world, its borrowers are highly diverse in terms of geography, country size and economic characteristics. Borrowers range from small land-locked countries to island nations covering thousands of square miles. While capital flows to the poorest member countries are funded primarily by the IDA, members with outstanding borrowings from the Bank range in per capita GNP in 1983 U.S. dollars from $120 for Ethiopia to $6,250 for Trinidad and Tobago. Table 14 sets forth statistical information for the Bank's member countries, including population, GNP per capita, growth in population and GNP per capita, inflation rates, and infant mortality.

In the 1960's, the average annual growth rate in gross domestic product of developing countries exceeded that of industrial countries. Since 1973 developing countries have faced severe disruptions to their economies as a result of shocks in the worldwide economic system. In 1973, as a result of oil price increases by the Organization of Petroleum Exporting Countries, the world financial system was faced with major changes in world growth rates and current account balances.

Although growth continued, balance of payments deficits for oil-importing developing countries increased to between 3.5% and 4% in 1974 and 1975. (See Table 15). Current account deficits stabilized in 1976-78 at close to historical levels.

TABLE 14
THE WORLD BANK
BASIC INDICATORS

	Population (millions) Mid-1983	*Average Annual Growth of Population (percent)*	*GNP per Capita*		*Average Annual Rate of Inflation (percent)*		*Life Expectancy at Birth (years) 1983*
			Dollars 1983	*Average Annual Growth Rate (percent) 1965-83*	*1965-73*	*1973-83*	
Low-income economies	2,335.4	2.0	260	2.7	1.4	5.4	59
China and India	1,752.3	1.8	280	3.2	0.9	3.7	62
Other low-income	583.0	2.6	200	0.7	4.8	13.8	51
Sub-Saharan Africa	245.2	2.8	220	–0.2	3.9	17.5	48
Middle-income economies	1,165.2	2.4	1,310	3.4	5.2	29.3	61
Oil exporters	542.6	2.7	1,060	3.3	4.4	19.6	57
Oil importers	622.6	2.2	1,530	3.5	5.7	34.4	64
Sub-Saharan Africa	148.2	2.9	700	1.9	4.8	12.4	50
Lower middle-income	665.1	2.5	750	2.9	5.6	17.9	57
Upper middle-income	500.1	2.3	2,050	3.8	5.3	34.0	65
High-income oil exporters	17.9	5.1	12,370	3.8	6.1	13.5	59
Industrial market economies	728.9	0.7	11,060	2.5	5.2	8.0	76
East European nonmarket economies	386.0	0.8	23,422	N.A.	N.A.	N.A.	70

N.A. = Not Available.
Source: The World Bank – World Development Report 1985.

TABLE 15

THE WORLD BANK

GROWTH OF GROSS DOMESTIC PRODUCT, BY REGION, 1960-84

Group	*1980 GDP (millions of U.S. dollars)*	*1980 Population (millions)*	*1980 GDP Per Capita (U.S. dollars)*	*Average Annual Percentage Change in GDP*					
				1960-73	*1973-80*	*1981*	*1982*	*1983*	*1984*
Analytic group									
Developing countries[1]	2,029	3,145	645	6.1	5.5	3.1	2.1	2.1	3.8
Low-income countries	556	2,141	260	5.6	4.8	3.9	5.0	7.3	5.8
Asia	496	1,915	259	6.0	5.2	4.3	5.5	8.1	6.3
Africa	60	226	264	3.8	2.2	1.4	0.4	0.0	0.9
Middle-income oil importers[1]	906	554	1,635	6.4	5.8	1.7	1.0	1.1	3.8
Middle-income oil exporters	567	450	1,261	6.1	5.6	4.5	1.2	−1.6	1.7
Industrial market economies	7,444	716	10,397	4.9	2.8	1.6	−0.3	2.6	4.5
Regional group									
Asia and Pacific	806	2,237	360	6.4	6.2	5.3	4.8	7.3	6.3
Middle East and North Africa	110	107	1,027	5.0	7.8	5.0	5.2	5.3	0.4
Sub-Saharan Africa[1]	190	363	522	4.9	2.6	−0.4	−0.1	−2.8	−0.6
Southern Europe[2]	213	91	2,338	6.7	4.9	2.0	2.2	0.9	2.1
Latin America and the Caribbean	710	346	2,051	6.1	5.4	1.6	−0.9	−3.2	2.8

[1]Does not include South Africa.
[2]Does not include Hungary and Romania.
Source: The World Bank Annual Report 1985.

Between 1979 and 1983, however, developing countries faced another series of external financial and economic shocks. Oil prices increased sharply in 1979-80 and interest rates increased dramatically in 1981, reaching historically high levels. Current account deficits for oil-importing developing countries reached a peak in 1981 at $78 billion (5.19% of GNP), compared to $6.5 billion (1.1% of GNP) in 1973. The total deficits of all developing countries in 1981 was $105 billion (4.9% of GNP).

These large deficits were financed without particular difficulty until 1982, primarily through short-term syndicated bank lending. In 1982 and 1983 several developing countries, including Mexico, Brazil and Argentina and Sub-Saharan African countries, encountered payment difficulties and were forced to reschedule loans and, as a result, commercial banks substantially curtailed new lending to developing countries.

In 1984 worldwide economic conditions improved somewhat. The GDP of industrial countries increased by 4.5%. The GDP of developing countries increased by 3.87% in 1984 largely because of the strong performance in Asia. Regional performance varied greatly, however. Latin American countries showed small increases in GDP after a decline in 1983, but African countries continued to show decreases. In 1984 exports from developing countries, buoyed by the worldwide recovery, grew by 8.9%. In 1984 the current account deficit of all developing countries fell more than $20 billion (1.8% of GDP) from $56.7 billion to $35.5 billion.

Among the most effective measures of financial and economic strength are the amount of total debt outstanding, the payments required to service that debt and the ratio of these debt service payments to export earnings. In each instance, however, the specific circumstances within each country, in terms of industrial and agricultural production, commodity prices, condition of foreign markets, and level of protectionism in its markets, must be considered. These overall measures can provide an early indication of the direction of economic trends in the various countries.

Table 16 shows the amount of external public debt, the debt service requirements and the debt service ratios of developing countries for selected years. The external public debt of oil importing developing countries totaled $454.3 billion in 1984, compared to $411.5 billion in 1983, and of all developing countries totaled $686.5 billion in 1984, a $66.8 billion increase from the $619.7 billion in 1983. In 1984, debt service payments of all developing countries totaled $99.8 billion, up from $90.0 billion in 1983. Interest payments alone increased to $58.0 billion from $46.6 billion in 1983. Debt levels remain high, especially if they are expressed in terms of the ratio of debt service payments to exports and the ratio of debt outstanding and disbursed to GDP, each of which increased somewhat in 1984 to 18.7% and 33.4%, respectively. Table 17 sets forth total debt and the ratio of debt service payments for the 25 Bank members who have the largest amount of total loans approved by the Bank.

Table 18 shows the international reserves and ratio of reserves to imports of developing countries from 1981 to 1984. The trend in the reserve position of a country reflects directly its trade balance, with growing reserves resulting from export earnings exceeding import expenditures. The ratio of reserves to imports shows the ability of a country to finance its imports solely with its reserves.

In the difficult economic environment of the last ten years, the need for cooperation between the Bank and the IMF has increased. Both institutions are actively involved in initiatives to support the sometimes difficult policy and institutional adjustment efforts undertaken by their member countries. Both institutions have as their goals long-run balanced growth in the world economy and the development of productive resources. During the recent periods of economic difficulty for developing countries, long run solutions to many balance-of-pay-

TABLE 16

THE WORLD BANK

MEDIUM- AND LONG-TERM DEBT OF DEVELOPING COUNTRIES, 1970-84

(Billions of U.S. dollars)

	Oil-Importing Countries[1]					*Oil-Exporting Countries*				
Item	*1970*	*1981*	*1982*	*1983*	*1984*	*1970*	*1981*	*1982*	*1983*	*1984*
Net disbursements	6.6	48.1	43.1	30.6	36.8	1.6	23.6	20.5	18.1	13.3
Concessional loans	2.0	8.3	7.8	6.7	7.8	0.6	2.3	1.8	1.4	1.5
Nonconcessional loans	4.6	39.9	35.3	23.9	29.0	1.1	21.3	18.7	16.7	11.8
Debt outstanding and disbursed (DOD)	50.7	332.3	372.2	411.5	454.3	17.6	155.3	173.6	208.2	232.2
Total service payments	6.5	57.5	62.4	55.5	60.1	2.8	31.2	35.1	34.5	39.7
Interest	1.9	27.3	31.4	29.1	36.7	0.7	13.9	16.7	17.5	21.3
Amortization	4.6	30.2	31.1	26.4	23.5	2.1	17.3	18.4	17.0	18.4
Service payments as a percentage of exports of goods and services	13.7	16.6	18.7	16.2	16.4	18.1	19.8	25.0	26.1	28.1
DOD as a percentage of GDP	12.9	21.2	23.8	27.4	29.2	18.1	24.3	31.0	38.2	41.9

Note: Data are based on a sample of 90 developing countries.
[1]Includes all low-income countries.
Source: The World Bank Annual Report 1985.

ments problems (the primary concern of the IMF) were related to the resumption of growth in the developing countries (the primary concern of the Bank).

The efforts of both institutions have been of vital importance to developing countries that have faced difficulties in servicing their external debt. The Bank has made use of new types of loans, such as the previously discussed structural adjustment and sector adjustment loans, increased emphasis on con-financing with commercial banks through its B-loan program, and speeded disbursements through its Special Action Program.

The IMF, for its part, has been actively involved in renegotiations and reschedulings of debt. In 1984 over $110 billion owed by 20 countries was rescheduled, the two largest being $49 billion for Mexico and $21 billion for Venezuela. Those reschedulings have reduced concerns about a potential major disruption in the capital markets.

Rescheduling arrangements have varied, and negotiations are approached on an *ad hoc* basis. Nevertheless, two general channels for discussion have evolved over the years. The Paris club deals with debts to or guaranted by governments. A group of commercial banks (the London Club) deals with uninsured debts to financial institutions.

The Paris Club is made up of governments of creditor countries. Although the Paris Club has no written charter, it does have a series of procedures to coordinate restructuring arrangements when international liquidity problems affect a borrower's ability to repay its creditors. A Paris Club agreement sets the framework for rescheduling arrears to official creditors and makes possible new credits. Creditor countries then enter into bilateral arrangements to restore export credits to the borrower. Paris Club agreements require that debtor countries take prompt and effective measures to address their

TABLE 17

THE WORLD BANK

EXTERNAL PUBLIC DEBT OUTSTANDING AND DEBT SERVICE RATIOS OF 25 LARGEST BORROWERS

(Expressed in millions of U.S. dollars)

	Debt Outstanding Including Undisbursed		*Debt Outstanding Disbursed Only*		*Debt Service Payments as a % of Exports*	
	1982	*1983*	*1982*	*1983*	*1982*	*1983*
Algeria	$ 20,270.4	$ 18,762.3	$ 13,897.5	$ 12,942.5	28.6%	32.2%
Argentina	18,205.4	26,449.0	15,780.0	24,592.5	24.1	24.0
Brazil	62,676.1	71,984.7	47,589.1	58,068.1	43.0	28.7[1]
China	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Colombia	9,961.9	10,799.1	6,003.6	6,898.8	17.6	21.3
Egypt, Arab Republic	19,904.1	19,789.0	15,468.0	15,228.7	20.5	18.9
Hungary	6,739.0	6,808.7	6,739.0	6,176.6	18.1	18.8
India	29,915.8	30,607.5	19,486.6	21,276.6	7.5[2]	N.A.
Indonesia	30,740.5	34,636.2	18,421.2	21,685.3	10.6	12.8
Ivory Coast	6,308.3	5,807.8	4,861.4	4,824.2	33.3	31.0
Kenya	3,675.0	3,514.7	2,359.4	2,383.7	22.1	21.5
Korea, Republic	26,213.7	27,070.5	20,061.4	21,472.4	13.1	12.3
Malaysia	9,353.0	12,652.2	7,670.7	10,665.2	5.6	5.9
Mexico	54,963.1	72,464.7	50,412.2	66,731.6	33.0	35.9[1]
Morocco	12,098.9	13,103.5	9,030.4	9,445.3	35.2	29.1[1]
Nigeria	14,697.1	18,539.5	6,084.7	11,757.2	10.3	18.6
Pakistan	11,820.5	13,291.3	9,178.3	9,755.1	9.8	15.9
Peru	9,955.2	11,022.0	6,899.8	7,931.5	36.4	19.6[1]
Philippines	13,907.4	14,818.5	8,836.0	10,385.4	12.7	15.1
Portugal	10,721.5	10,820.5	9,597.8	9,950.6	20.1	20.4
Romania	N.A.	8,780.3	N.A.	8,391.1	14.9[1]	9.0[1]
Thailand	9,788.3	10,485.2	6,205.9	7,060.3	8.4	10.3
Tunisia	5,327.9	5,278.1	3,471.6	3,427.1	15.0	19.7
Turkey	18,763.1	19,004.0	15,932.6	15,396.3	17.3[1]	24.3[1]
Yugoslavia	7,066.7	11,283.2	5,625.6	9,077.1	4.5	6.1
Total	$413,072.9	$477,772.5	$309,612.8	$375,523.2	19.2%[3]	19.6%[3]

Note: The 25 largest borrowers are determined on the basis of total loans approved. Debt-service ratios are based on debt service actually paid and not on contractual service due. N.A. = Not Available.
[1]Service payments for these years reflect the result of rescheduling payments.
[2]Debt data are for fiscal years.
[3]Average.
Source: The World Bank Annual Reports 1984 and 1985.

underlying economic problems. An IMF supported adjustment program is generally a prerequisite for a Paris Club agreement.

Paris Club agreements provide debt relief on all bilateral official loans, including concessional credits and officially guaranted export credits. Consolidation periods are generally for one year, although successive agreements are common. Paris Club

TABLE 18

THE WORLD BANK

INDEBTED DEVELOPING COUNTRIES: RESERVES AND RATIOS OF RESERVES TO IMPORTS OF GOODS AND SERVICES, 1981-85

(Billions of U.S. dollars; ratios in percent)

	1981	1982	1983	1984
Official reserve holdings[1]				
Indebted developing countries	$119.1	$107.4	$115.9	$131.6
By region				
Africa	$ 13.3	$ 8.8	$ 8.0	$ 6.7
Asia	46.3	51.7	60.4	66.9
Europe	9.5	7.6	8.5	9.5
Non-oil Middle East	10.5	11.2	9.7	7.7
Western Hemisphere	39.6	28.1	29.3	40.8
Ratios of reserves to imports of goods and services[2]				
Indebted developing countries	17.8%	17.1%	20.0%	21.7%
By region				
Africa	11.2%	8.3%	8.5%	7.4%
Asia	19.1	21.8	24.9	25.5
Europe	11.6	10.2	12.2	13.2
Non-oil Middle East	21.8	23.7	21.1	16.1
Western Hemisphere	22.2	17.3	23.0	31.0

[1]Gold + SDRs + Reserves position in IMF + Foreign Exchange Holdings – year-end figures.
[2]Ratio of year-end reserves to imports of goods and services during year indicated.
Source: IMF World Economic Outlook 1985.

agreements work best where the temporary liquidity problems are the result of short term peaks in debt service payments. They have been less successful where, as in Sub-Saharan Africa, debt service problems are the result of structural economic problems.

So-called London Club arrangements are used primarily for syndicated commercial bank loans. The banks are represented by an advisory committee of lead banks that negotiates with the borrower. Any agreement reached must be approved by all banks in the syndicate.

Commercial banks generally reschedule current maturities of long-term debt and any arrears in principal payments. They generally do not reschedule payments of interest, although the banks may extend new loans as part of the relief package, which may be used in turn to pay overdue interest. Reschedulings are usually for six to nine years with a grace period prior to the commencement of principal repayments. Interest rates generally float over the London Interbank Offered Rate ("LIBOR").

In the past, reschedulings have been primarily on a year-to-year basis. The recent reschedulings for Mexico and Venezuela were multi-year rescheduling, which have the advantage of stabilizing a borrowers debt service position. Since such rescheduling generally float over LIBOR, as did the original loans, borrowing developing countries still must bear the risk of substantially higher debt service requirements in the event of a high short-term interest rate environment.

The IMF has played a central role in debt reschedulings by both the Paris Club and commercial banks. The IMF has been instrumental, in many cases, in designing policy reforms that have been the prerequisite for the rescheduling arrangements. The "conditionality" to IMF lending, which involves the implementation of such policy reforms and the ability of the IMF to monitor the ongoing compliance of the borrower with the required conditions, provides the comfort needed for creditors to go forward with rescheduling agreements. The Bank acts from time to time in collaboration with the IMF to assist in providing the means for needed reschedulings by negotiating structural or sector adjustment loans or offering cofinancing opportunities. Central banks, which may participate directly or act through the Bank for International Settlements, have also played a major role.

Summary

Despite the worldwide economic difficulties in recent years, the outlook for developing countries as a whole is guardedly optimistic. The largest borrowers from the bank, Brazil, Mexico, Indonesia, Turkey and the Philippines have been affected in varying degrees by the oil shocks, high interest rates and worldwide recession of the past few years. Yet, the underlying resiliency of their basic economies, improving trade balances and the relatively stable level of their debt servicing requirements should enable them to grow despite the present financial stresses. Nevertheless, many developing countries, particularly in Sub-Saharan Africa, face ongoing structural problems in their economies. In addition, all developing countries have greater needs and more potential investments for development than funds available domestically. As a result, the continuing efforts of the Bank and its affiliates to provide development financing to promote growth and the improvement of living standards for the people of these countries will remain vitally important in the future.

PART II

MULTILATERAL DEVELOPMENT BANKS:

COMPARATIVE FINANCIAL ANALYSIS

- African Development Bank
- Asian Development Bank
- European Investment Bank
- Inter-American Development Bank
- World Bank
- United States Money Center Bank Sample

PART II

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MULTILATERAL DEVELOPMENT BANKS: COMPARATIVE FINANCIAL ANALYSIS

PART II

MULTILATERAL DEVELOPMENT BANKS:

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2. Net Income
3. Net Income (Dollars)
4. Growth Rates: Loans and Funded Debt (Net)
5. Growth Rates: Assets and Equity
6. Loans, Funded Debt (Net) and Equity
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8. Net Income % Stockholders' Equity (Paid-In & Reserves Only)
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16. Net Charge Offs % Average Loans
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18. United States Subscription % Total Stockholders' Subscription
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22. World Bank Income Analysis
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MULTILATERAL DEVELOPMENT BANKS:
COMPARATIVE FINANCIAL ANALYSIS: CHARTS 1-89 (continued)

SUMMARY ANALYSIS

MULTILATERAL DEVELOPMENT BANKS: COMPARATIVE FINANCIAL ANALYSIS

Charts 1 through 21 illustrate, for the year 1984, the ratio analysis data appearing in the Summary Financial Comparison[1] for the United States Money Center Sample[2] and for selected "Triple A" rated multilateral development banking institutions, the World Bank, the African Development Bank ("AfDB"), the Asian Development Bank ("AsDB"), the Inter-American Development Bank ("IDB"), and the European Investment Bank ("EIB"). In order to provide a comparative framework for the analysis, data for the years 1983 and 1984 have been included in the Summary Financial Comparison for all of the institutions analyzed, as well as the fiscal 1985 data, where applicable, for the World Bank.

Charts 22 through 89 illustrate, for the five year period 1980 through 1984, and the six-year period from 1980 through 1985 for the World Bank, the comparative statistical data presented in Tables 1 through 15, as well as the compound growth rates for each respective period, where applicable, for the multilateral development banks analyzed.

Reporting Methods

Adjustments in the financial statements of each of the multilateral development banks were made in an effort to provide a fair basis for this comparison.[3] With regard to the collection of data, the financial statements of the Asian Development Bank, Inter-American Development Bank and World Bank are reported in U.S. Dollars, while the financial statements of the European Investment Bank are reported in the European Unit of Account, which is equivalent to the E.C.U. For the purposes of this analysis, we have used prevailing year-end rates to convert the European Unit of Account to U.S. dollars. The financial statements for the Ordinary Capital Resources ("OCR") of the African Development Bank are reported in the Bank's Unit of Account ("U.A."), which is equivalent to one SDR. The African Development Fund (ADF) uses a Fund Unit of Account ("F.U.A.") as its basis of accounting, which is the equivalent of 0.921052 SDR. We have converted the financial statements of the OCR and the ADF from their respective U.A.s and F.U.A.s to U.S. dollars using appropriate year-end conversion rates.

With the exception of the World Bank, all of the development banks appearing herein report a fiscal year ending December 31. The World Bank reports a fiscal year ending June 30. For comparative purposes, financial information for the World Bank was assembled on the basis of the fiscal year reported. Therefore, financial data for the year-ended June 30, 1984 for the World Bank was compared to financial data reported December 31, 1984 for the other multilaterial development banks and appears on this basis in the charts. Wherever possible, year end 1985 statistics for the World Bank have been included on the graphs, and the appropriate six-year (1980/85) compound growth rate is illustrated. Tables 1 through 15 contain both five-year (1980/1984) and ten-year (1975/1984) compound annual growth rates for the data appearing in the analysis.

Observations

Historically, fixed-income investors in the credits of the major multilateral development banks based their purchase decisions on the strengths of the sub-

[1]This summary appears in the Commentary section of this report.

[2]United States Money Center Sample data supplied by "Cates Bancompare I", produced by Cates Consulting Analysts, Inc. of New York, N.Y.

[3]A summary of the basis upon which the statistical information was prepared and the adjustments were made appears in the Footnote section immediately following statistical Table 15.

scription commitments of the various member governments to these institutions. The qualitative ratings assigned to these credits primarily reflected the underlying "guarantees" of the industrial members in these institutions; and correctly so, since these institutions had little operating history.

Today, credit analysis of the multilateral development banks must focus on two important financial aspects: the performance of the Banks as operating entities, and the strengths of the underlying commitments of each Bank's member governments.

At the time of Kidder, Peabody's first report on these multilateral banks, which was published in 1980, most credit analysis of these institutions still tended to focus primarily on the underlying credits of the subscribing members of these institutions with little analysis of the operations of the Banks as "going concerns".

Since the Banks' financial performances are an integral factor in the assessments of their ratings, we initiated in our earliest publications an analysis of their operations as well as their member governments support.

While we recognize the fundamental distinctions between the operations of the MDBs from those of commercial banks, we nevertheless believe that certain comparisons with leading commercial banks can serve as relative indicators of MDB operational performance. More than any other comparison, favorable performance on this basis establishes clearly the credits of these institutions as banking concerns. Thus, as in our earlier reports, this report also concentrates on the key financial ratios of these institutions as compared with the median ratios of many of the strongest U.S. international commercial banks. This ratio analysis presented in Charts 1 through 21 is, in turn, reinforced by the statistical data for the MDBs which appears in both graphic form, Charts 22 through 89, and tabular form, Tables 1 through 15.

After examining these financial ratios from comparative and historical perspectives, we have come to the conclusion that each of these multilateral development banks has and will continue to have enormous financial strengths, operationally and structurally, quite apart from its multi-national subscription base. An understanding of these operational and structural strengths, in addition to an evaluation of the underlying member country support, should be a primary concern of portfolio managers and credit analysts.

To provide such an understanding, this section analyzes each of the multilateral development banks on the same basis that a credit analysis would analyze a bank or a bank holding company. In order to adjust for the relative differences in size of these multilateral development banks, this summary analysis primarily concerns itself with the Banks' financial ratios, concentrating in four general areas: profitability, capital, liquidity, and asset risk. These ratios were then compared to the median ratios of "Cates' Bancompare I" United States Money Center Sample, which compiles data collected from Bankers Trust, Chase Manhattan, Chemical, Citicorp, Continental Illinois, First Chicago, First National Boston, Harris Bancorp, Irving Bancorp, Manufacturers Hanover, Mellon National, J.P. Morgan, Northern Trust, and Republic N.Y. Additional financial comparisions which delineate these multilateral development banks are presented in the introductory summary table preceding Part 1.

When the ratios of the U.S. Money Center Sample are compared to those of the multilateral development banks, the financial performances of the MDBs compare very favorably to that of the Sample and in many cases are clearly superior to the medium ratio performance of the strongest United States commercial banks. Moreover in terms of asset risk, as measured by the size of temporary investments and loan charge offs, the MDBs' credits represent relatively safe investments in the current period of global economic volatility.

In this analysis, which primarily draws from the

Financial Summary Table and Charts 1 through 21, we compare, on a United States dollar basis, the World Bank (defined as the International Bank for Reconstruction and Development), the Asian Development Bank's Ordinary Capital Resources, the Inter-American Development Bank's combined Ordinary and Inter-Regional capitals, the European Investment Bank, and the Ordinary Capital Resources of the African Development Bank, which since 1982 has admitted into its membership the major industrial countries of the world as non-regional members. For the Charts 1 through 89 all comparisons have been made on a U.S. dollar basis; however compound growth rates for the AfDB and the EIB have additionaly been noted, where applicable, in their respective U.A.s and E.C.U.s, in footnotes on the charts in order to more accurately represent the growth of these MDBs. Tables 1 through 15 also contain statistical data for the AfDB and the EIB on both a U.A./E.C.U. and U.S. dollar equivalent basis.

FINANCIAL RATIO ANALYSIS
CHARTS 1 THROUGH 21

The following summary analysis compares the most relevant ratios and other measures of the multilateral development banks highlighted with those of the U.S. Money Center Sample in the areas of profitability, liquidity, capital adequacy and structure, and asset risk for the fiscal year-ended 1984. Throughout the analysis, it is important to take into account the differences between Money Center Sample banks as depository institutions which, for the most part, finance variable-rate lending with short-term purchased funds, and the MDBs which finance, for the most part, long-term, fixed-rate lending primarily with long-term, fixed rate borrowed funds.

A. Earnings and Profitability

At the bank holding company level, profitability measures provide an indication of a company's ability to generate cash flow sufficient to service its debt. At the bank level, these ratios measure a bank's ability to upstream cash to its holding company either through dividends or through the repayment of principal and interest on funds advanced to the bank by the holding company. Taken together, the profitability ratios are important indicators of management competence and of a bank's ability to meet its debt service obligations over the long term. Good profitability ratios obviously build confidence, a crucial factor in an industry where the banks act as financial intermediaries. A substantial "run" on a bank could cause serious financial difficulties. Profitability ratios which help to build and maintain confidence in a bank act to prevent concern over the possibility of such an occurrence. However, since the development banks highlighted do not act as depository institutions, there is no concern for such a bank "run" and the consequent need for liquidity. Hence, it can be argued that there is substantially less risk for a long term lender to a development bank than there is for a long term lender to a comparably rated commercial bank.

Chart 1 reflects the 1980/1984 compound growth rates for total interest or loan income for each of the multilateral development banks and the Money Center Sample. As the chart indicates, the Money Center Sample reflects the lowest compound growth rate (4.27%), while the African Development Bank reflected the highest rate (16.7%), followed closely by the Inter-American Development Bank (15.8%), the Asian Development Bank (15.0%), the World Bank (13.6%), and the European Investment Bank (11.8%).

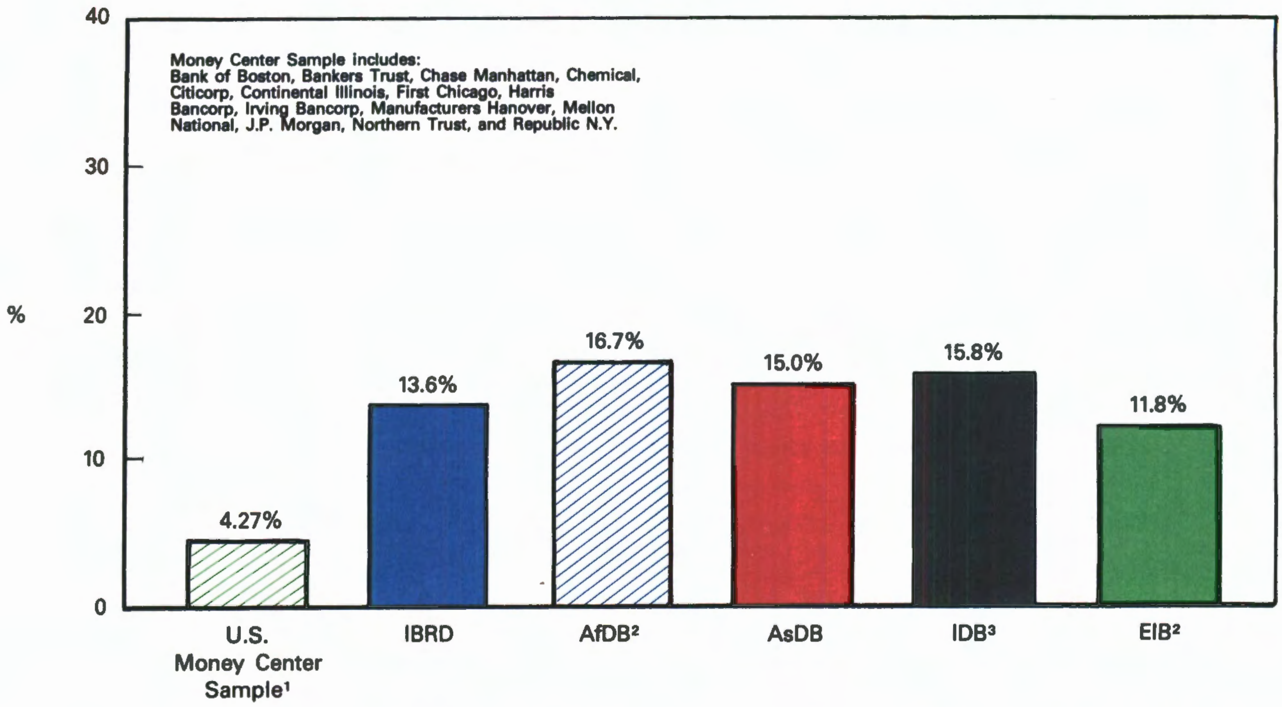
Three years ago, the Money Center Sample five-year growth rate of 31.74%, reflecting the positive impact of high variable rates for commercial banking operations, substantially outperformed the MDBs' loan income rates which reflected fixed-rate lending. The negative impact on commercial bank operations due to the decline in interest rates during the past few years however is reflected in the current five-year growth rate of 4.27%. In contrast, the loan income growth rates for all of the MDBs con-

SUMMARY FINANCIAL ANALYSIS
CHARTS 1 through 21

EARNINGS & PROFITABILITY RATIOS

TOTAL INTEREST OR LOAN INCOME (1980/84 Compound Growth Rates)

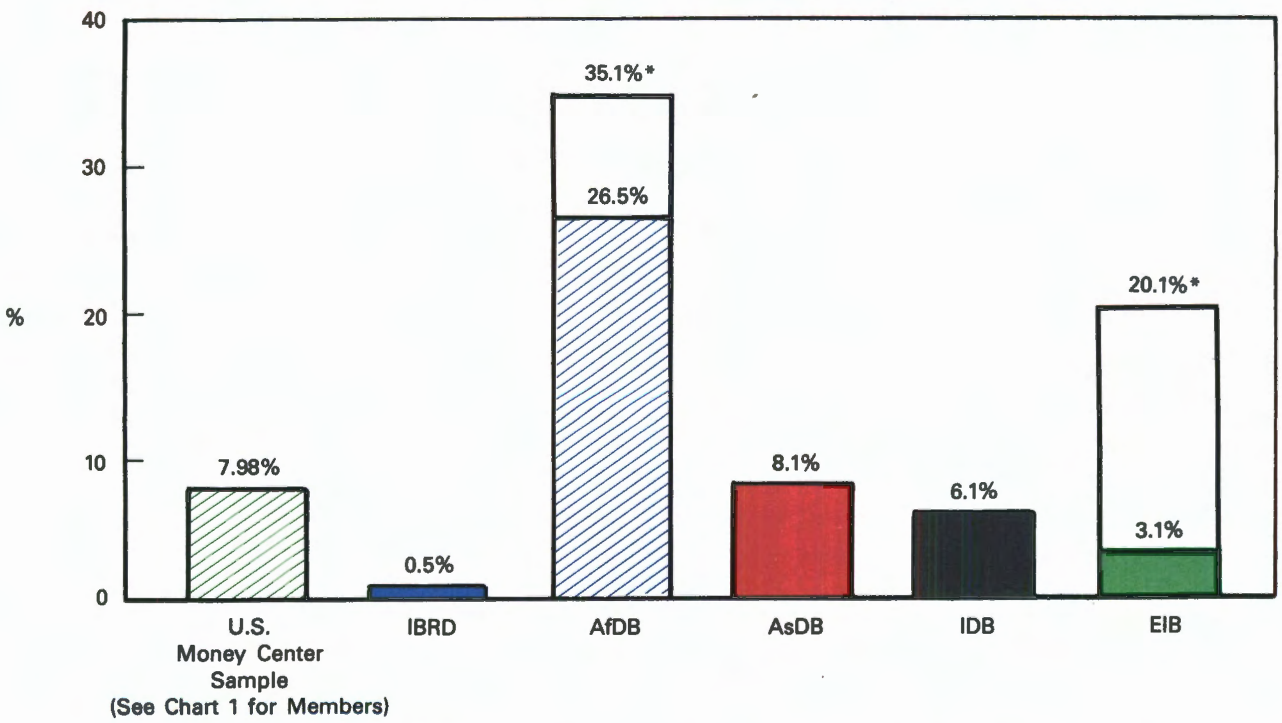
CHART 1



1) United States Money Center Sample data supplied by "Cates Bancompare I" produced by Cates Consulting Analysts, Inc., of New York, N.Y.
2) Harris Bancorp and Northern Trust in 1983 sample only. African Development Bank and European Investment Bank figures reflect conversion to U.S. dollars at year-end prevailing rates.
3) Inter-American Development Bank figures include combined Ordinary and Inter-Regional Capital.
4) Financial data for Multilateral Development Banks contained in Summary and Appendix tables.

NET INCOME (1980/84 Compound Growth Rates)

CHART 2

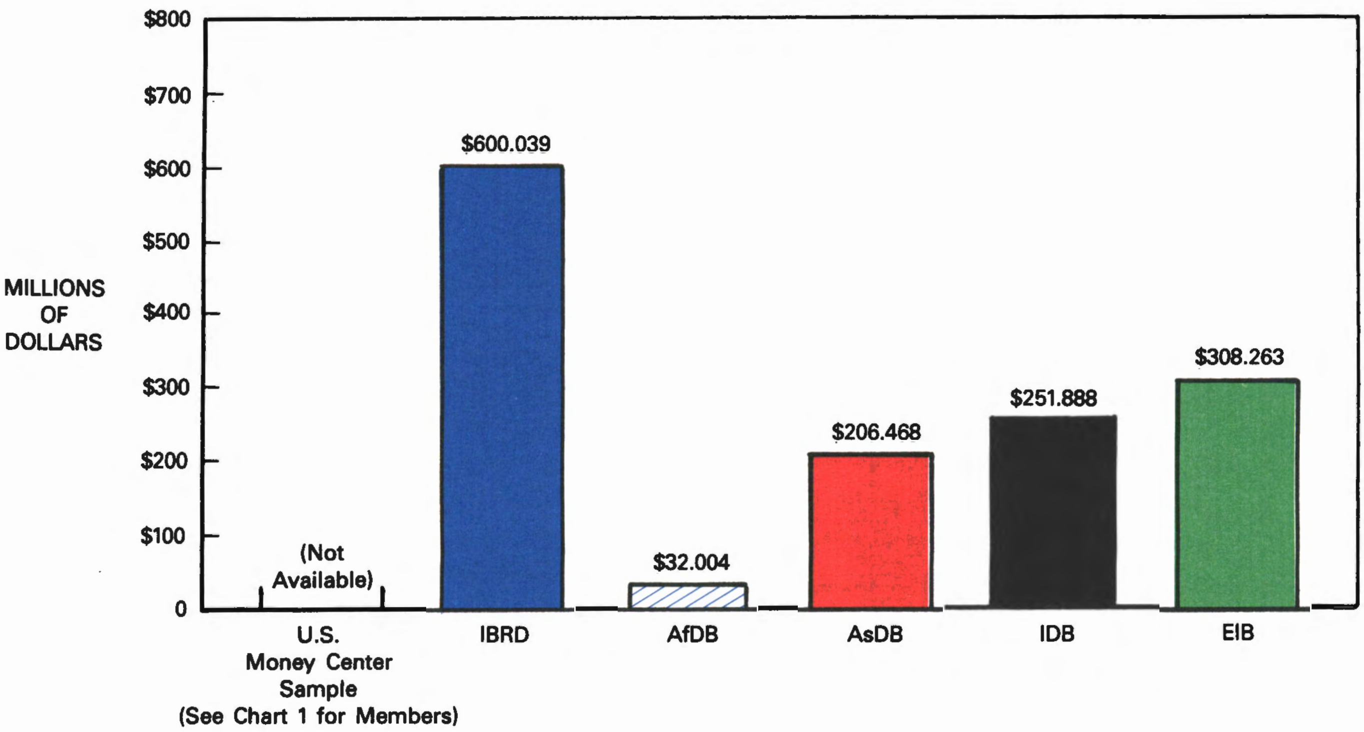


*These figures represent the 1980/84 compound growth rate of net income for the AfDB and the EIB in U.A.s and E.C.U.s respectively.

EARNINGS & PROFITABILITY RATIOS

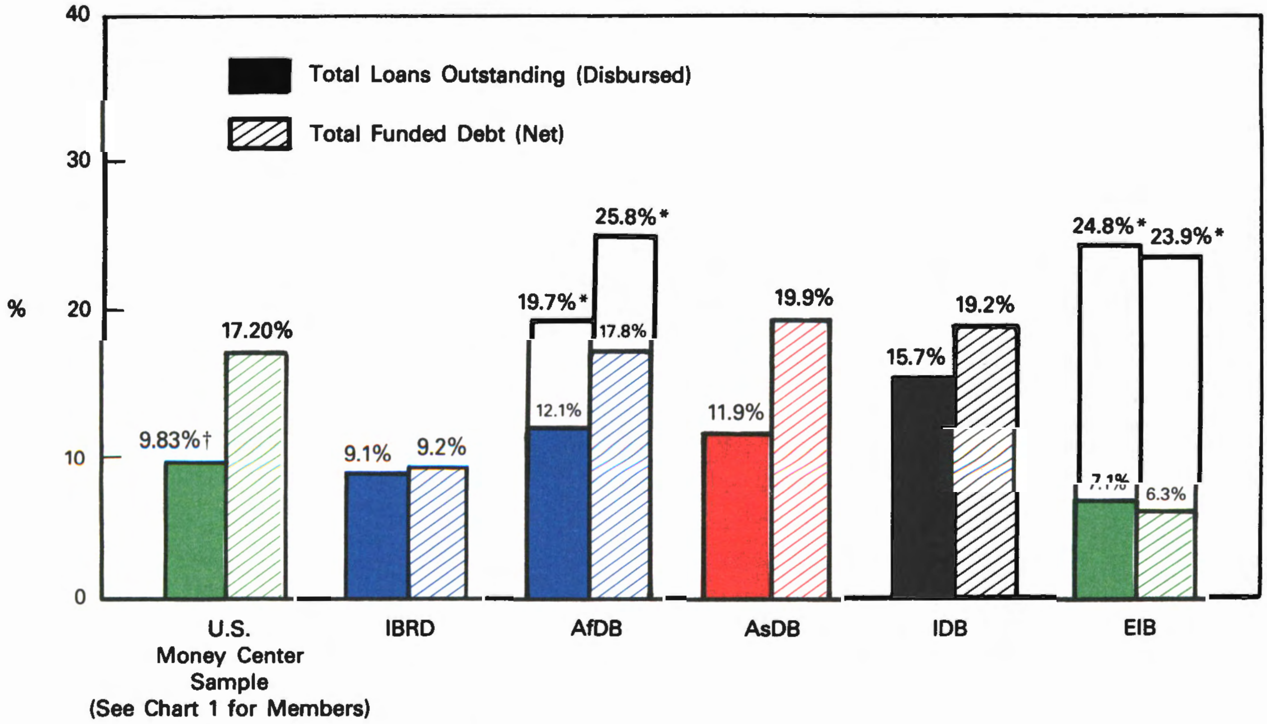
NET INCOME
(Fiscal 1984)

CHART 3



GROWTH RATES:
LOANS & FUNDED DEBT (Net)
(1980/84 Compound Growth Rates)

CHART 4



†includes leases.

*These figures represent the 1980/84 compound growth rate of total loans outstanding and total funded debt (net) for the AfDB and the EIB in U.A.s and E.C.U.s respectively.

tinued their stable growth and substantially outperformed the Money Center Sample.

Chart 2 measures the net income growth rates of these institutions and reflects that there is a wide variation in the growth rates of net income for the development banks as compared to the Money Center Sample growth rate of 7.98% over the 1980/84 period. Growth rates of net income on a dollar basis for all the the Banks this period were, with the exception of the African Development Bank, lower than as previously reported for the 1979/83 period. For the current five-year period, the African Development Bank showed the strongest net income growth rate of 26.5%, followed by the Asian Development Bank (8.1%), the Inter-American Development Bank (6.1%), the European Investment Bank (3.1%), and the World Bank (0.5%). It should be noted that the growth rates for the EIB and the AfDB, when expressed on a basis of their respective E.C.U. and U.A., are substantially stronger as indicated by the bar extensions on the graph.

Chart 3 reflects the actual dollar levels of MDB net income, with the World Bank reporting $600.0 million, a 20.2% decrease over its 1983 level of $752.0 million. However, net income for the World Bank in 1985 amounted to $1.137 billion reflecting an 89.5% increase from 1984. The EIB reported the next largest net income of $308.3 million, a reduction from its 1983 level of $325.1 million. It should be noted, however, that this reduction on a dollar basis reflects the decrease in the dollar value of the E.C.U., which is the EIB's unit of measure for its capital accounts. When compared on the basis of the E.C.U., net income for the year (E.C.U. 434.8 million) actually increased 10.7% over its 1983 level (E.C.U. 392.9 million). The IDB reported a combined capital net income in 1984 of $251.9 million, significantly higher than the previous year's level of $219.3 million. The Asian Development Bank reported a 1984 net income of $206.5 million representing a 15.0% increase over the previous years $179.6 million net income. The African Development Bank reflected a 1984 net income of $32.0 million, a 106.5% increase over its 1983 level of $15.5 million.

Chart 4 indicates the correlation of MDB capital market borrowings and loan disbursements. It should also be noted that the African Development Banks relatively higher funded debt growth rate reflected the Bank's borrowing for liquidity purposes in addition to loan disbursements. The Money Center funded debt growth rate of 17.20% was a substantial change from the 1983 five-year funded debt growth rate of 8.7%, and reflected the Money Center Banks' decline in cash flow, and bank deposits as interest rates dropped, disintermediation occurred and loan loss reserves were increased.

The World Bank's close correlation of loan disbursement and funded debt growth rates reflect its strong cash flows and investment yields. The IDB also continued to reflect a relatively close correlation.

Chart 5 reflects the 1980/84 compound growth rates for total assets and equity. With regard to total assets, the Money Center Sample reflected a 9.11% growth rate for this period, substantially less than that recorded for the AfDB (18.1%), the IDB (15.7%), the AsDB (13.2%) and the World Bank (11.5%), but greater than the EIB (6.2%).

The equity growth rate for the African Development Bank amounted to 27.9% (Stockholders' Equity: Paid-up plus Reserves) and 31.2% (Total Equity Capital: Subscribed plus Reserves), the greatest growth rate of all the banks analyzed, reflecting the recent replenishment and increased non-regional membership. The Money Center Sample reflected a 13.90% equity increase, less than the AfDB but more than the World Bank, AsDB, IDB and EIB increases. The MDBs' low equity growth rates reflect the capital replenishment cycles relating to each institution.

Since the primary element of each multilateral development bank's equity consists of its member countries' subscribed capital (both paid-in and callable), each bank must, for the most part, rely on its subscriptions to bolster its equity position substantially. Although each MDB transfers all or most of its net income to its reserve account,[4] these amounts are not enough to support the massive borrowing and lending programs needed for the development of each MDB's respective region. Consequently, every four to five years, each multilateral development bank undergoes a capital replenishment process which ultimately leads to the infusion of new "cash" funds, paid-in capital, as well as to the subscription of additional callable capital, the use of which is limited to the repayment of defaulted bank debt if such were ever to occur. When this replenishment process is completed and these member subscriptions are reflected on the balance sheet, the effect on stockholders' equity and total equity capital is dramatic. For example, when the African Development Bank, the Asian Development Bank, the Inter-American Development Bank and the World Bank were near the end of their replenishment cycles at year-end 1982, the additions to their subscription bases were minimal resulting in decreases in their equity growth rates from one five-year period to the next. With new capital replenishments for the AsDB, IDB and World Bank, stockholders' equity and total equity capital increased substantially which produced even stronger balance sheets for each MDB.

Chart 6 reflects the Total Loans, Funded Debt, and Equity for 1984 for each of the MDBs, and clearly reflects the structural strengths of each of these institutions. As the Chart illustrates, total disbursed loans for the World Bank amounted to $37.840 billion. At the same time, the World Bank's total funded debt amounted to $42.209 billion, with Total Equity (Subscribed Capital plus Reserves) amounting to $60.311 billion. The World Bank's debt-to-equity ratio (subscribed capital plus reserves) at 1984 was 70.0%. The AsDB reported total disbursed loans of $3.287 billion, total funded debt of $3.868 billion and total equity of $15.246 billion. The AsDB's debt-to-equity ratio for 1984 was 25.4%. The IDB at the same time reported total disbursed loans of $6.258 billion, total funded debt of $6.112 billion and total equity of $26.460 billion. The debt-to-equity ratio for the IDB was 23.1%. The African Development Bank, in large contrast, reported total disbursed loans of $795 million, total funded debt of $795 million and total equity of $5.167 billion. The AfDB's debt-to-equity ratio was 15.3% at December 31, 1984. The European Investment Bank at December 31, 1984 reported disbursed loans of $19.635 billion, total funded debt of $17.729 billion and total equity of $11.949 billion. The EIB's debt-to-equity ratio was 148.4%.

When measuring profitability for the banking industry, the most important ratio used is that of return on assets. As revealed by Chart 7, the multilateral development banks' ratios are clearly superior to that of the Money Center Sample. Specifically, AsDB shows the highest ratio at 3.0%, followed by IDB at 2.4%, the AfDB with 1.5%, the EIB a 1.3% return, and the World Bank reporting a 1.0% return. In contrast, the U.S. Money Center Sample reported a 0.62% return on assets. Return on assets for each of the development banks has remained relatively strong from one year to the next while the Money Center Sample's ratio has consistently reflected a level less than 1% (See Summary Financial Table and Table 12).

As illustrated by Chart 8, return on equity for the Money Center Sample is clearly stronger than return on equity (paid-in plus reserves only) for each of the development banks. It should be noted, however, that from a credit standpoint, this ratio may be less significant since it reflects the effect of the higher leverage of the commercial banks.

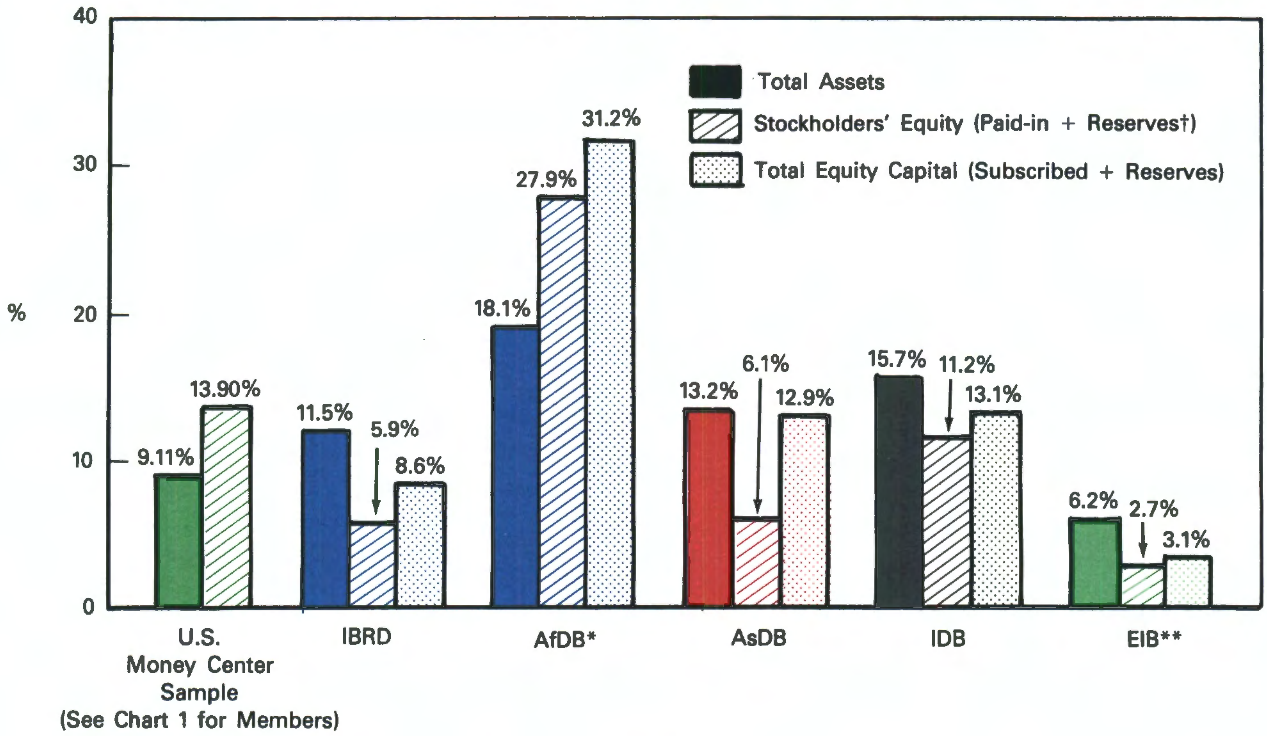
Chart 9 measures the capital formation rate and reflects a strong Money Center Sample ratio of 8.28%, exceeded only by the EIB (11.1%).

[4]The AfDB, AsDB, IDB, and EIB have historically transferred 100% of their net incomes to reserves while the World Bank has historically transferred part of its net income to its affiliated association, the International Development Association, and the remaining amount to reserves.

EARNINGS & PROFITABILITY RATIOS

GROWTH RATES: ASSETS & EQUITY (1980/84 Compound Growth Rates)

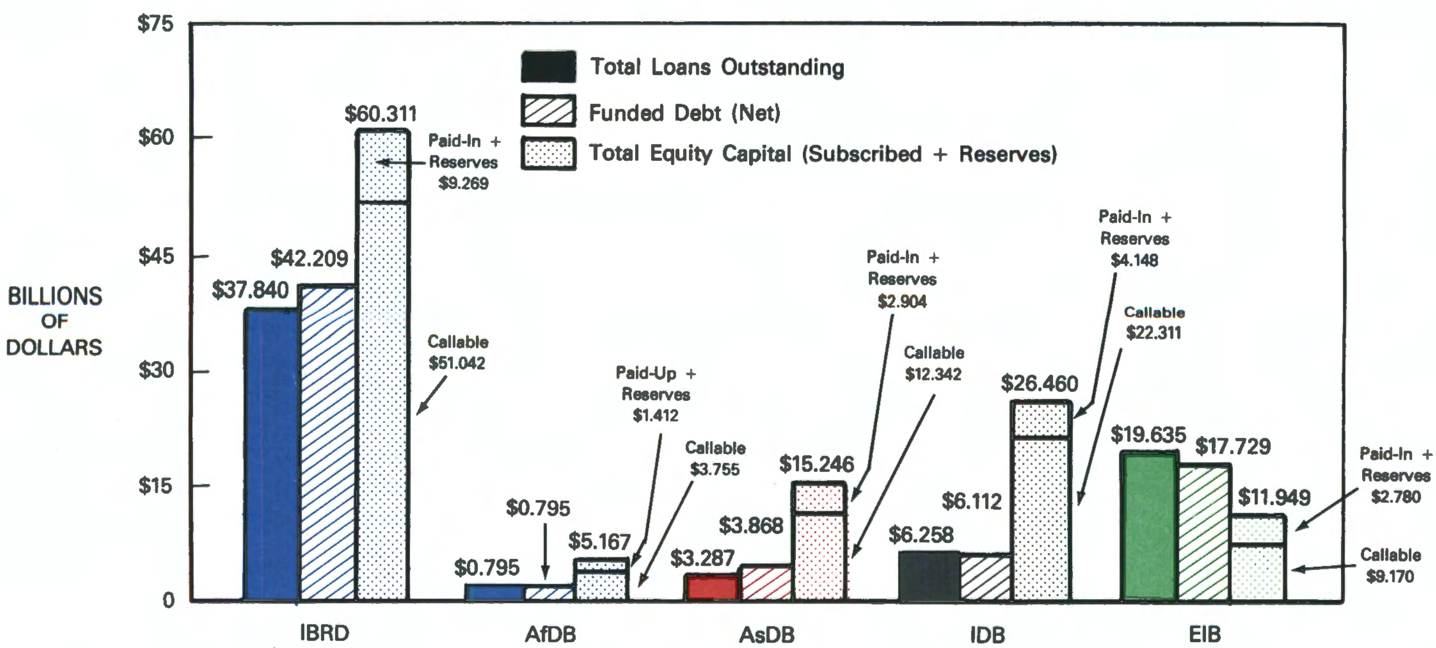
CHART 5



†Paid-Up plus Reserves for African Development Bank.
*Total assets, stockholders' equity, and total equity capital for the AfDB in U.A.s had compound growth rates of 26.2%, 36.6%, and 40.1% respectively for the 1980/84 period.
**Total assets, stockholders' equity, and total equity capital for the EIB in E.C.U.s had compound growth rates of 23.8%, 19.8%, and 20.2% respectively for the 1980/84 period.

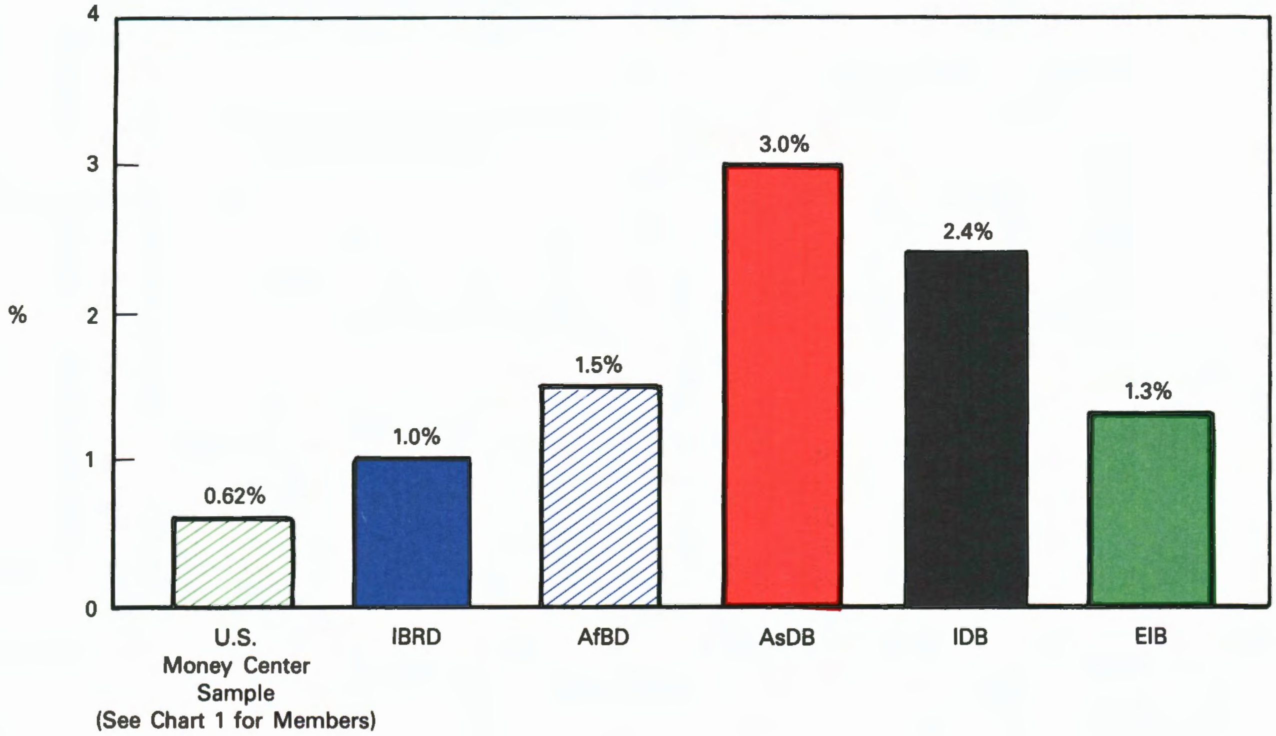
LOANS, FUNDED DEBT (Net) AND EQUITY (Fiscal 1984)

CHART 6



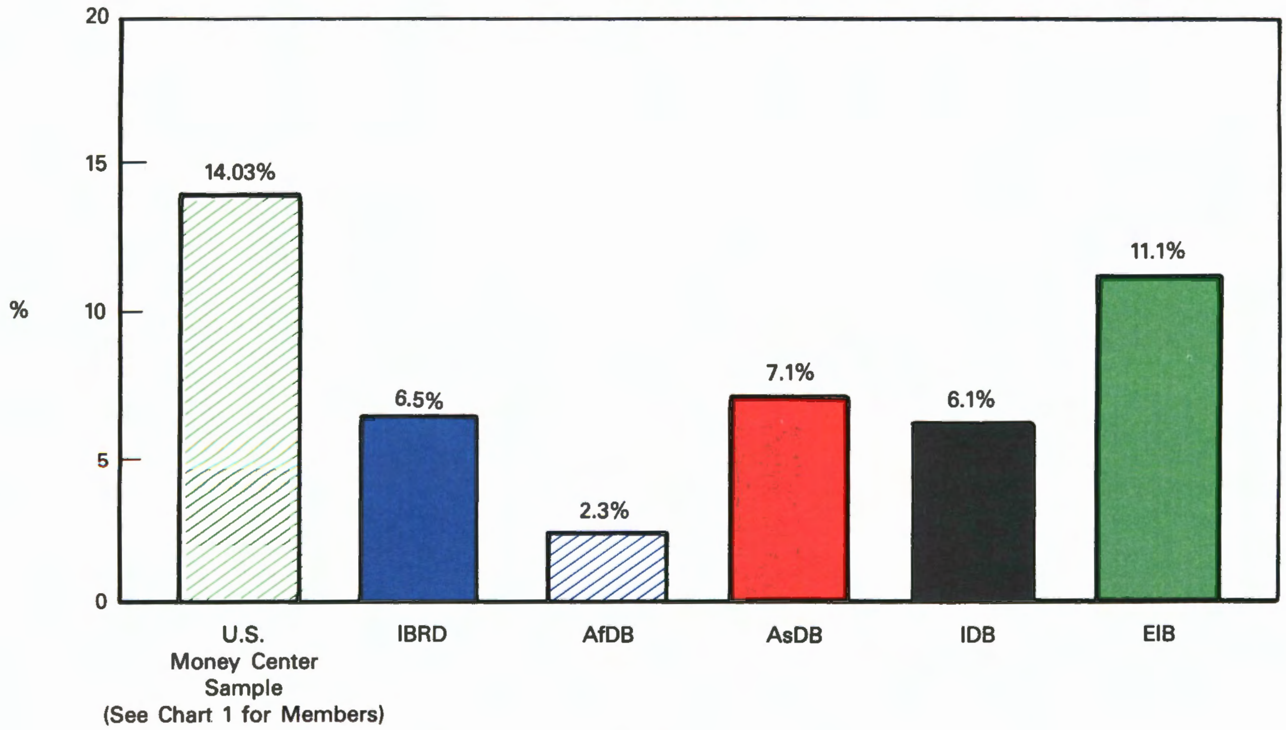
NET INCOME
% TOTAL ASSETS
(Fiscal 1984)

CHART 7



NET INCOME %
STOCKHOLDERS' EQUITY
(Paid-In + Reserves Only†)
(Fiscal 1984)

CHART 8

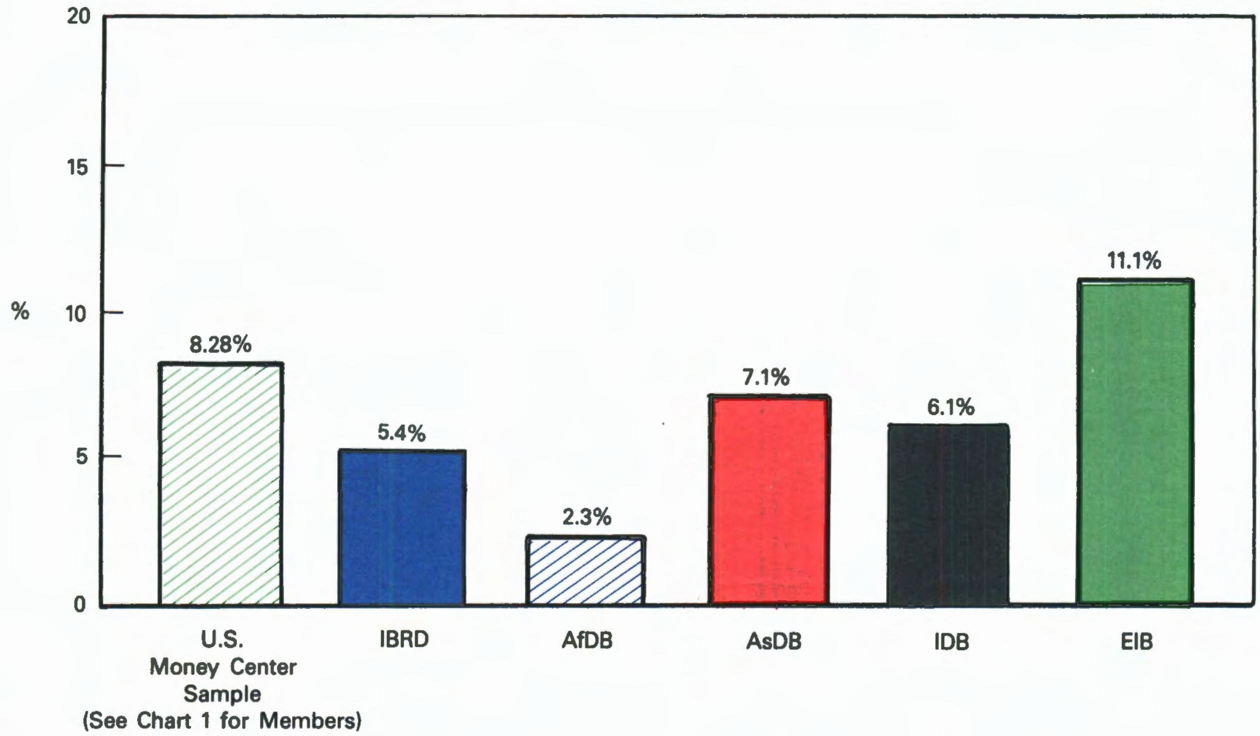


†Paid-Up plus Reserves for African Development Bank.

EARNINGS & PROFITABILITY RATIOS

CAPITAL FORMATION RATE
—RETAINED EARNINGS % EQUITY—
(Fiscal 1984)

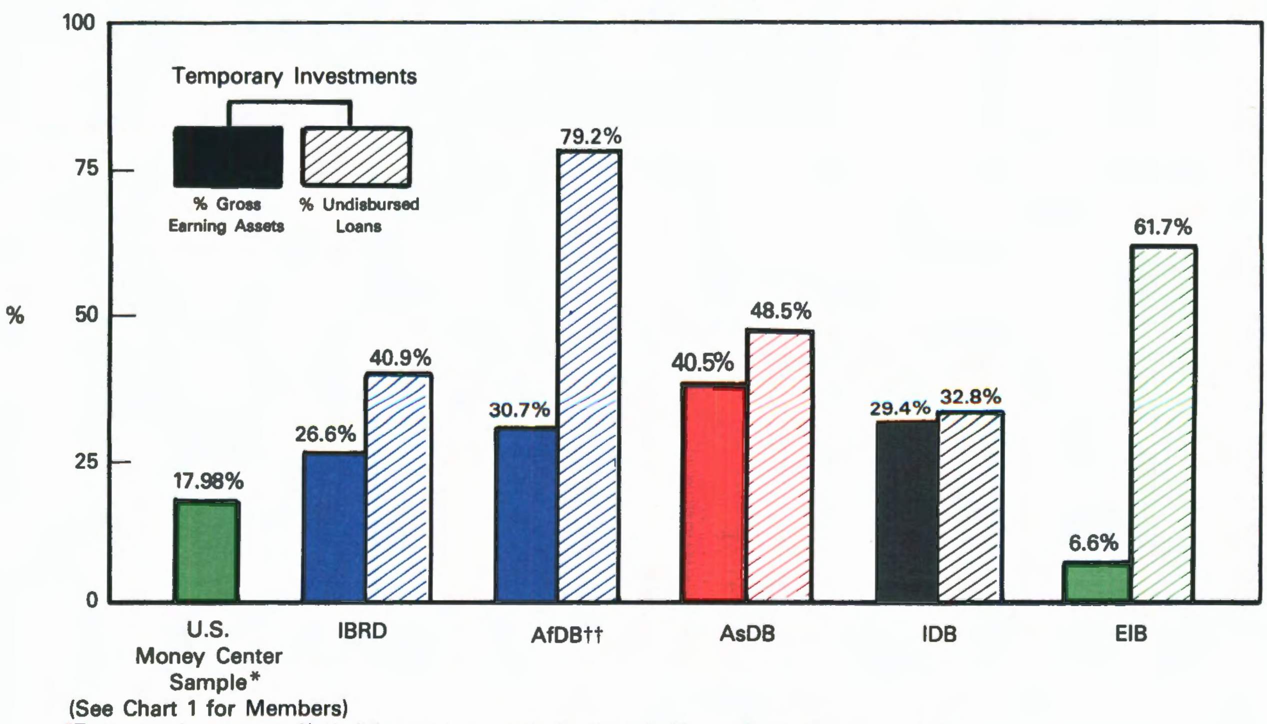
CHART 9



LIQUIDITY RATIOS

TEMPORARY INVESTMENTS+ % UNDISBURSED LOANS† AND TEMPORARY INVESTMENTS++ % GROSS EARNING ASSETS
(Multilateral Development Banks' Total Assets)
(Fiscal 1984)

CHART 10



*Temporary Investments % Undisbursed Loans ratio for the U.S. Money Center was not available.
+Temporary Investments are net of the Special Reserve.
++Temporary Investment are inclusive of the Special Reserve.
†Undisbursed loans includes approved but not yet effective.
††AfDB liquidity includes cash and investments plus undrawn borrowings.

B. Liquidity

Liquidity is one of the most crucial considerations in a commercial paper rating of a bank holding company. While liquidity is not emphasized quite as much on a long-term debt rating, it remains a major factor since a bank credit cannot be considered a good long-term risk unless it is first a good short-term risk. At the bank holding company level, liquidity ratios measure the ability to meet debt service obligations as they come due. At the bank operating level, liquidity ratios measure considerably more. While a bank cannot be expected to be able to meet all of its deposit liabilities at any moment in time, it should be able to replace its short-term money market liabilities as they mature as well as cope with a reasonable "run" on its deposits. A bank should be able to meet these demands either through the issuance of other liabilities or through the sale of assets.

Liquidity provides a bank with more than the defensive ability to meet deposit run-offs. The more liquid a bank is, the greater flexibility it will have in expanding its loans, increasing its fixed-rate assets and choosing the most appropriate interest-rate cycles for its borrowings. This flexibility has, as a natural consequence, a direct effect on a bank's profitability ratios.

In measuring liquidity, rating agencies do not give a great deal of weight to the relatively simple loan-to-deposit ratio since this ratio provides an incomplete measurement of a bank's liquidity and can even be misleading if applied to a bank holding company with non-bank subsidiaries. Cash is also not a good measure of liquidity since for banks this is often not a purely liquid asset. For a bank, its cash position mainly represents "vault" cash, both required reserves at the Federal Reserve as well as funds under collection.

Since a bank's principal liquid portfolio asset is usually its short-term U.S. Government securities and equivalents, the ratio of temporary assets of this nature to a bank's gross earning assets will provide a good liquidity indicator. As evidenced by the summary financial table, the liquidity position of the development banks has remained relatively stable from one year to the next.

Chart 10 illustrates two key indicators of liquidity, the ratio of temporary investments as a percentage of gross earning assets (total assets for the MDBs) and the ratio of temporary investments as a percentage of undisbursed loans (including approved but not yet effective loans). The AsDB reflects the highest percentage of temporary investments to total assets with 40.5%. The AfDB (30.7%), IDB (29.4%), and World Bank (26.6%) also reflect a higher percentage than the Money Center Sample (17.98%) while the EIB reflects a lower percentage. The Money Center sample ratio reflects a substantial decline from the previous year's ratio of 23.8%. With regard to the second ratio illustrated on Chart 10, the AfDB reflects an extremely strong liquidity position with temporary investments representing 79.2% of undisbursed loans. The EIB showed the second strongest liquidity in this comparison with 61.7%, followed by AsDB (48.5%), World Bank (40.9%) and IDB (32.8%). The Money Center Sample does not report temporary investments as a percentage of undisbursed loans.

It should be noted that since the multilateral development banks do not accept deposits, risk exposure with regard to massive cash withdrawls does not exist and, therefore, a strong liquid position is not as necessary for the MDBs as it is with international commercial banks. Moreover, since MDBs are not dependent upon rolling over short-term purchased funds, less risk is incurred by a long-term lender to an MDB than by a long-term lender to a comparably rated commercial bank. Nevertheless, the fact that each of the development banks has such a strong position of liquidity, with less "risk" (relative to the major international commercial banks) that liquidity will be necessary for defensive purposes, serves to underscore its substantial structural strength as a borrowing credit.

In Chart 11, where the liquidity ratio of total loans to basic earning assets is illustrated, the AfDB reflects 37.7% of total assets, with the AsDB (48.5%), the IDB (59.7%), World Bank (62.7%), the Money Center Sample (76.15%), and the EIB, reflecting the least amount of liquidity in this comparison, with 85.3%. Although Chart 12 does not include data from the Money Center Sample, it further illustrates the data reflected in the two previous charts with regard to the liquidity positions of the multilateral development banks. The AfDB reflects the strongest liquidity position with temporary assets (including the assets of the Special Reserve) representing 81.2% of net funded debt, followed by the AsDB (74.3%), IDB (50.4%), and World Bank (38.0%). The least liquidity in this ratio comparison is reflected by the EIB (8.6%).

C. Capital Adequacy and Structure

A bank's riskiest asset is its loan portfolio. Therefore, an analysis of a bank's adequacy of equity capital is essential in the determination of a bank's ability to absorb losses, including both those that are considered temporary as well as those incurred in the event of liquidation. The ratio of equity to capital provides such a determination because it measures the amount of equity "cushion" for loan losses. Chart 13 illustrates that all of the multilateral development banks and in particular the regional MDBs have substantially stronger equity to loan ratios than the Money Center Sample. In 1984 the AfDB's paid-up equity plus reserves (Stockholders' Equity) amounted to 177.6% of its year-end loans which is the highest percentage of the banks highlighted and approximately 22.1 times greater than the Money Center Sample (8.02%). The Asian Development Bank, Inter-American Development Bank, World Bank, and European Investment Bank also reported relatively stronger ratios of 88.4%, 66.3%, 24.5%, 14.2% respectively.

When measuring the full capital position of the development banks (an amount equal to subscribed equity plus reserves) against their loan positions, the total capital adequacy of these institutions becomes truly apparent. The ratios for the World Bank (159.4%) and EIB (60.9%) are approximately 19.9 and 7.6 times stronger than that of the U.S. Money Center Sample (8.02%) while the AfDB (649.7%), the AsDB (463.9%), and the IDB (422.8%) reflect respective multiples of 81.0, 57.8, and 52.7 times stronger than the ratio of the U.S. Money Center Sample.

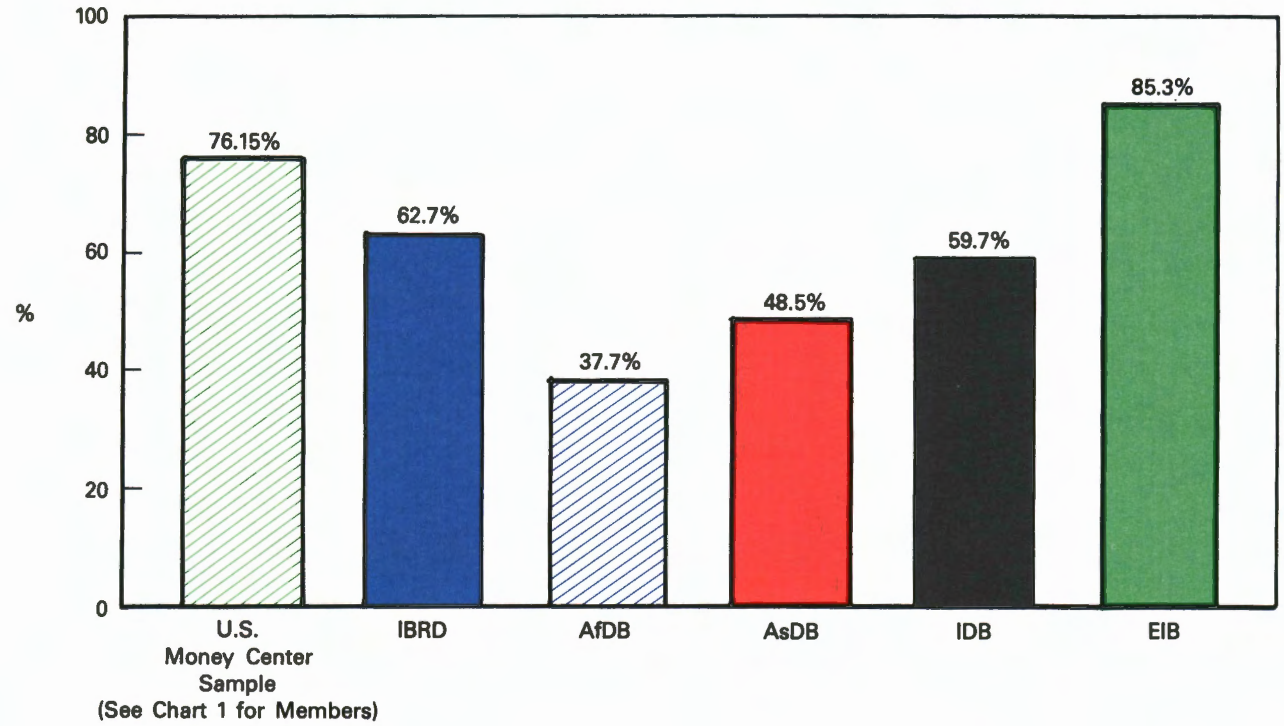
Further substantiation of the significant capital adequacy of the multilateral development banks is reflected in Chart 14, which represents the Bank's ratio of year-end equity to year-end assets (average equity to average assets for the U.S. Money Center Sample). As in the previous equity to loan ratio, again the MDBs reflect substantially stronger capital adequacy when compared to the U.S. Money Center Sample. The three regional multilateral development banks, the African Development Bank, the Asian Development Bank and the Inter-American Development Bank, reflect respectively the strongest equity to asset ratios with 67.0%, 42.9% and 39.6% approximately 14.8, 9.5, and 8.7 times greater than the U.S. Money Center Sample's ratio of 4.54%. Additionally, the World Bank's and European Investment Bank's ratios of 15.4% and 12.1%, respectively, were 3.4 and 2.7 times greater than the ratio of the U.S. Money Center Sample.

Chart 15 measures long-term debt usage. The amount of debt outstanding is not as important as a criterion of bank credit analysis as is the purpose for which the debt is used. Multilateral development banks use long-term debt to extend the average maturity of their sources of funds in order to match their long-term loan portfolio. Therefore an above average amount of long-term debt is considered appropriate. While the development banks reflect relatively higher long-term debt usage than the U.S. Money Center Sample (with the exception of the AfDB) when compared to paid-in capital plus

LIQUIDITY RATIOS

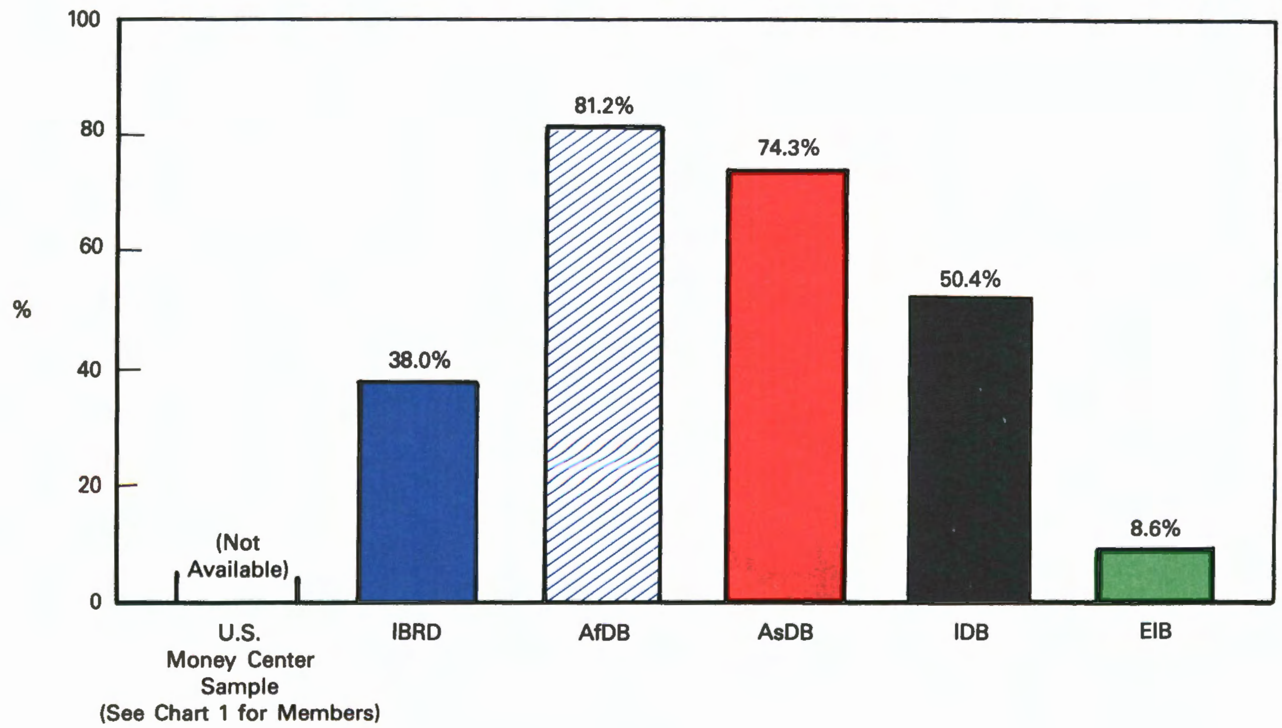
TOTAL LOANS %
GROSS EARNING ASSETS
(Multilateral Development Banks' Total Assets)
(Fiscal 1984)

CHART 11



TEMPORARY INVESTMENTS†
% FUNDED DEBT (Net)
(Fiscal 1984)

CHART 12

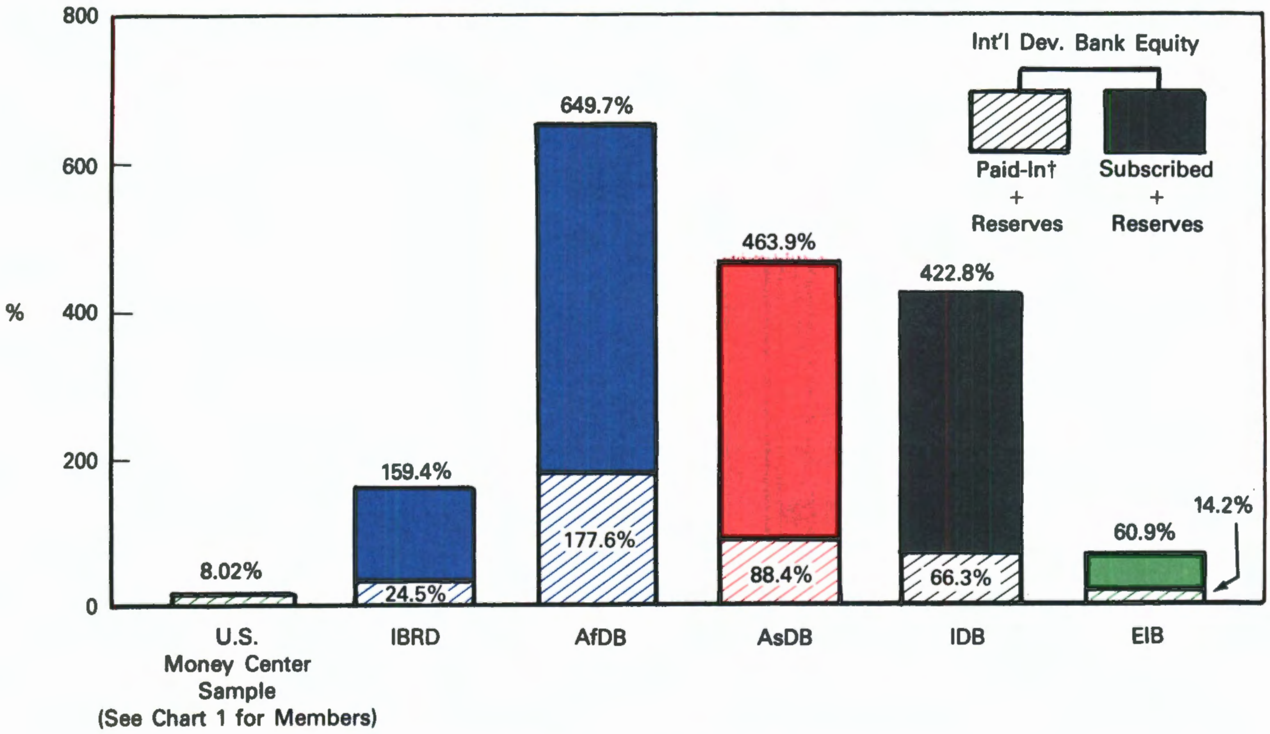


†Temporary Investments are inclusive of the Special Reserve.

CAPITAL RATIOS
CAPITAL ADEQUACY RATIOS

AVERAGE EQUITY %
AVERAGE TOTAL LOANS*
(Fiscal 1984)

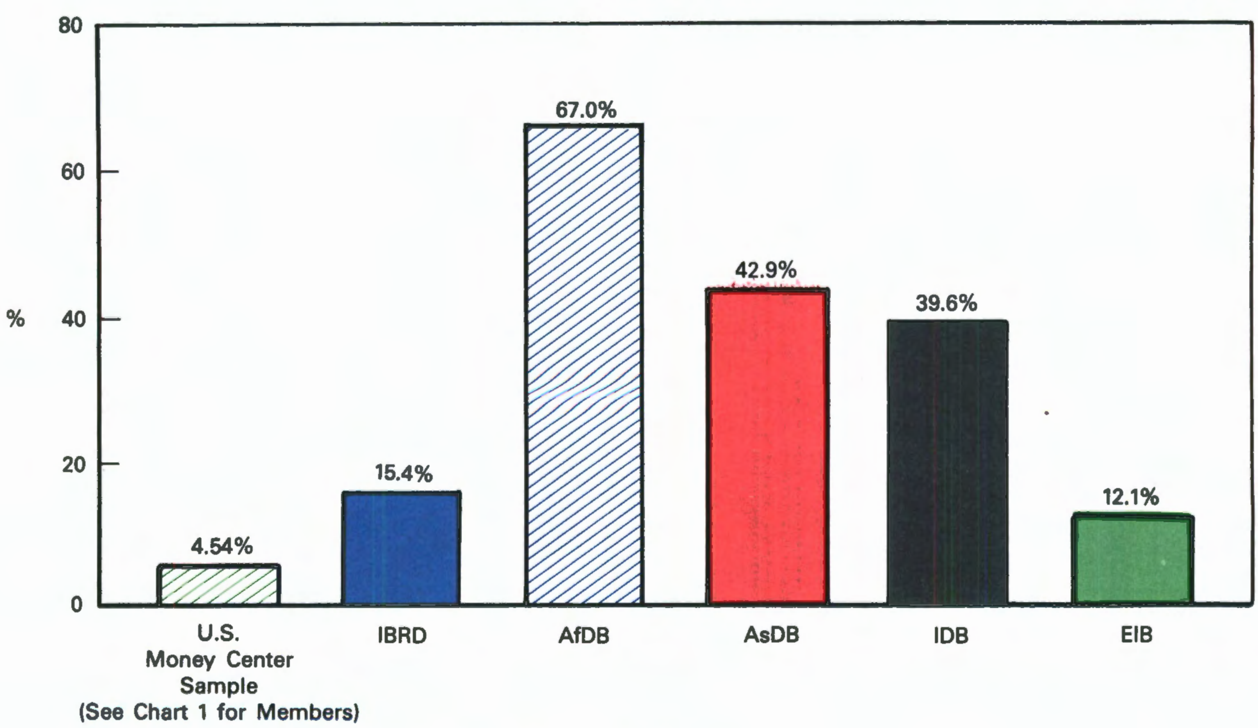
CHART 13



*Multilateral Development Banks' ratios based on Year-End Equity and Year-End Loans.
†Paid-Up + Reserves for AfDB.

AVERAGE EQUITY
% AVERAGE ASSETS*
(Fiscal 1984)

CHART 14

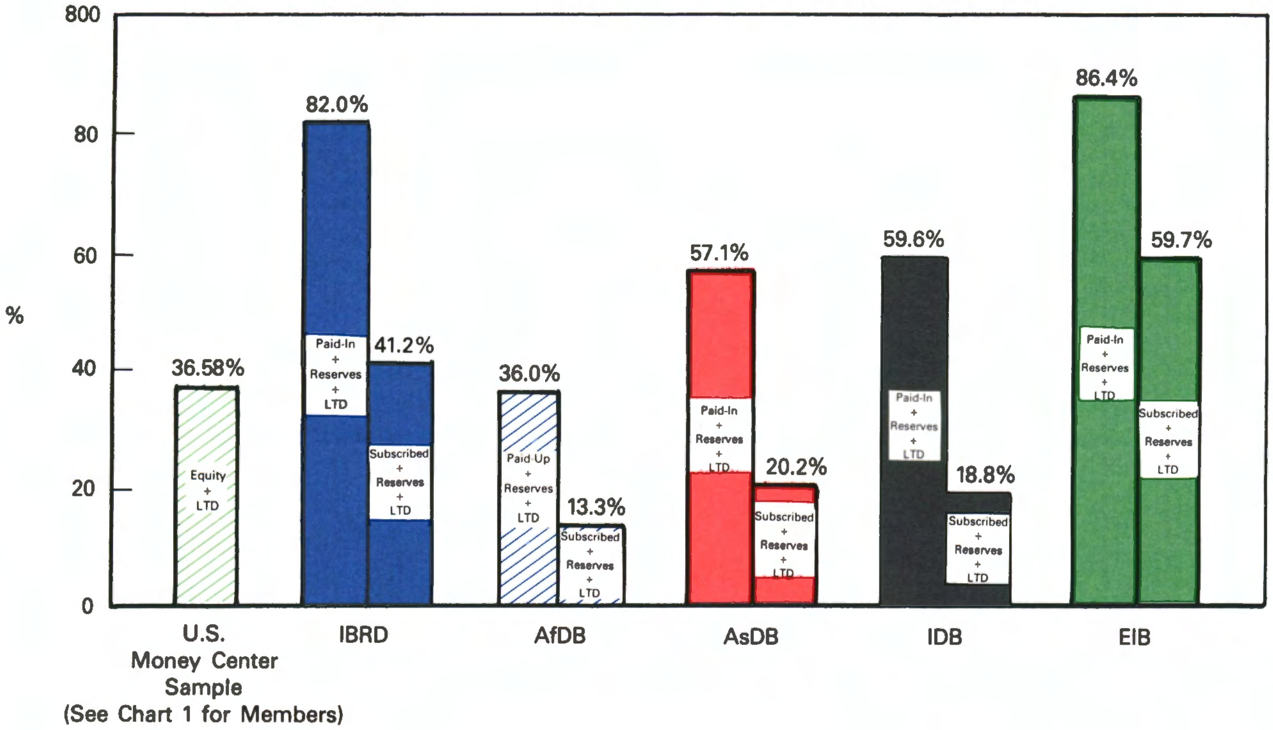


*Multilateral Development Banks' ratios based on Year-End Paid-In (Paid-Up for AfDB) plus Reserves and Year-End Assets.

CAPITAL RATIOS
CAPITAL STRUCTURE RATIO

LONG TERM DEBT (Net)
% TOTAL CAPITALIZATION
(Fiscal 1984)

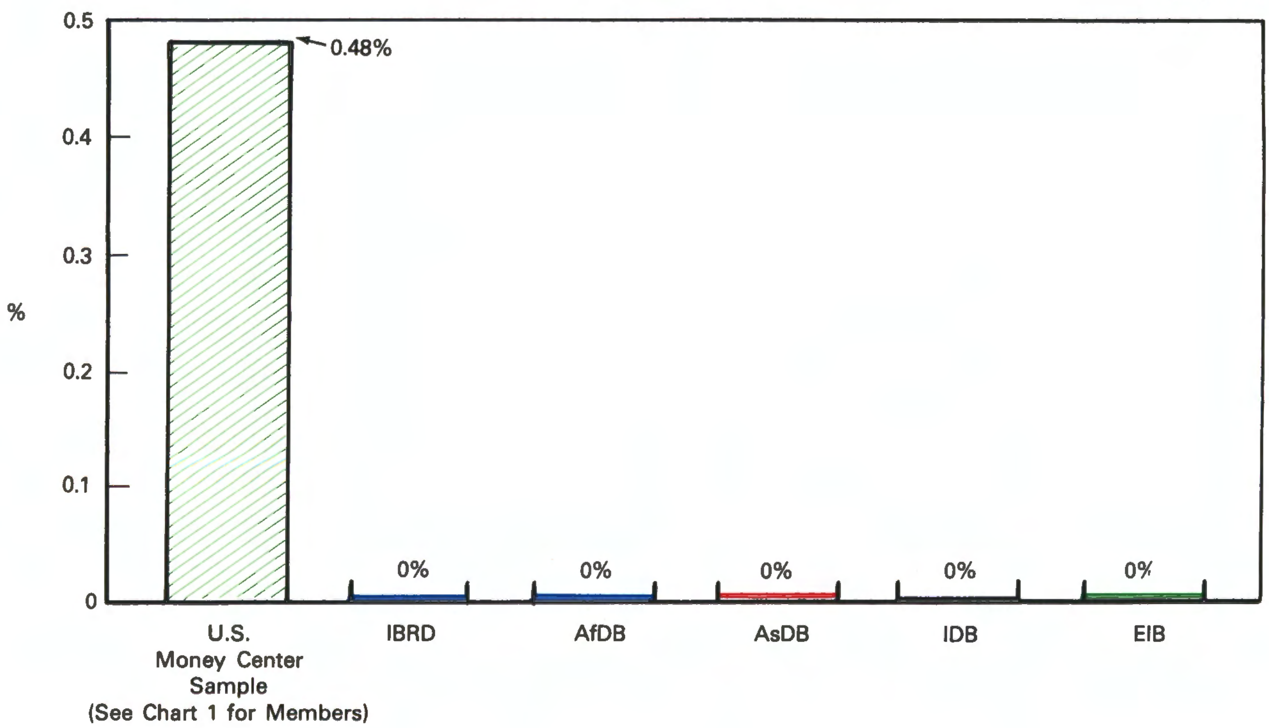
CHART 15



ASSET QUALITY RATIOS
LOAN LOSS RATIO

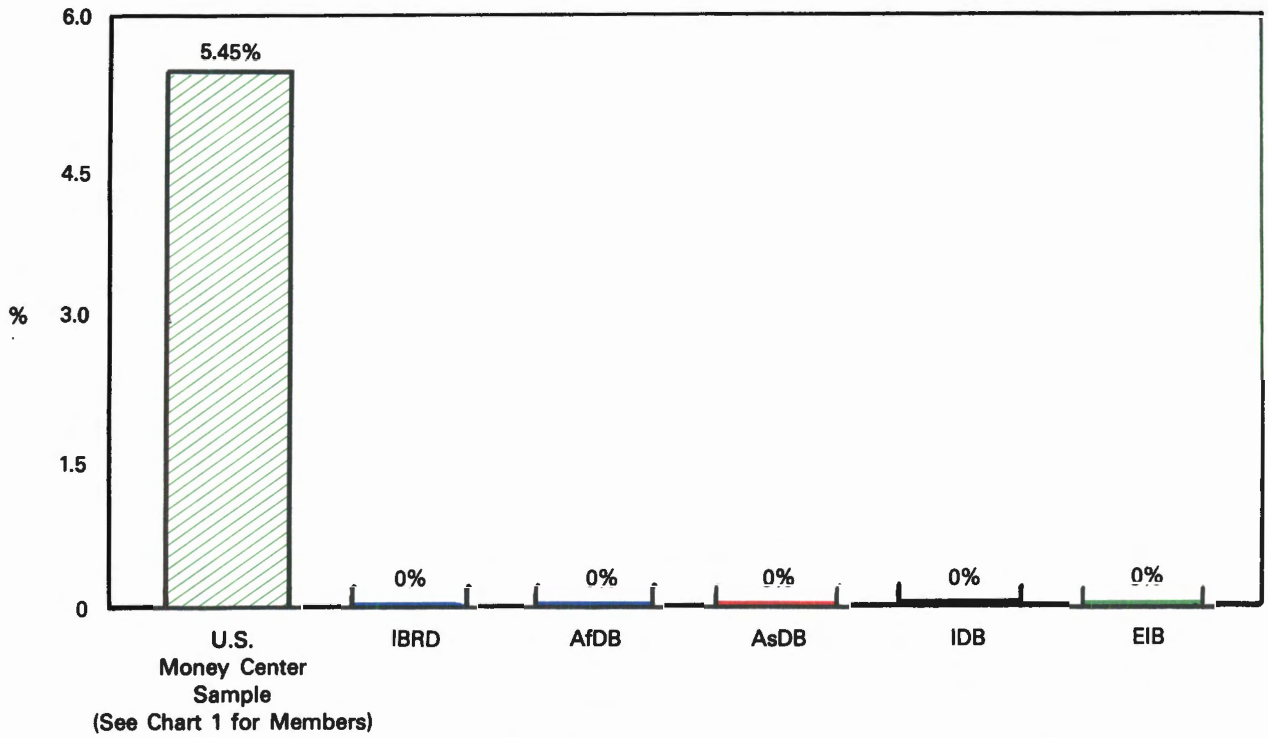
NET CHARGE OFFS
% AVERAGE LOANS
(Fiscal 1984)

CHART 16



NET CHARGE OFFS % STOCKHOLDERS' EQUITY (Fiscal 1984)

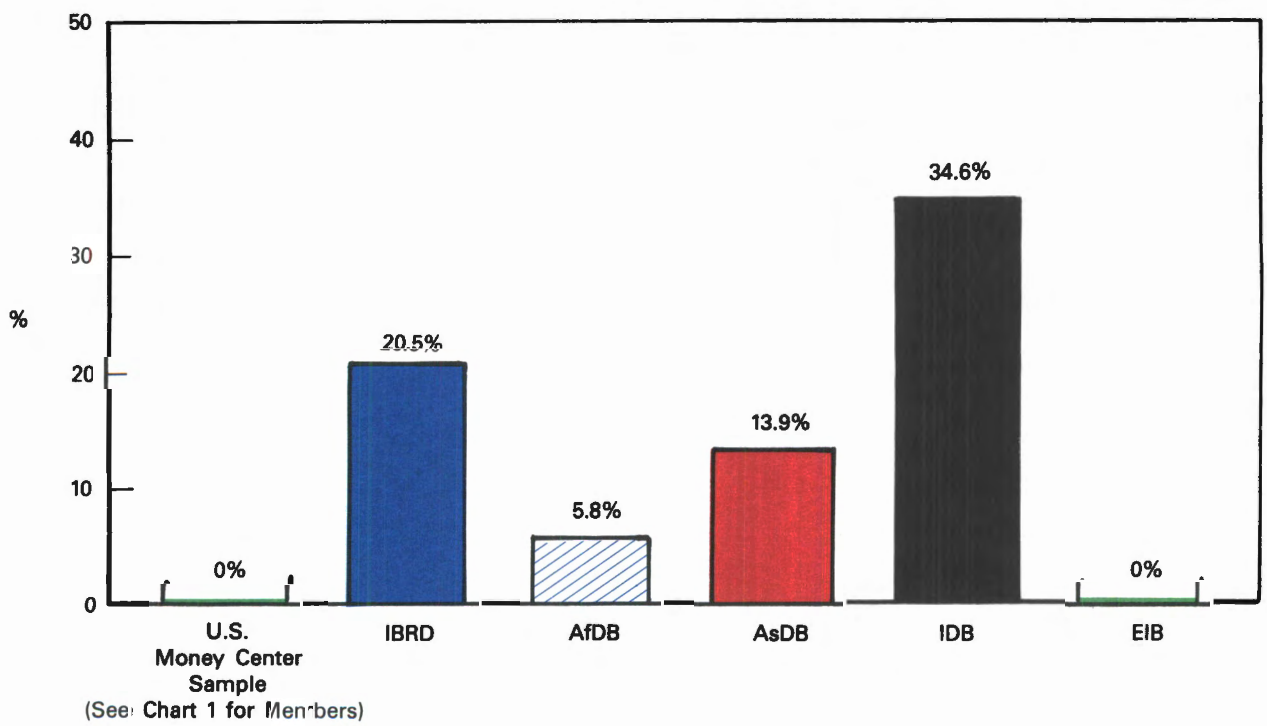
CHART 17



(Note: Money Center Sample for this ratio does not include Irving Bancorp or Republic New York.)

UNITED STATES SUBSCRIPTION % TOTAL STOCKHOLDERS' SUBSCRIPTION (Fiscal 1984)

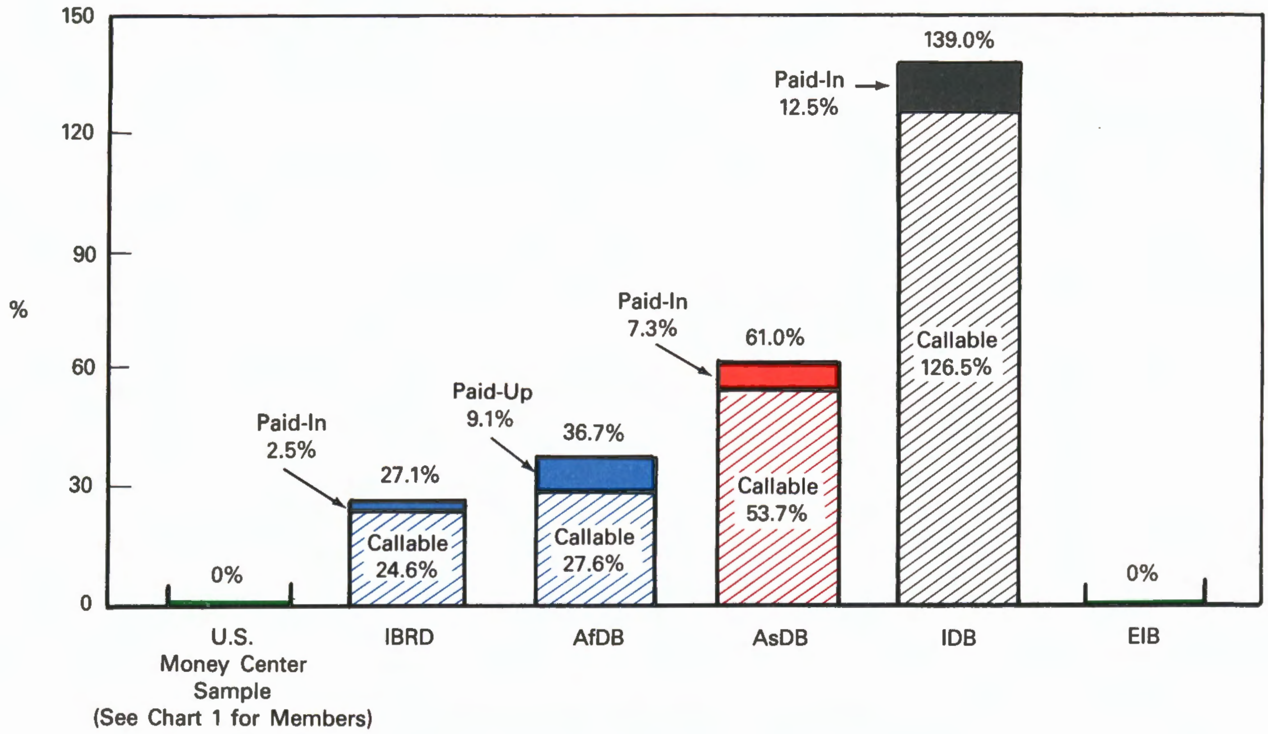
CHART 18



ASSET QUALITY RATIOS

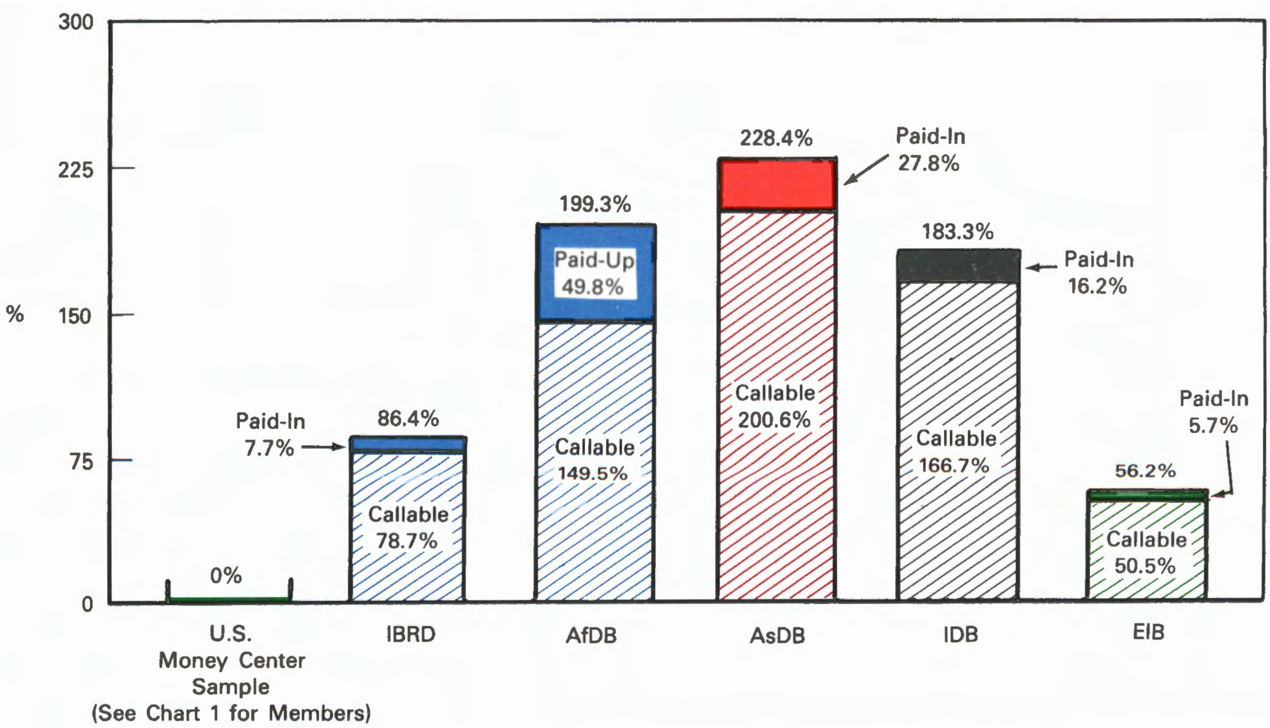
UNITED STATES SUBSCRIPTION
% FUNDED DEBT (Net)
(Fiscal 1984)

CHART 19



SUBSCRIPTIONS WHERE APPLICABLE OF
U.S., CANADA, SELECTED EUROPEAN MEMBERS*,
JAPAN, AUSTRALIA, AND NEW ZEALAND
% FUNDED DEBT (Net)
(Fiscal 1984)

CHART 20



*Members include: Austria, Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Spain, Sweden, Switzerland and United Kingdom.

reserves, it should be noted that these ratios become significantly more conservative when compared instead with the total subscribed (paid-in plus callable) capital of the development banks.

D. Asset Quality

Asset quality ratios measure the past, present, and future quality of assets as well as income statement and balance sheet protection against poor quality assets. Poor quality assets must eventually be written down which can have an adverse effect on a bank's performance and the public's confidence in the bank's ability to service its debt, to generate growth and to access capital markets.

Nowhere is it more evident that the multilateral development banks are substantially superior in this area compared to comparably rated U.S. Money Center Sample banking institutions, than when an analysis of the asset quality ratios of each is made.

In a bank or bank holding company, the quality of the loan portfolio is generally assessed by loan loss ratios which measure "risk" effectively. The illustration of these ratios, presented in the form of net charge-offs to average loans (Chart 16), and net charge-offs to stockholders' equity (Chart 17), clearly indicate that none of the development banks highlighted have experienced any loan-losses whatsoever, as opposed to the Money Center Sample, which reported ratios in 1984 of 0.48% and 5.45% in each chart respectively. These ratios are substantially greater than those reported in 1983. Moreover, all of the multilateral development bank's loans carry the guarantees of governments or of institutions such as central banks which engage the full faith and credit of sovereign governments. No such loans have ever gone into default in any of the MDBs. Finally, since the MDBs have a policy of not rescheduling or renegotiating any loans, they do not have as great a potential for carrying "non-performing" loans in their portfolios.

While the foregoing charts have illustrated the strong performance records of each of the development banks when compared to the median ratios of the very strongest international commercial banking institutions, Charts 18 through 21 serve to indicate the additional and ultimate risk protection afforded each investor.

Charts 18, 19 and 20 measure the degree of government support by major world credits in the multilateral development banks highlighted and hence, the ultimate credits underpinning each development bank's capital structure.

Chart 18 measures the percentage of the United States subscription, at year-end 1984, in each development bank's total subscription base. As the chart indicates the U.S. has subscribed to 20.5% of the subscription base of the World Bank, 5.8% of that of the African Development Bank, 13.9% of that of the Asian Development Bank, and 34.6% of that of the Inter-American Development Bank. The United States is not a subscribing member in the European Investment Bank. Chart 19 measures the extent of the United States subscription as a percentage of the net funded debt of each bank at fiscal year-end 1984, except with respect to the EIB in which, as noted, it has no subscription interest. As the Chart illustrates, total U.S. subscriptions amounted to 27.1% of the World Bank's net funded debt, 36.7% of the African Development Bank's net funded debt, 61.0% of the Asian Development Bank's net funded debt, and 139.0% of the Inter-American Development Bank's net funded debt.

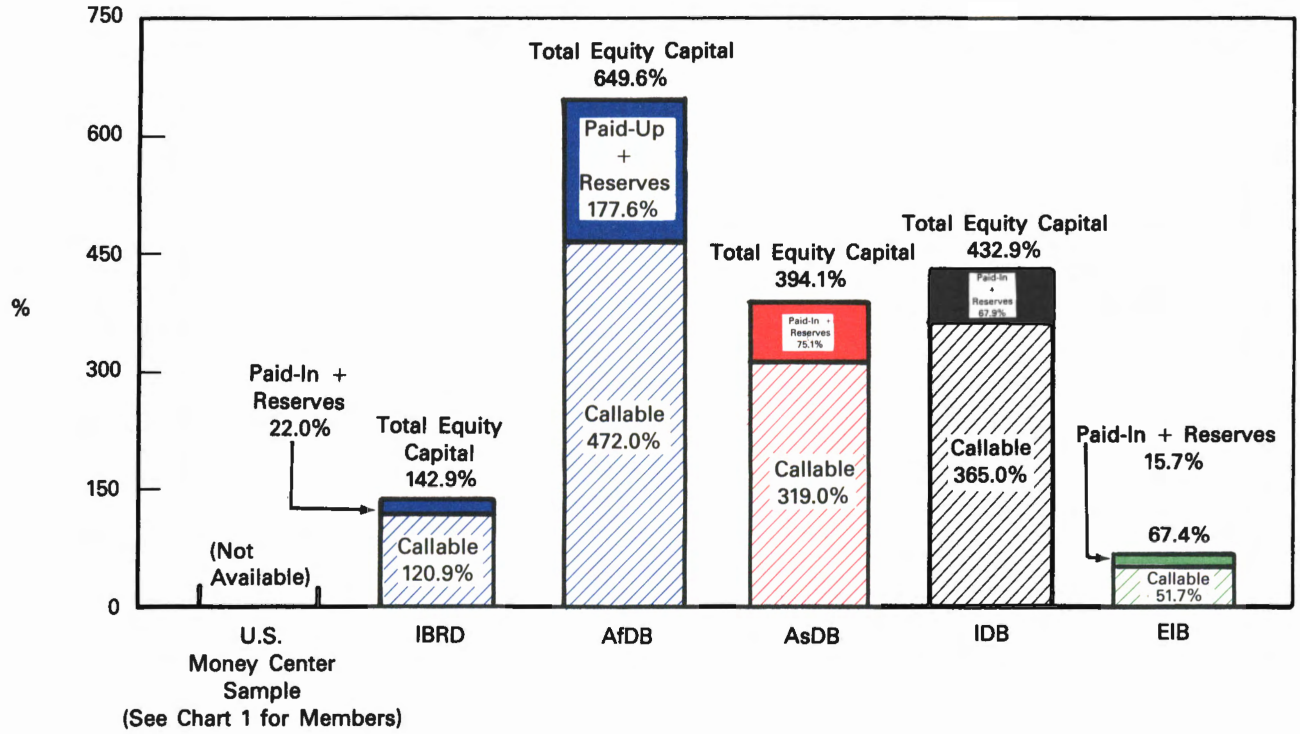
Chart 19 also reflects that the United States callable capital alone amounted to 24.6% of the net funded debt of the World Bank, 27.6% of the AfDB's, 53.7% of the AsDB's and 126.5% of the IDB's.

Recognizing the substantial participation of major world government credits in all of the development banks highlighted, Chart 20 provides a relative

ASSET QUALITY RATIO

TOTAL SUBSCRIPTIONS PLUS RESERVES
(Total Equity)
% FUNDED DEBT (Net)
(Fiscal 1984)

CHART 21



measure of this involvement. This chart illustrates the total subscriptions of the United States, Canada, selected European members[5], Japan, Australia, and New Zealand (where applicable) as a percentage of net funded debt.

On this basis, total subscriptions of these industrialized members amounted to 86.4% of the net funded debt of the World Bank, 199.3% of that of the African Development Bank, 228.4% of that of the Asian Development Bank, 183.3% of that of the Inter-American Development Bank and 56.2% of that of the European Investment Bank.

More importantly, as a measure of ultimate protection, the callable capital of these industrial countries, which vary among the banks, collectively amounts to the following percentage of each bank's net funded debt: World Bank (78.7%), AfDB (149.5%), AsDB (200.6%), IDB (166.7%) and EIB (50.5%).

As a final illustration of asset quality, Chart 21 measures total equity (subscribed capital plus reserves) as a percentage of net funded debt, at year-end for each of the banks highlighted. As the Chart illustrates, the bank with the highest percentage of total equity to funded debt was the AfDB at 649.6%. The IDB reflects the second highest percentage having total equity capital equal to 432.9% of net funded debt, which is followed by the AsDB (394.1%), the World Bank (142.9%) and the EIB (67.4%).

Total callable capital available from all member countries to meet funded debt liabilities equaled approximately the following amounts for each bank: World Bank (120.9%) AfDB (472.0%), AsDB (319.0%), IDB (365.0%), and EIB (51.7%).

[5]Selected European Members include: Austria, Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, and United Kingdom.

SELECTED MULTILATERAL DEVELOPMENT BANKS COMPARATIVE ANALYSIS

Charts 22 through 65 illustrate the statistical data appearing in Tables 1 through 11 on both an individual and a comparative basis for the selected multilateral development banks. Using the data provided in Tables 12 through 15, Charts 66 through 89 illustrate a comparison of selected financial ratios for the World Bank, African Development Bank, Asian Development Bank, Inter-American Development Bank and European Investment Bank.

As mentioned earlier, the World Bank reports on a June 30 fiscal year while the other MDBs report on a calender fiscal year basis. As of the date of this report fiscal year 1985 data are available for the World Bank, and thus compound growth rates for the World Bank are for the six-year period 1980 to 1985. In contrast, the compound growth rates for the other MDB's are for the five-year period 1980 to 1984. In order to eliminate confusion when referring to the compound growth rates for the Banks the term "respective period" has been used to indicate the periods outlined above. Where reference is made to the latest available date the term "latest fiscal year" is used in lieu of a specific date. Despite this slight inconsistency we feel this enhances our analysis by providing the latest available data.

Where appropriate, compound growth rates for the AfDB and EIB have been shown in their respective unit of account, U.A. and E.C.U. This is in order to provide a more accurate reflection of the performance of these banks, which is not consistently portrayed when converted into U.S. dollars.

This comparative financial analysis focuses on the income statements and balance sheets of the selected multilateral development banks, and the relevant ratios derived from each, recognizing the significant differences among the individual banks exist with regard to relative size, lending areas and operating longevity.

Income Statements

As illustrated by Chart 22, total income for the World Bank, consisting of loan income, investment income and other income, amounted to $5.529 billion in 1985 ($4.654 billion in 1984), and increased at a compound growth rate of 14.6% for the six-year period 1980 to 1985. The major component of total income, loan income (loan interest, commitment charges and front-end fees) which provides approximately 63% of the World Bank's revenue ($3.488 billion in 1985) grew at a compound rate of 12.4% from 1980 to 1985, followed by investment income ($2.019 billion in 1985) and other income ($21.7 million in 1985).

The growth of the World Bank's investment income has been extremely strong as demonstrated by the 1980 to 1985 compound growth rate of 19.3%. The exceptional 1985 performance of the World Bank's investment income is a function of the return an average liquid assets, which was 12.63% in 1985 compared to 9.95% in 1984, and the high liquidity maintained by the World Bank. The World Bank's compound growth rate in total loan income for the same period was a strong, but more modest, 12.4% (Chart 22).

Chart 23 shows an analysis of the components of total loan income, specifically loan interest, commitment charges, and front-end fees. Loan interest and commissions have grown at a compound annual growth rate of 12.5% from 1980 to 1985, and income from commitment charges and front-end fees has grown at a 10.7% compound growth rate for the same period. Of the World Bank's $3.488 billion total loan income in 1985, $3.239 billion (92.9%) was attributed to interest and commissions, and the balance of $0.249 billion (7.1%) represented income from commitment charges and front-end fees.

Charts 24, 25, 26 and 27 provide an analysis of total income for the other multilateral development banks analyzed, the African Development Bank, the European Investment Bank, the Asian Development Bank and the Inter-American Development Bank, respectively, as well as for their respective affiliated funds. Chart 28 compares the rate of growth of total income for all of the selected MDBs highlighted from 1980 to 1985. Total income for the AsDB grew at a compound growth rate of 16.4% which was greater than the growth rates for the World Bank (14.6%), the IDB (14.2%), the EIB (10.0%) and the AfDB (3.5%), for the same period. Charts 29 through 31 show a comparative analysis of the components of total income for the MDBs for the 1980 to 1985 period. As mentioned earlier, Chart 31 clearly indicates the success the World Bank has had in increasing investment income through the active, sophisticated management of its investment portfolio. The 1985 investment income of $2.019 billion was a 44.3% increase over the 1984 level of $1.399 billion. As will be shown in the later net income analysis, the large growth in investment income has allowed the bank to report 1985 net income levels 89.5% above its 1984 net income.

Total operating expenses, of which funded debt expenses are the largest component, reflect the amount and cost of borrowing in differing market climates and to a lesser degree, the administrative expenses of the World Bank. As illustrated by Chart 32, the World Bank's total operating expenses grew at the compound growth rate of 14.7% for the 1980 to 1985 period, while total expenses for the Asian Development Bank, Inter-American Development Bank and European Investment Bank grew at respective rates of 23.0%, 19.0%, 11.3% for the same period. The African Development bank experienced a negative compound growth rate in terms of U.S. dollars over this period. When expressed in U.A., however, the AfDB showed a 3.9% compound growth rate. Chart 34 provides a comparative analysis of funded debt expense for the MDBs and shows that the World Bank's funded debt expense rose at a compound rate of 15.1% from 1980 to 1985, which was considerably less then the AsDB (22.3%) and the IDB (21.1%) but greater than the EIB (11.8%) and the AfDB (neg%). The funded debt expense for the EIB, when expressed in E.C.U.s, however, had a 30.3% compound growth rate, placing it significantly above all the other Banks. The changes in funded debt expense for the MDBs are functions, of course, of the average level of funded debt and the average cost of such debt. By analyzing Charts 33 and 34 together, one can note the direct correlation between the increase in funded debt expense and total operating expenses for each MDB. Funded debt expense for the World Bank in 1985 equaled approximately 90.9% of total operating expense, and the correlation between the two expenses for both it and the other MDBs is within a few percentage points.

The net income analysis for the World Bank is shown in Chart 35. The World Bank achieved a record level of net income in 1985 of $1.137 billion, an 89.5% increase over the $0.600 billion earned in 1984. Over the six-year period 1980 to 1985, net income for the Bank increased at a compounded growth rate of 14.1%. Fluctuations in the reported net income for the World Bank can be more easily understood by focusing on the spread between the return of average earning assets and the average cost of funds available during the same period. Net income in 1983 rose sharply due to a $4.152 billion (47.8%) increase in investment assets coupled with a 90 basis point rise in return on average liquid assets, while total cost of funds available to the Bank rose by only 62 basis points. In 1984 the spread between return on average earning assets and the cost of funds available fell to 171 basis points (241 basis points in 1983) largely due to declining interest rates, which provided the bank a lower return an average liquid assets of 9.95%. Fiscal 1985 represented the best year in the World Bank's history in reported net income, among other things. The return on average liquid assets increased significantly to 12.63%, as did the return on average earning assets (10.10%), while the cost of total funds declined slightly to 7.44% providing the bank with a spread of 266 basis points.

Charts 36 through 39 provide analyses of net income levels for the hard loan operations of the African Development Bank, European Investment Bank, Asian Development Bank and Inter-American Development Bank, respectively, as well as for their affiliated funds or institutions providing concessionary lending. Charts 40 and 41 illustrate a comparative analysis of net income growth for the MDBs highlighted by dollar amount and index, respectively. Net income for the World Bank, AfDB, AsDB, IDB and EIB increased at compound growth rates of 14.1%, 26.5%, 8.1%, 6.1% and 3.1%, respectively, for the 1980 to 1985 period.

Balance Sheet

Total assets for the World Bank rose from $39.072 billion in 1980 to $75.988 billion in 1985, increasing at a compound growth rate of 14.2%. Charts 42 and 43 show the comparative growth in assets from 1980 to 1985 for each of the other selected multilateral development banks and illustrate that the total assets of African Development Bank, Inter-American Development Bank, Asian Development Bank and European Investment Bank increased at compound growth rates of 18.1%, 15.7%, 13.2% and 6.2%, respectively. It should be noted that the levels and growth rates for total assets for the MDBs do not include the amount of undisbursed loans.

The growth in net funded debt from 1980 to 1985 for each of the MDBs, World Bank (9.6%), AfDB (17.8%), AsDB (19.9%), IDB (19.2%) and EIB (6.3%), approximately parallels each Bank's growth in total assets (Chart 44). The World Bank shows a slightly higher compound growth rate in total assets as compared with funded debt due to the significant amount of repurchase transactions and securities lending operations it conducts, causing offsetting assets and liabilities and skewing the close relationship between total assets and funded debt. These types of transactions tend to increase the category of all other liabilities which had a compound growth rate of 57.3% from 1980 to 1985 (Chart 46). At year-end 1985, net funded debt for the World Bank equaled $46.791 billion.

Charts 48 through 55 illustrate a comparative analysis of paid-in capital (paid-up for the AfDB), callable capital and reserves, the three items which comprise the total capital stock of the multilateral development banks. Charts 56 and 58 illustrate, in terms of U.S. dollars, subscribed capital and reserves ("total equity capital") and paid-in capital and reserves ("stockholders' equity"), respectively. The equity capital for each multilateral development bank has grown consistently over the years through periodic capital replenishments by member countries and the retention of net income. The African Development Bank, however, has experienced an even greater growth of equity for the 1980 to 1984 period due to the admission of its new non-regional members and additional replenishments.

For the 1980 to 1985 period, the subscribed capital plus reserves for the World Bank increased to $63.764 billion, reflecting a compound growth rate of 8.0%. In comparison, total equity capital of the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, and the European Investment Bank increased at compound growth rates of 13.1%, 12.9%, 31.2% and 3.1%, respectively. At year-end 1985, paid-in capital plus reserves (stockholders' equity) for the World Bank totaled $10.061 billion, reflecting a compound growth rate of 6.4% for the 1980 to 1985 period.

Charts 60 through 63 compare for each of the selected MDBs the growth rates in cash and investments and total loans outstanding, their principal earning assets. The growth in both these areas reflects the growth in lending volume of the individual banks because the level of cash and investments maintained by the MDBs is dependent on their lending volume.

For the 1980 to 1985 period, the compound growth rates in cash and investments for the World Bank, AfDB, AsDB, IDB, and EIB were 14.5%, 24.0%, 16.9%, 15.7% and 3.3%, respectively. For the 1980 to 1985 period, total loans outstanding for the World Bank, AfDB, AsDB, IDB, and EIB grew at the compound rates of 9.2%, 12.1%, 11.9%, 15.7% and 7.1%, respectively. For the World Bank total loans outstanding increased from $26.694 billion in 1980 to a level of $41.382 billion at year-end 1985, while cash and investments combined almost doubled from $10.211 billion to $20.133 billion during the same period.

Ratio Analysis

Total equity capital is defined as subscribed capital (paid-up plus callable for the AfDB) plus reserves. For the latest fiscal year, total equity as a percentage of capitalization for the World Bank was 57.7% as compared with that of the African Development Bank (86.7%), the Asian Development Bank (79.8%), the Inter-American Development Bank (81.2%) and the European Investment Bank (40.3%). Chart 67 shows the trend of this ratio for each of the selected MDBs for their respective periods.

Charts 68, 69, and 70 show net income as a percentage of total income, total assets and stockholders' equity, respectively. The World Bank's net income as a percentage of total income for the latest fiscal year was 20.6%, while the African Development Bank, the Asian Development Bank, the Inter-American Development Bank, and European Investment Bank percentages were 33.8%, 36.3%, 30.6% and 14.4%, respectively. The World Bank's net income as a percentage of total assets in 1985 was 1.5%, which was comparable to the percentages for 1984 of the AfDB (1.5%) and the EIB (1.3%), but slightly less then those of the AsDB (3.0%) and the IDB (2.4%). For the World Bank, AfDB, AsDB, IDB, and EIB, the net income as a percentage of stockholder's equity for the latest fiscal years was 11.3%, 2.3%, 7.1%, 6.1% and 11.1%, respectively.

Net interest coverage, which is perhaps less important for MDBs than other financial institutions, is a measure of capability to service debt. Chart 71 shows that the net interest coverage for the World Bank (1.28x) for the latest fiscal year was higher than the coverages for the European Investment Bank (1.18x) but lower than the AfDB (1.72x), AsDB (1.65x) and IDB (1.50x).

Chart 72 shows the percentage of net earnings which are allocated to reserves without being transferred away from the ordinary operations of the MDBs to other affiliated lending operations. As evidenced by the Chart, currently only the World Bank transfers a portion of its net income (26.4% in 1985) to its concessionary lending affiliate, the International Development Association ("IDA"). In past years, the entire transfer was allocated by way of a grant to the International Development Association. However, the Executive Directors of the World Bank has recommended to the Board of Governors that $150,000,000 be transfered to IDA and that an additional $150,000,000 be transferred, as a contribution by the World Bank, to the Special Facility for Sub-Saharan Africa, which is administered by IDA. This proposal will be acted upon during the October 1985 World Bank/IMF annual meeting.

Charts 73, 74 and 75, respectively, provide comparative illustrations of total equity capital as a percentage of total debt and stockholders' equity as a percentage of total loans outstanding and as a percentage of total debt. The World Bank's total equity capital as a percentage of total debt (136.3%) clearly reflects the greater leveraging of the World Bank's capitalization in comparison with the other selected MDBs. The other MDBs, with the exception of the EIB, are less highly leveraged—more specifically, AfDB (447.3%), AsDB (371.3%), IDB (417.5%) and EIB (59.1%). This situation is also reflected in Chart 75, which indicates leverage based on a more restricted definition of equity (paid-in capital plus reserves).

Charts 77 and 78 set forth the liquidity (cash and investments) of the MDBs as a percentage of total debt and as a percentage of undisbursed loans, respectively. Although the World Bank had cash and investments of $20.133 billion at year-end 19085, this liquidity as a percentage of total debt (30.7%) was lower than the AfDB (55.9%), AsDB (56.7%) and IDB (48.6%), but higher than the EIB (7.5%). The World Bank's liquidity as a percentage of undisbursed loans was (49.4%), mid-range in comparison with the AfDB (38.0%), AsDB (51.7%), EIB (85.8%) and IDB (32.8%).

Chart 80 (total U.S. subscriptions to capital stock as a percent of total subscriptions) clearly shows the U.S. commitment to the World Bank (20.9%), with only one other Bank, IDB (34.6%), showing a higher ratio. The U.S. subscription commitments to other Banks are as follows: AfDB (5.8%), AsDB (13.9%) and EIB (0%). In terms of asset and liability coverage, the total U.S. subscription to the World Bank is 29.7% total loans outstanding (Chart 81) and 26.7% of funded debt (Chart 82).

Charts 83 through 89 are a series of balance sheet ratios illustrating the comparative strengths of the selected multilateral development banks relative to loans, funded debt (net) and paid-in capital plus reserves. A quick review of these charts will indicate the tremendous strength of the World Bank in almost every balance sheet category analyzed.

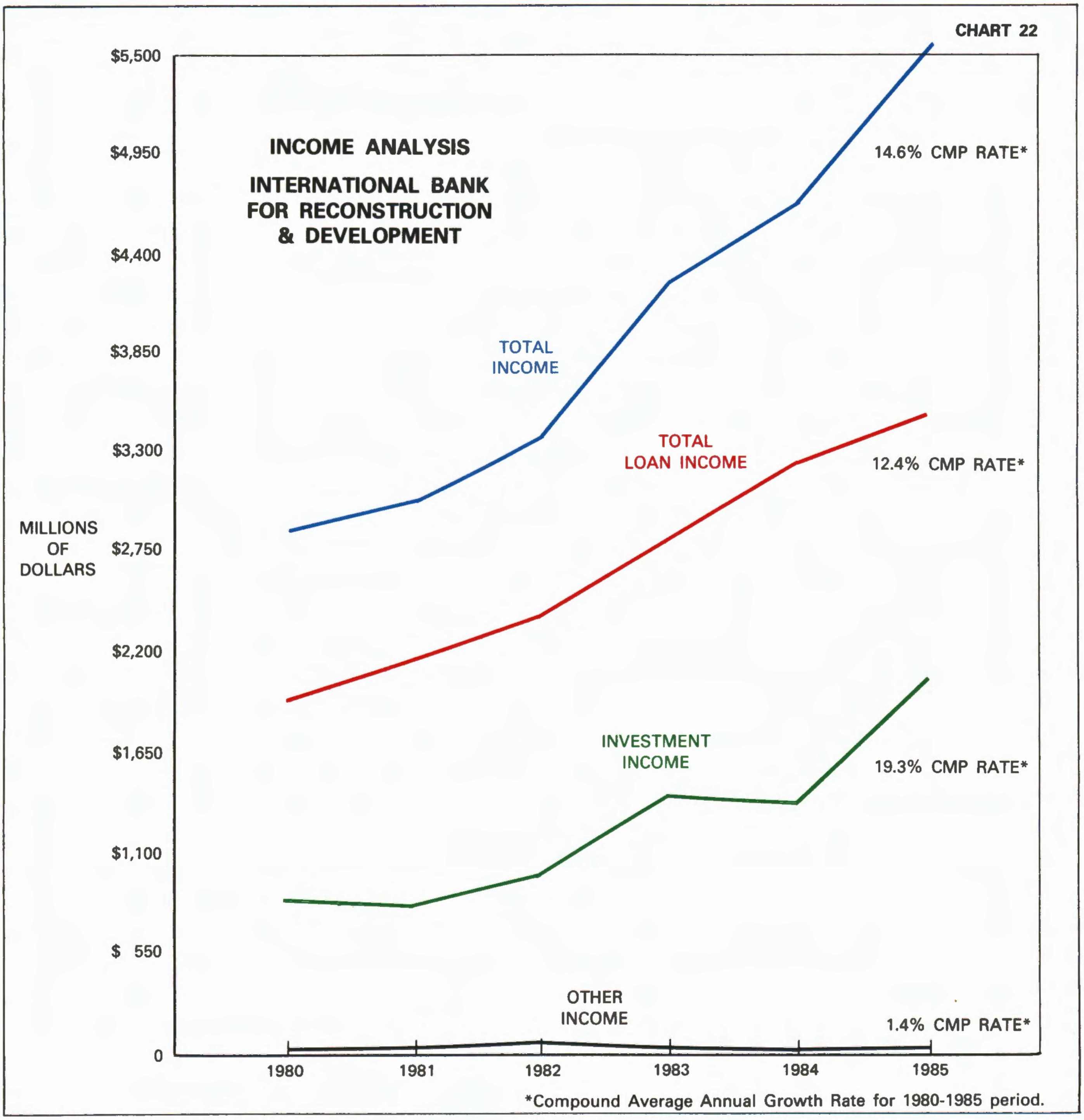


CHART 22
INCOME ANALYSIS
INTERNATIONAL BANK
FOR RECONSTRUCTION
& DEVELOPMENT
MILLIONS
OF
DOLLARS
$5,500
$4,950
$4,400
$3,850
$3,300
$2,750
$2,200
$1,650
$1,100
$ 550
0
TOTAL
INCOME
14.6% CMP RATE*
TOTAL
LOAN INCOME
12.4% CMP RATE*
INVESTMENT
INCOME
19.3% CMP RATE*
OTHER
INCOME
1.4% CMP RATE*
1980
1981
1982
1983
1984
1985
*Compound Average Annual Growth Rate for 1980-1985 period.

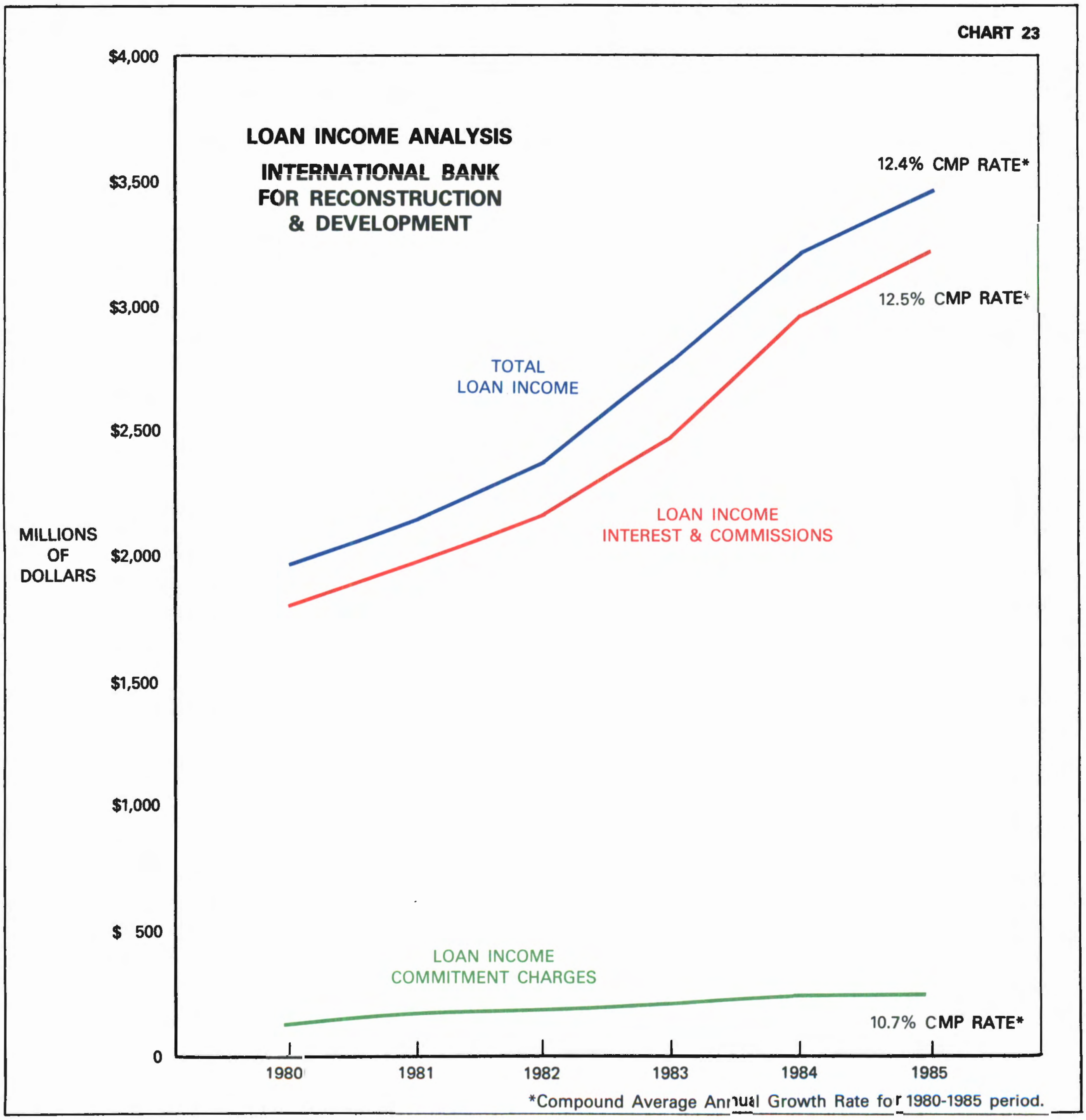
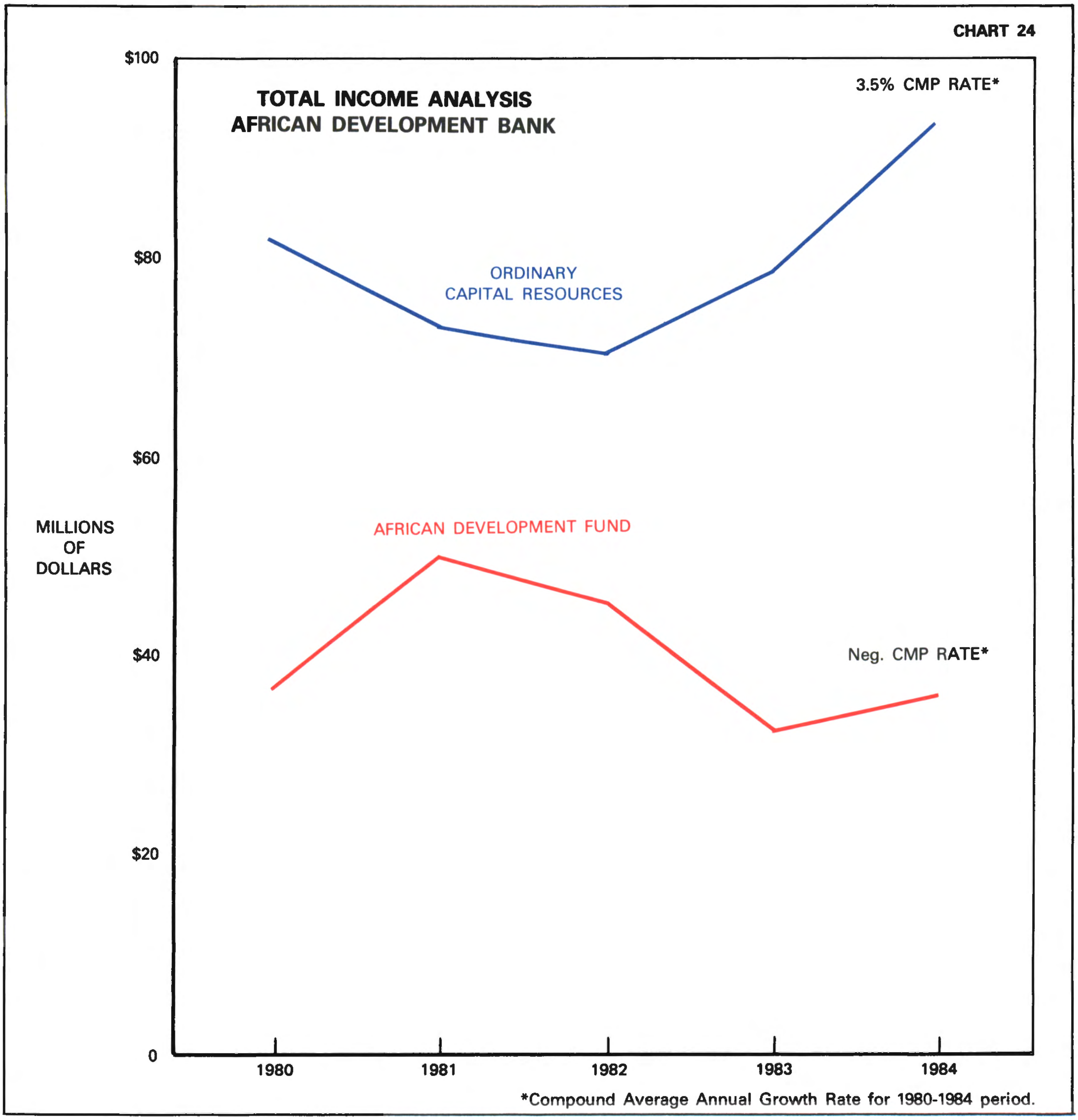
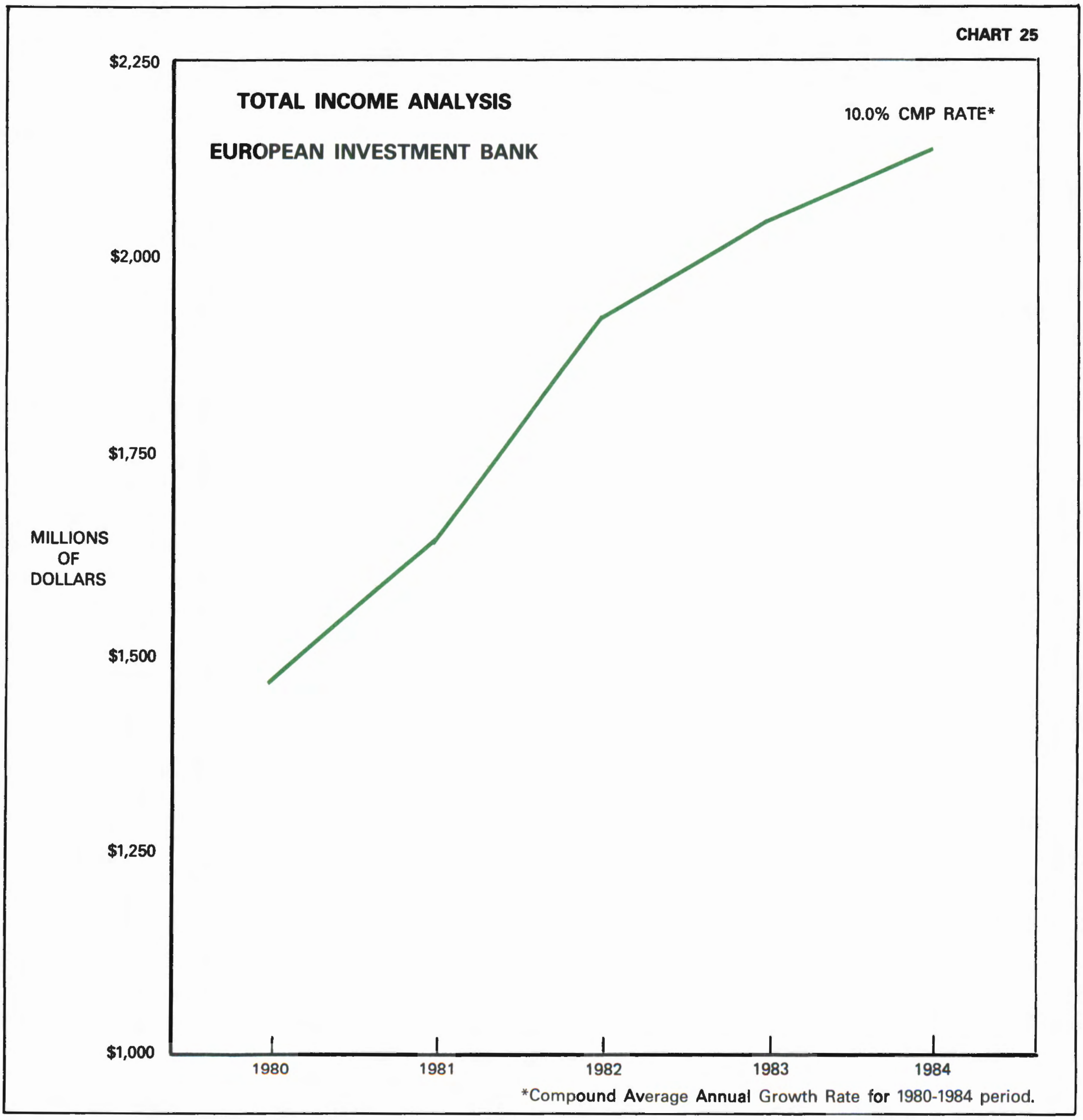


CHART 23
LOAN INCOME ANALYSIS
INTERNATIONAL BANK
FOR RECONSTRUCTION
& DEVELOPMENT
$4,000
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$ 500
0
MILLIONS
OF
DOLLARS
12.4% CMP RATE*
TOTAL
LOAN INCOME
12.5% CMP RATE*
LOAN INCOME
INTEREST & COMMISSIONS
LOAN INCOME
COMMITMENT CHARGES
10.7% CMP RATE*
1980
1981
1982
1983
1984
1985
*Compound Average Annual Growth Rate for 1980-1985 period.



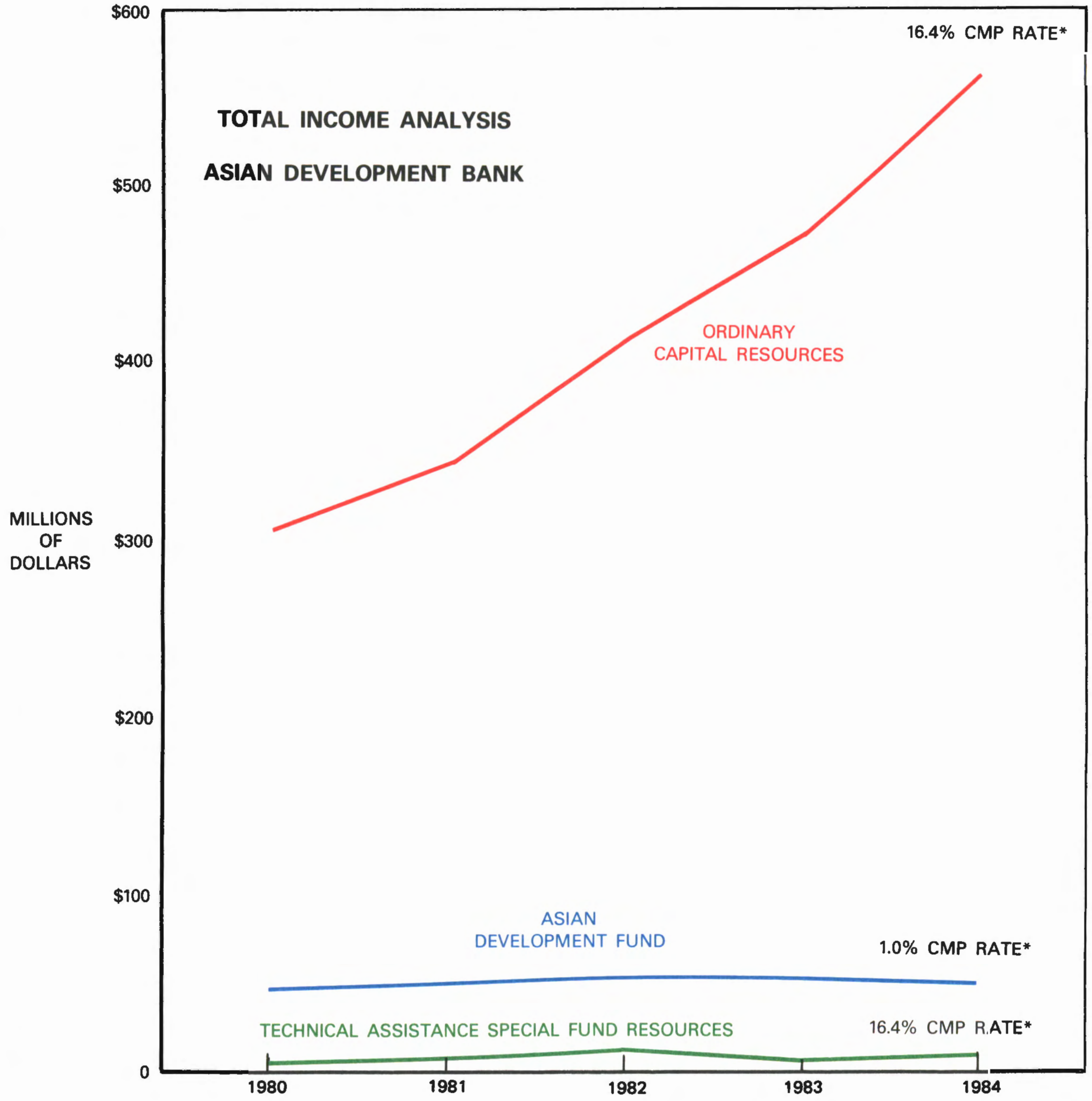
Total Income for the AfDB's Ordinary Capital Resources, expressed in U.A.s, had a compound average annual growth rate of 10.6% for the 1980-1984 period.

Total Income for the African Development Fund, expressed in F.U.A.s, had a negative compound average growth rate for the 1980-1984 period.



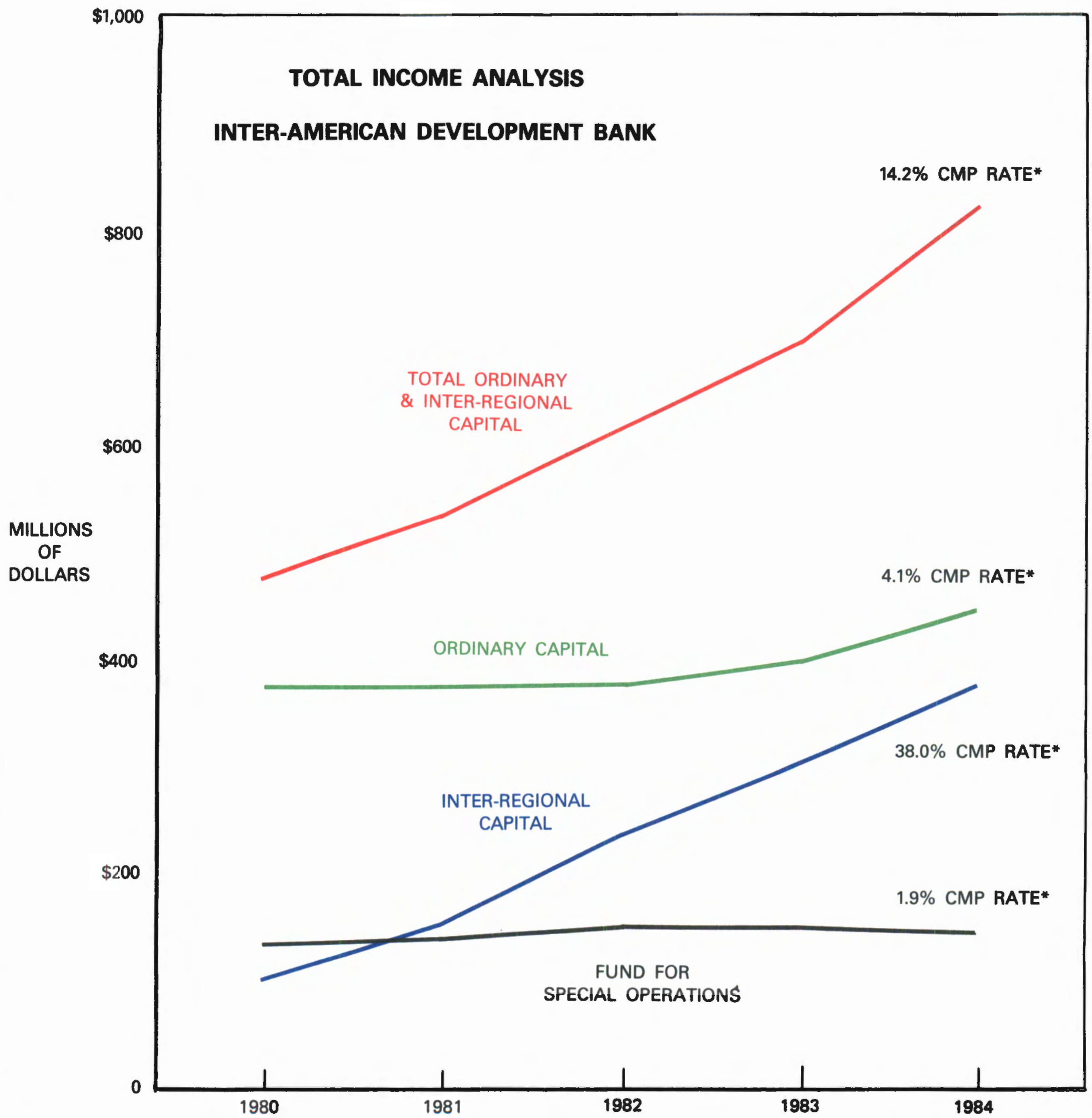
Total income for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 28.3% for the 1980-1984 period.

CHART 26



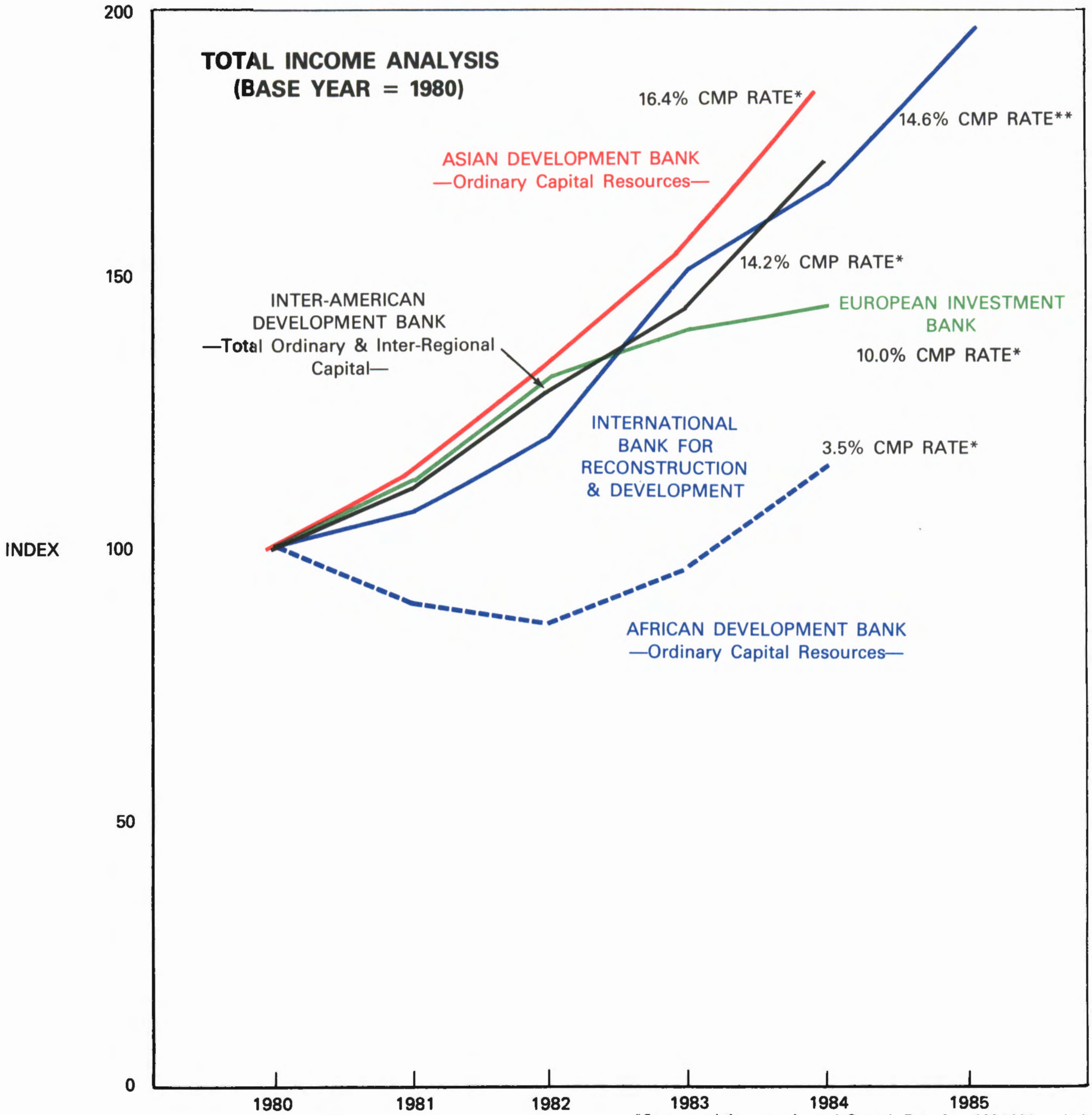
*Compound Average Annual Growth Rate for 1980-1984 period.

CHART 27



*Compound Average Annual Growth Rate for 1980-1984 period.

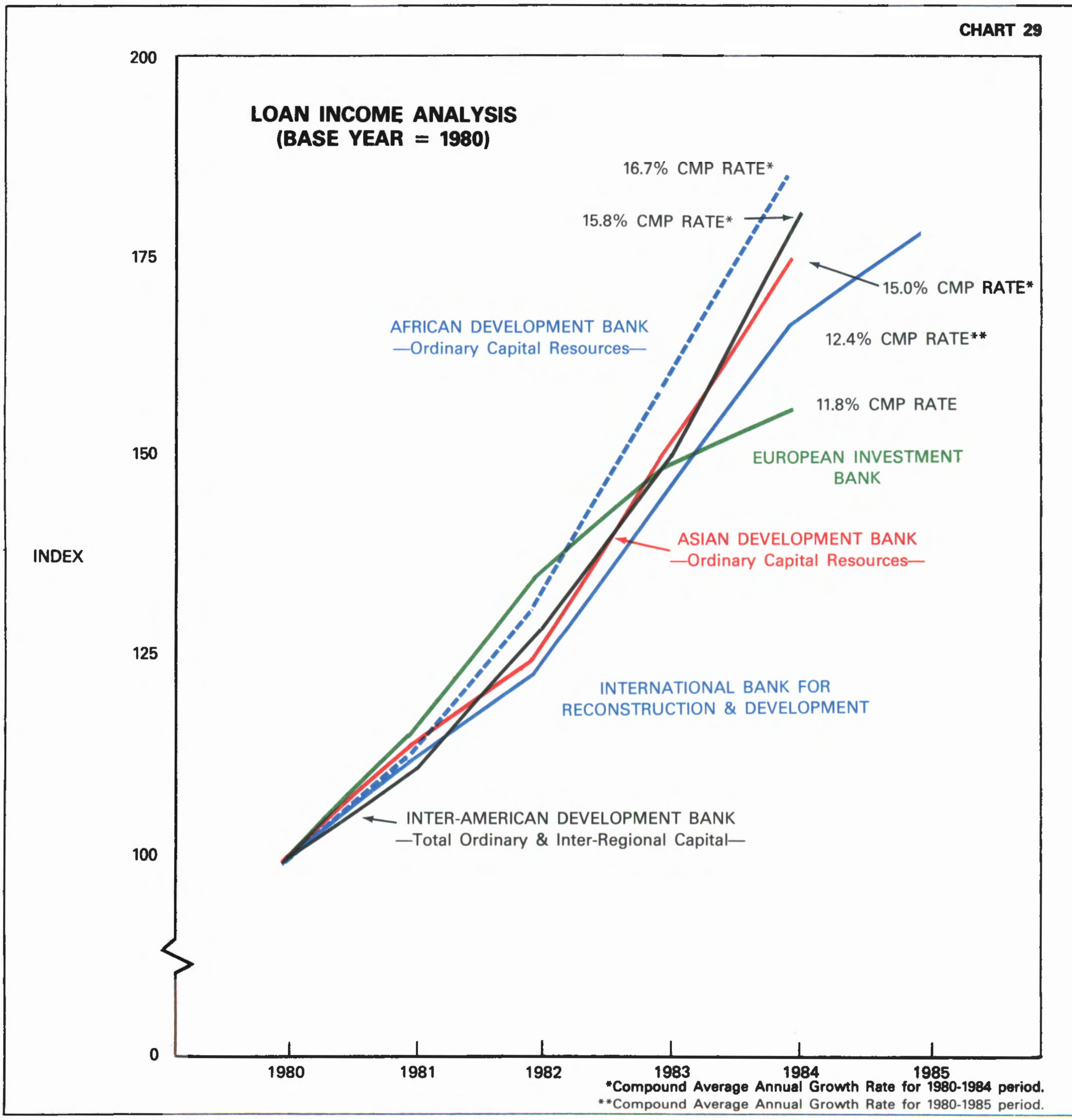
CHART 28



*Compound Average Annual Growth Rate for 1980-1984 period.
**Compound Average Annual Growth Rate for 1980-1985 period.

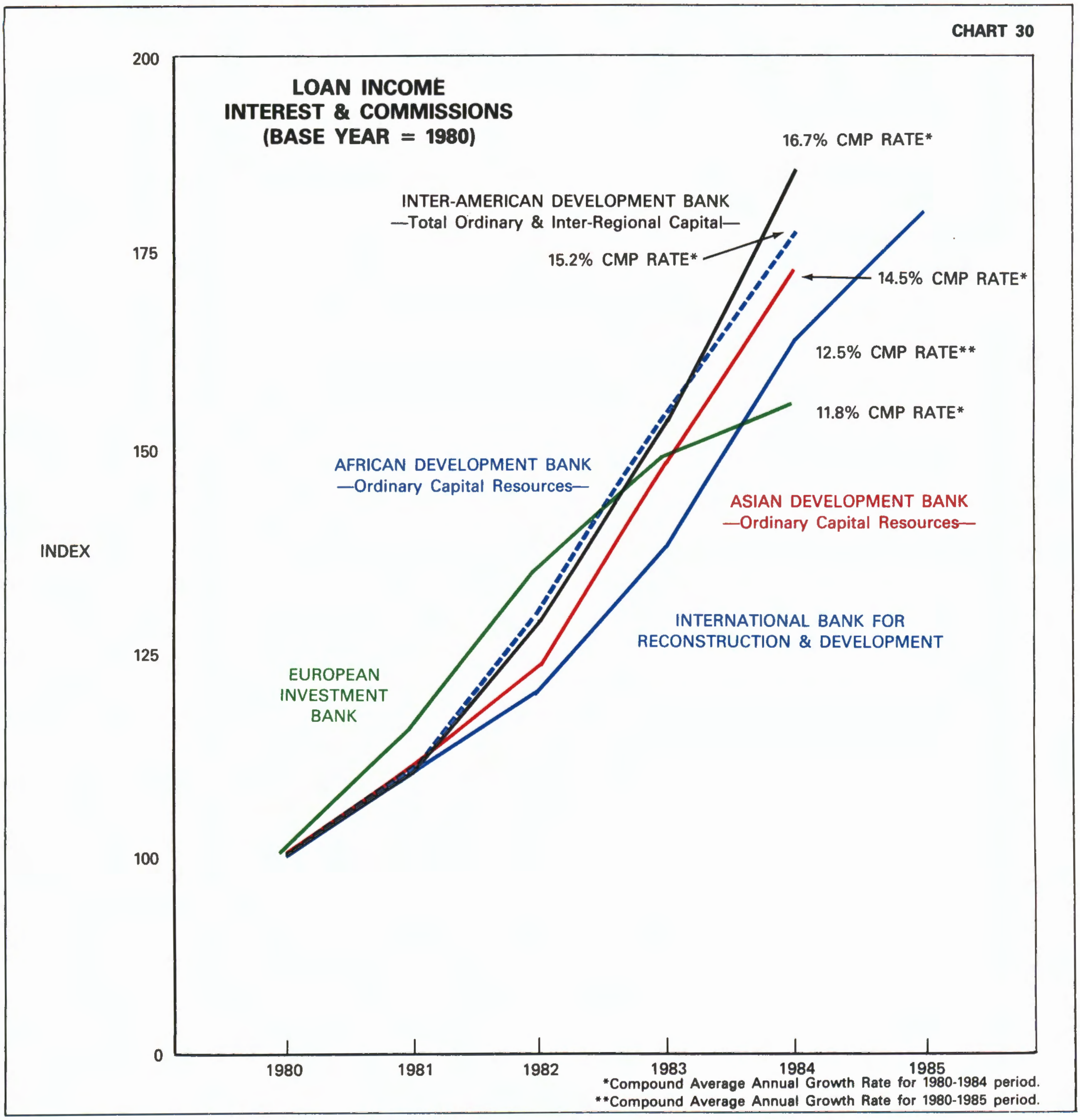
Total Income for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 10.6% for the 1980-1984 period.

Total Income for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 28.3% for the 1980-1984 period.



Total Loan Income for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 24.6% for the 1980-1984 period.

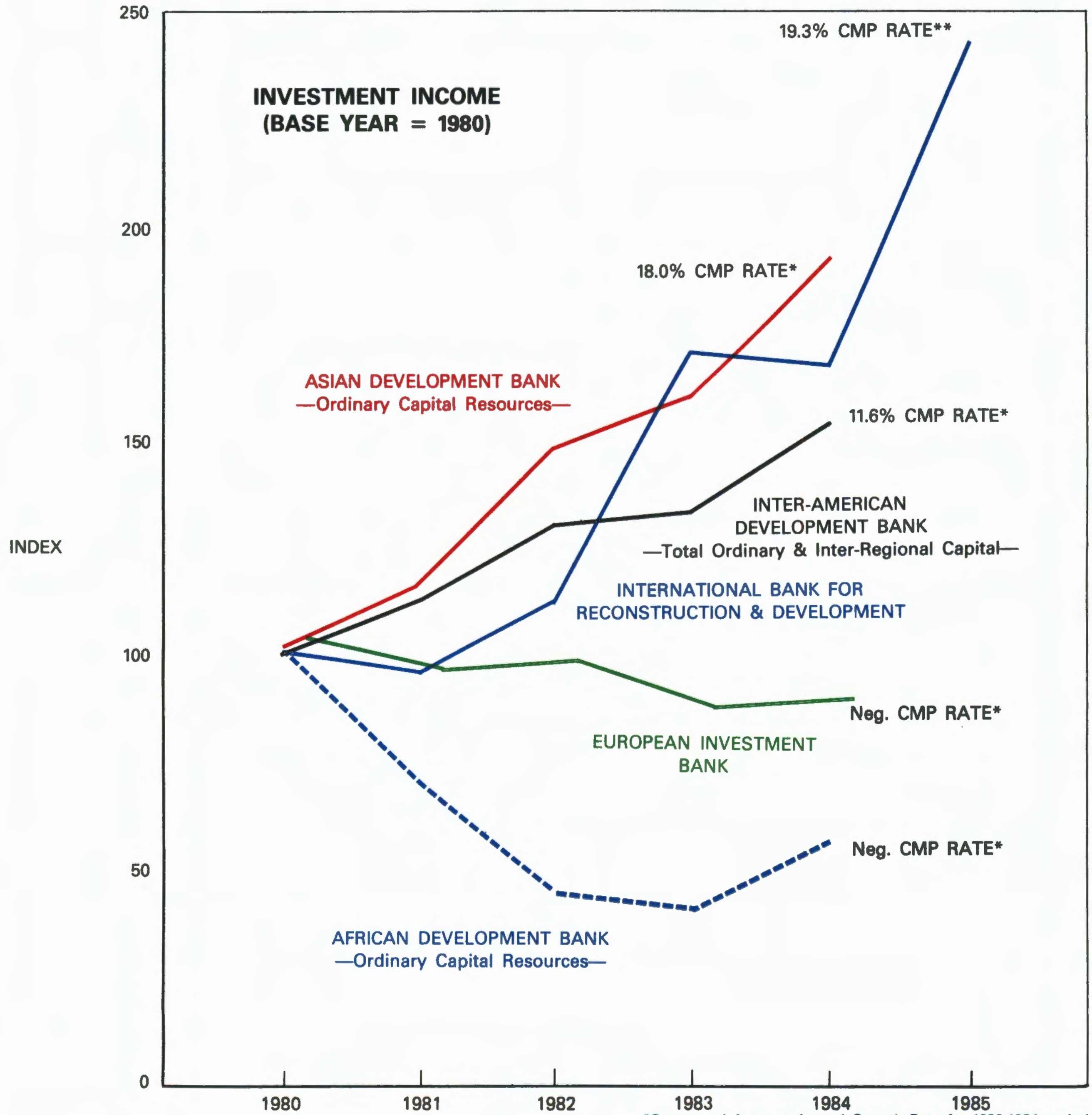
Total Loan Income for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 30.3% for the 1980-1984 period.



Interest and Commissions for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 23.0% for the 1980-1984 period.

Interest and Commissions for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 30.3% for the 1980-1984 period.

CHART 31

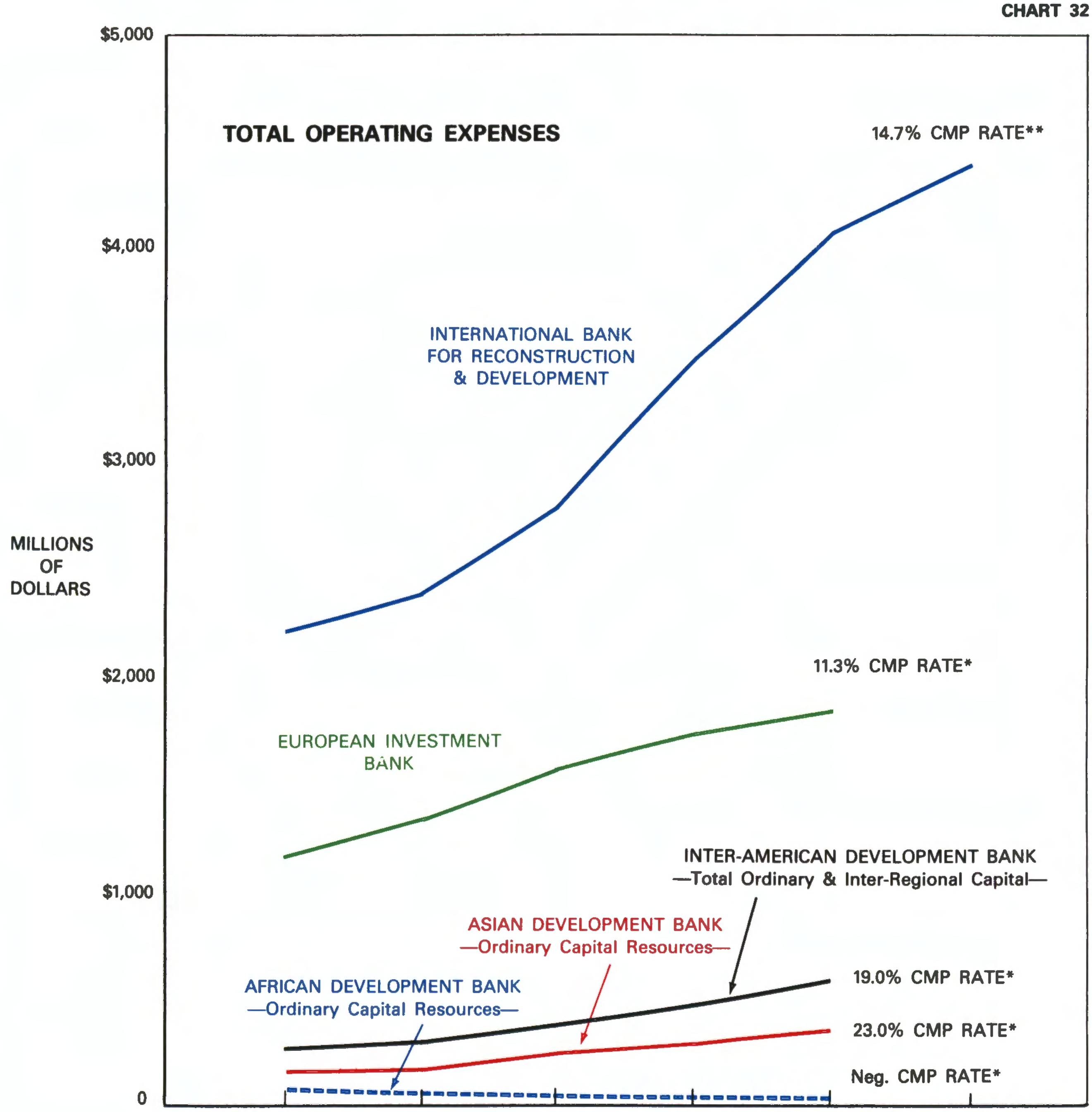


*Compound Average Annual Growth Rate for 1980-1984 period.
**Compound Average Annual Growth Rate for 1980-1985 period.

Investment Income for the AfDB, expressed in U.A.s, had a negative compound average annual growth rate for the 1980-1984 period.

Investment Income for the EIB, expressed in E.C.U.s, had a 13.0% compound average annual growth rate for the 1980-1984 period.

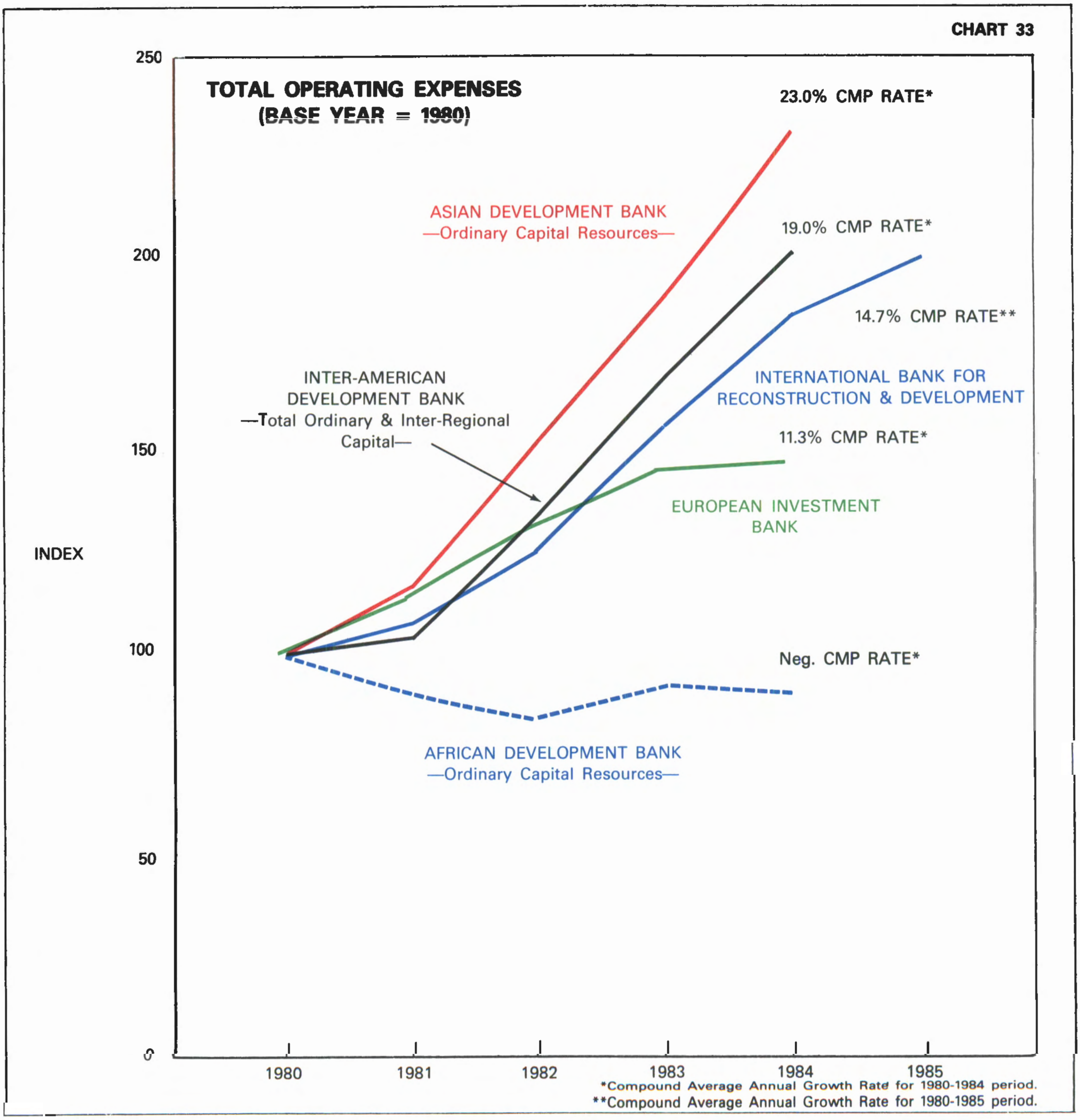
CHART 32



*Compound Average Annual Growth Rate for 1980-1984 period.
**Compound Average Annual Growth Rate for 1980-1985 period.

Total Operating Expenses for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 3.9% for the 1980-1984 period.

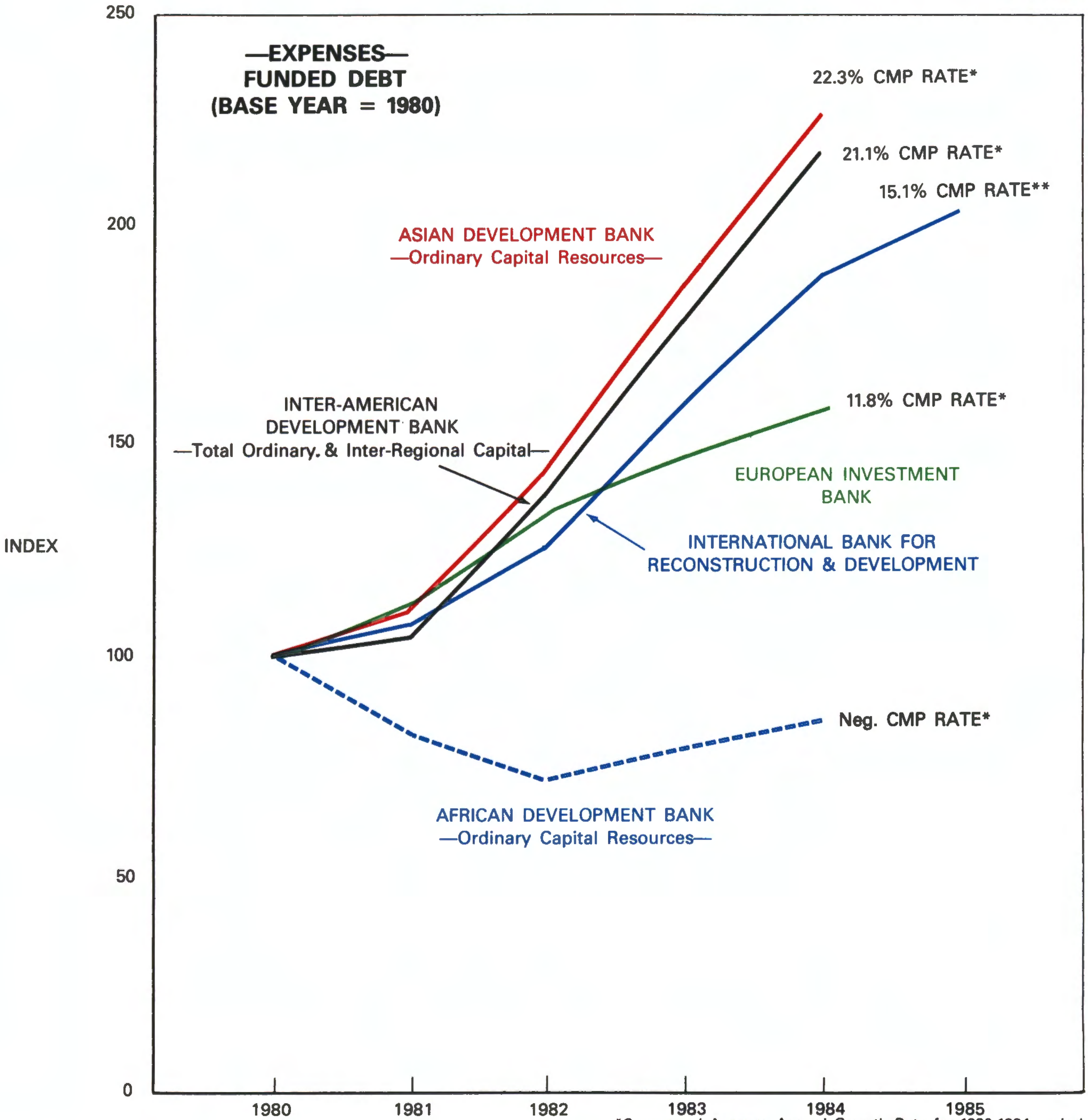
Total Operating Expenses for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 29.7% for the 1980-1984 period.



Total Operating Expenses for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 3.9% for the 1980-1984 period.

Total Operating Expenses for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 29.7% for the 1980-1984 period.

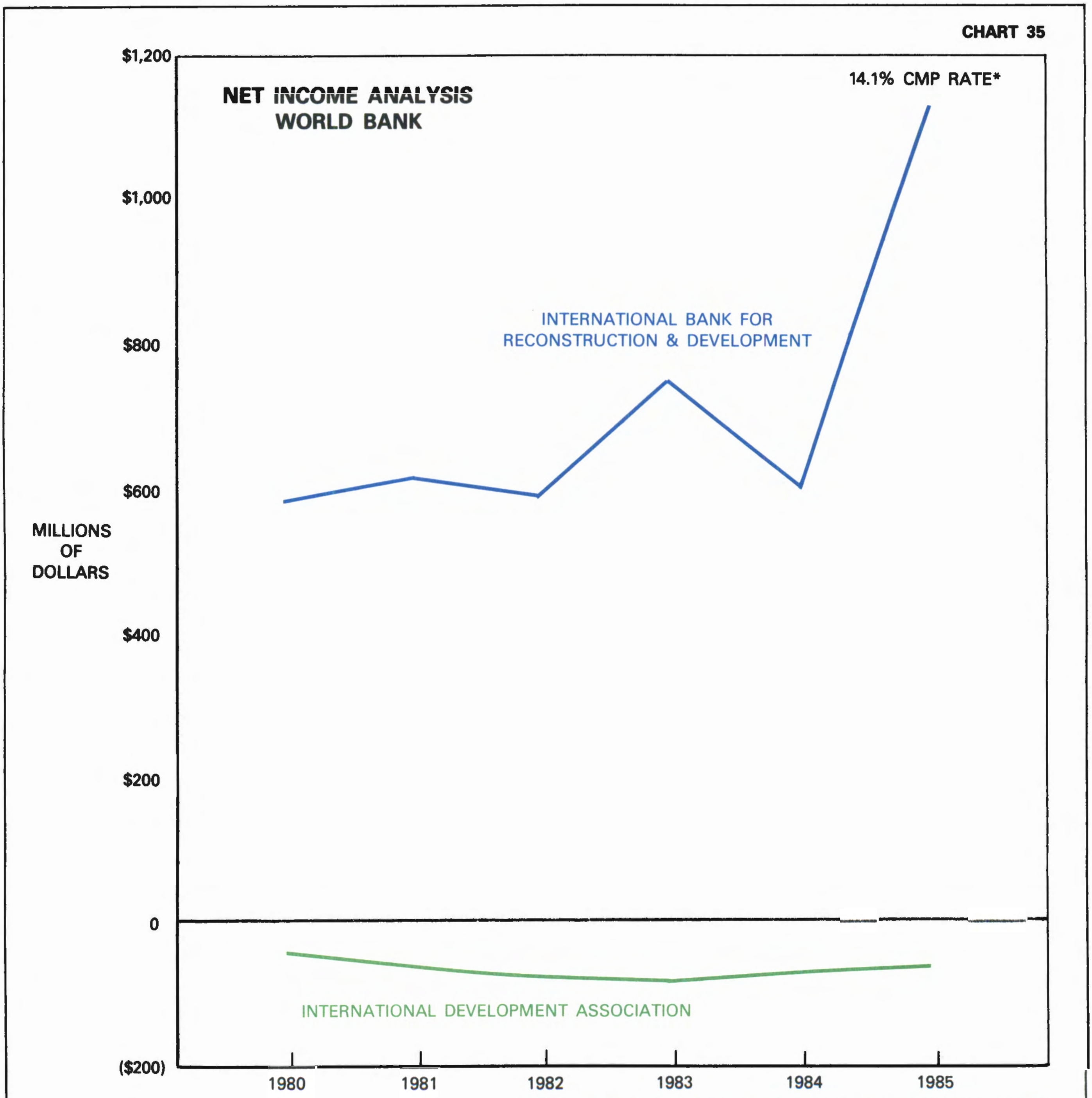
CHART 34



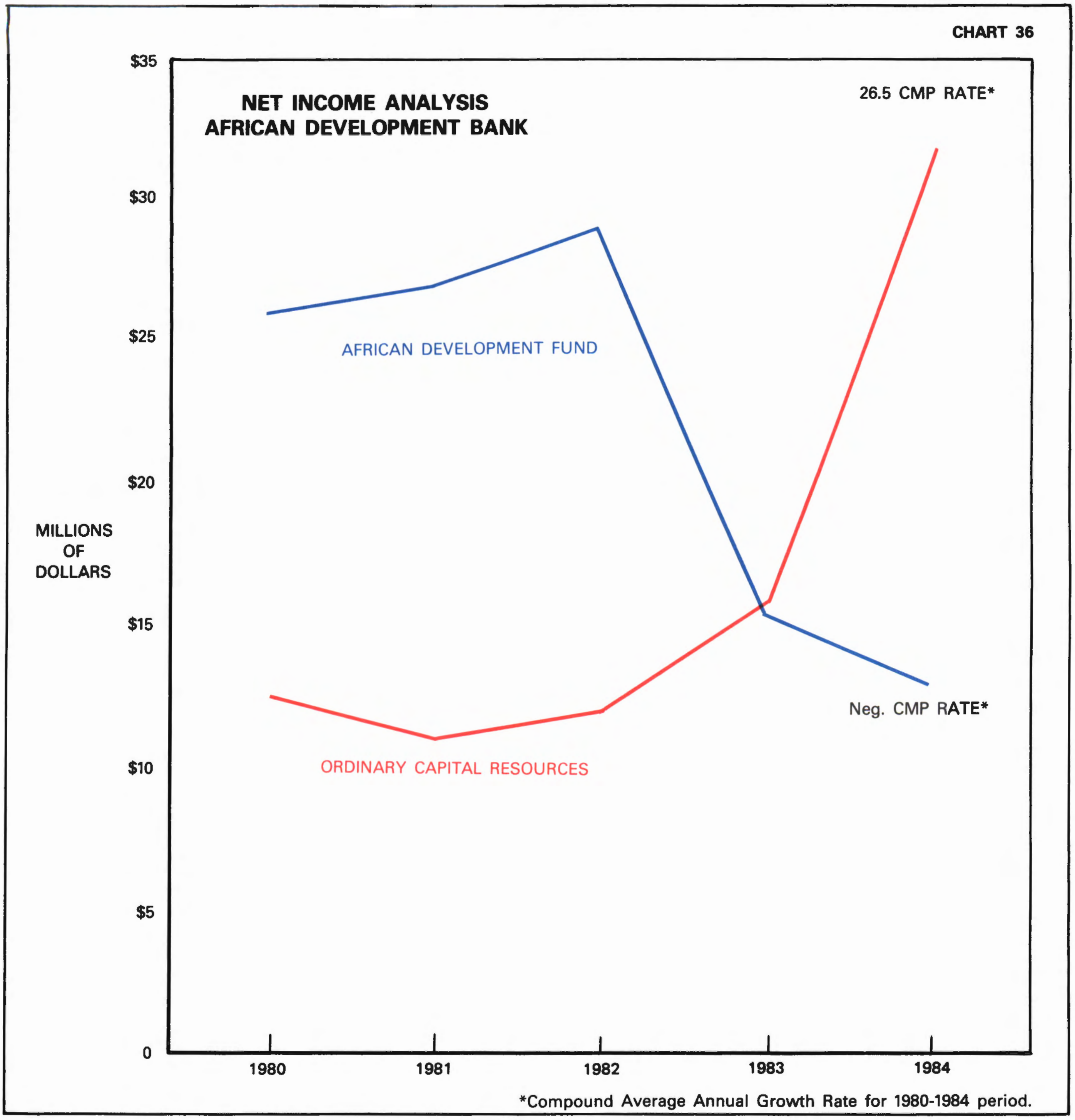
*Compound Average Annual Growth Rate for 1980-1984 period.
**Compound Average Annual Growth Rate for 1980-1985 period.

Funded Debt Expense for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 2.6% for the 1980-1984 period.

Funded Debt Expense for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 30.3% for the 1980-1984 period.

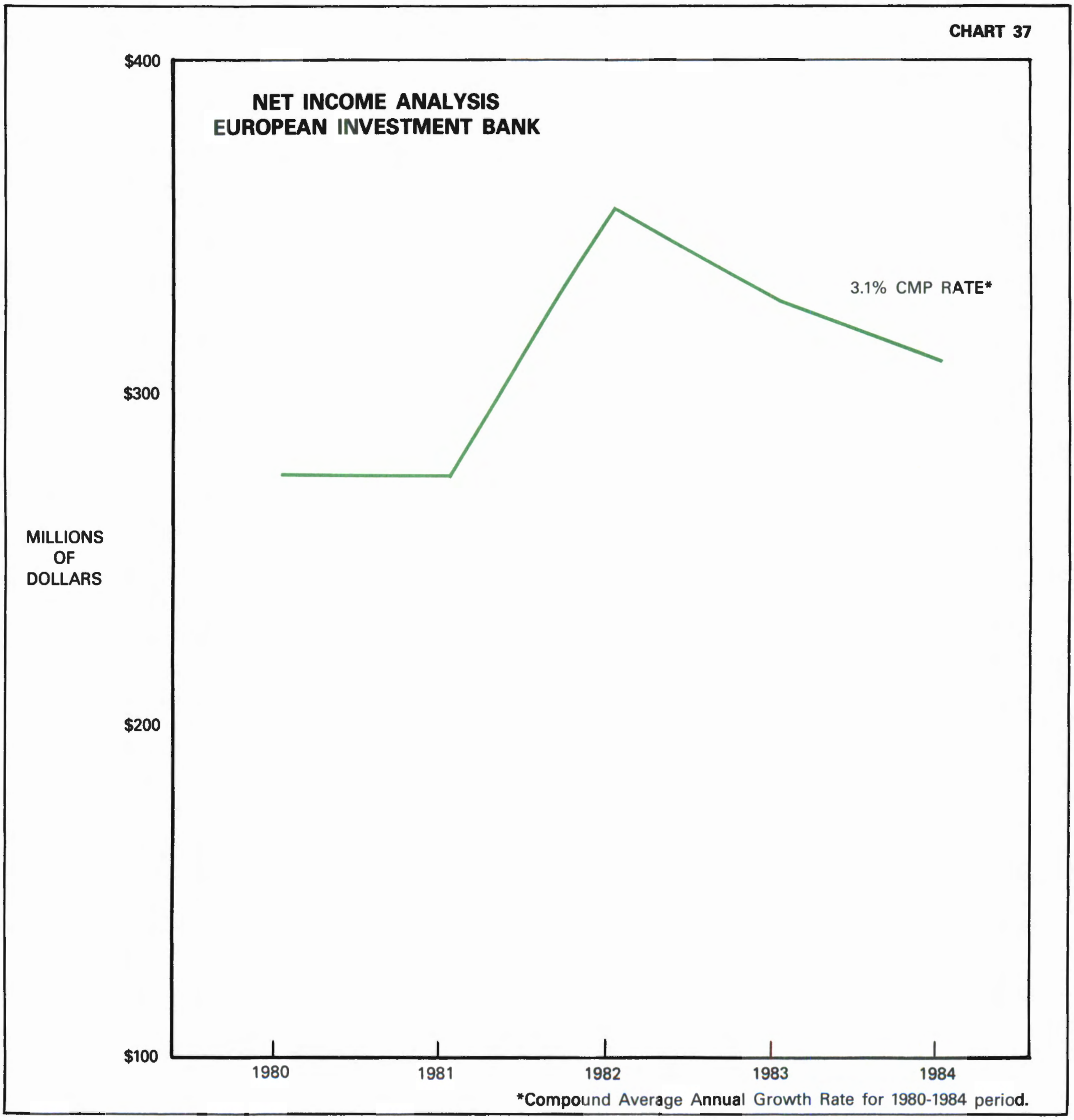


*Compound Average Annual Growth Rate for 1980-1985 period.



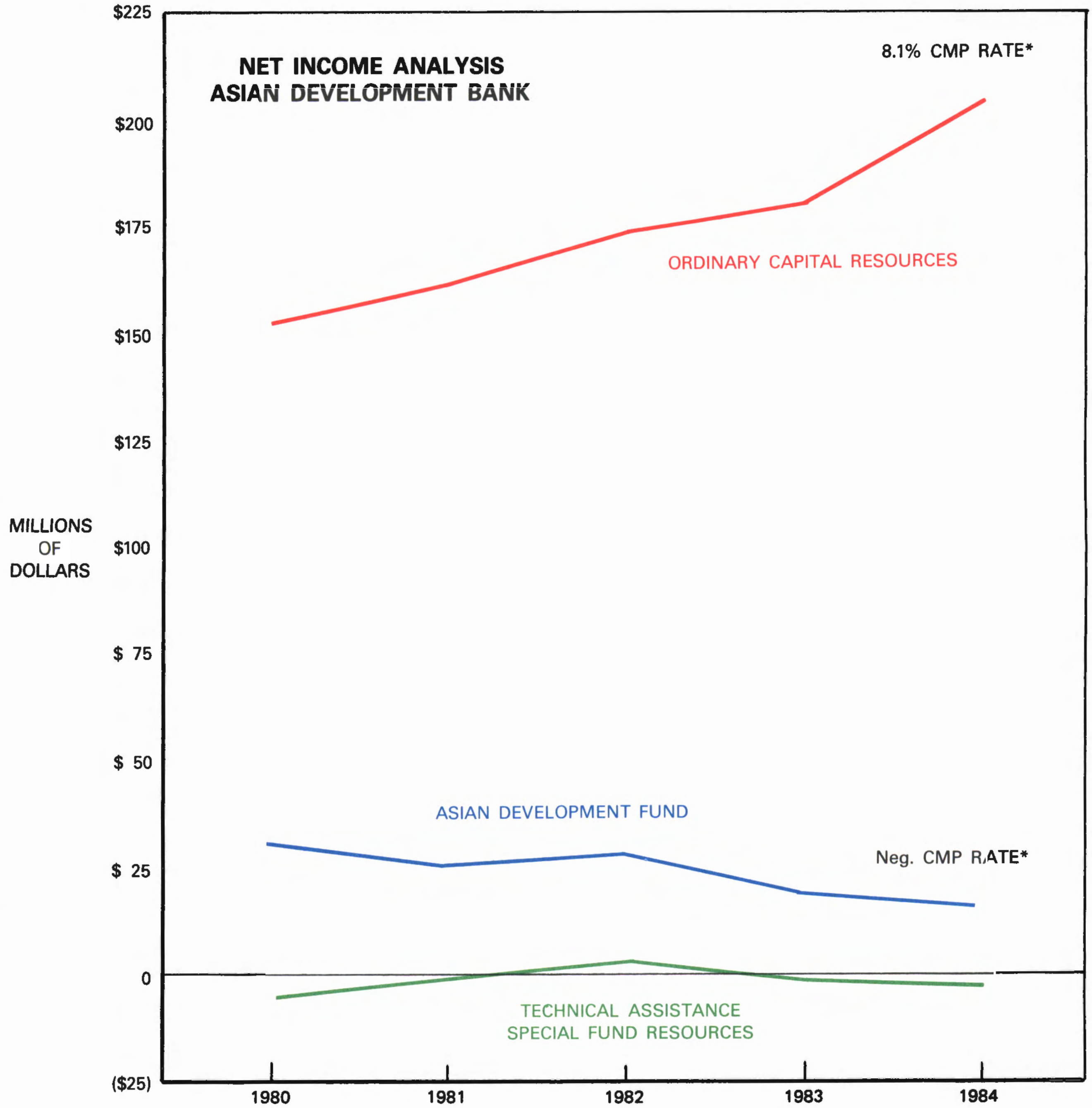
Net Income for the AfDB's Ordinary Capital Resources, expressed in U.A.s, had a compound average annual growth rate of 35.1% for the 1980-1984 period.

Net Income for the African Development Fund, expressed in F.U.A.s, had a negative compound average growth rate for the 1980-1984 period.



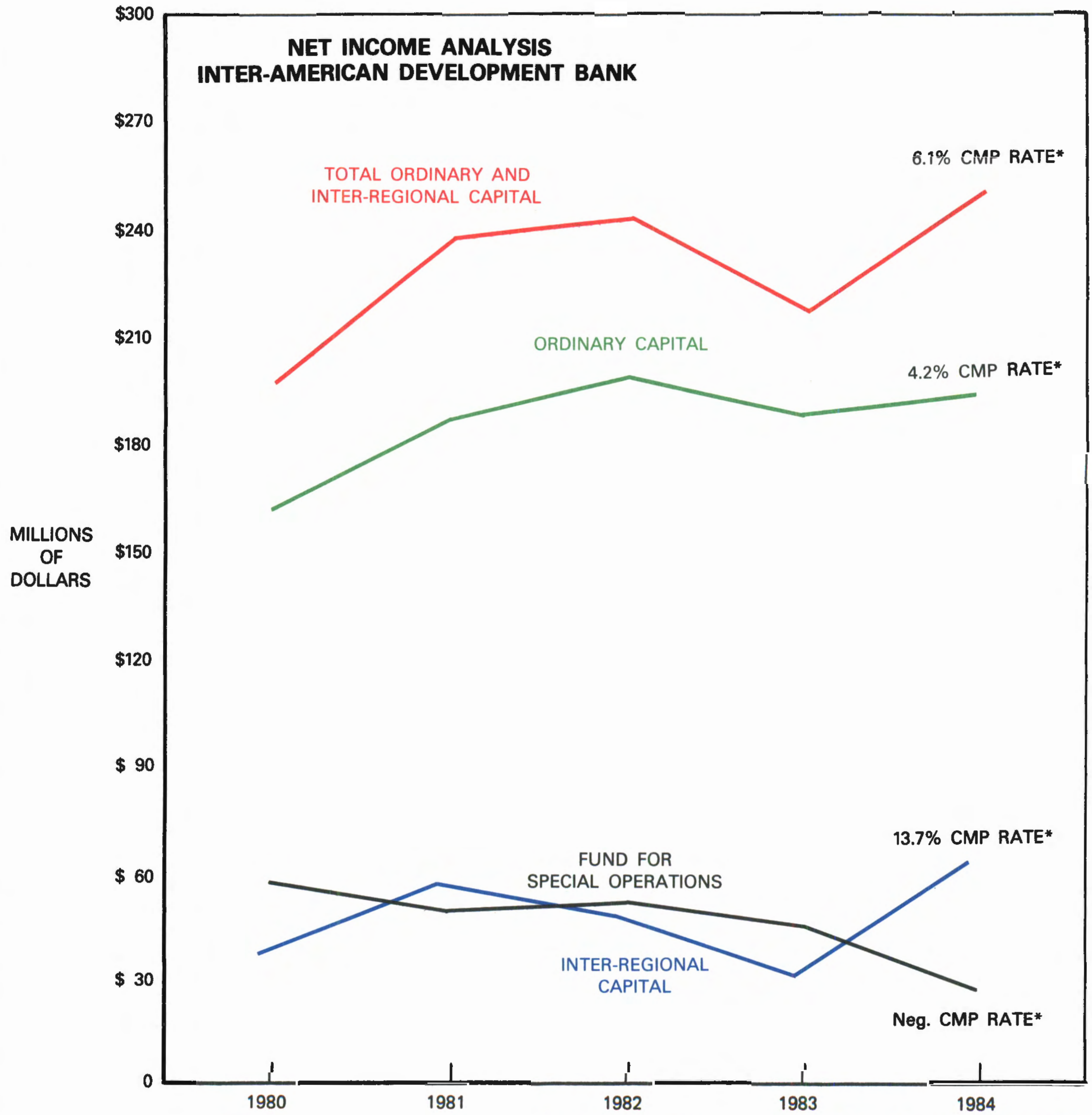
Net Income for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 20.1% for the 1980-1984 period.

CHART 38

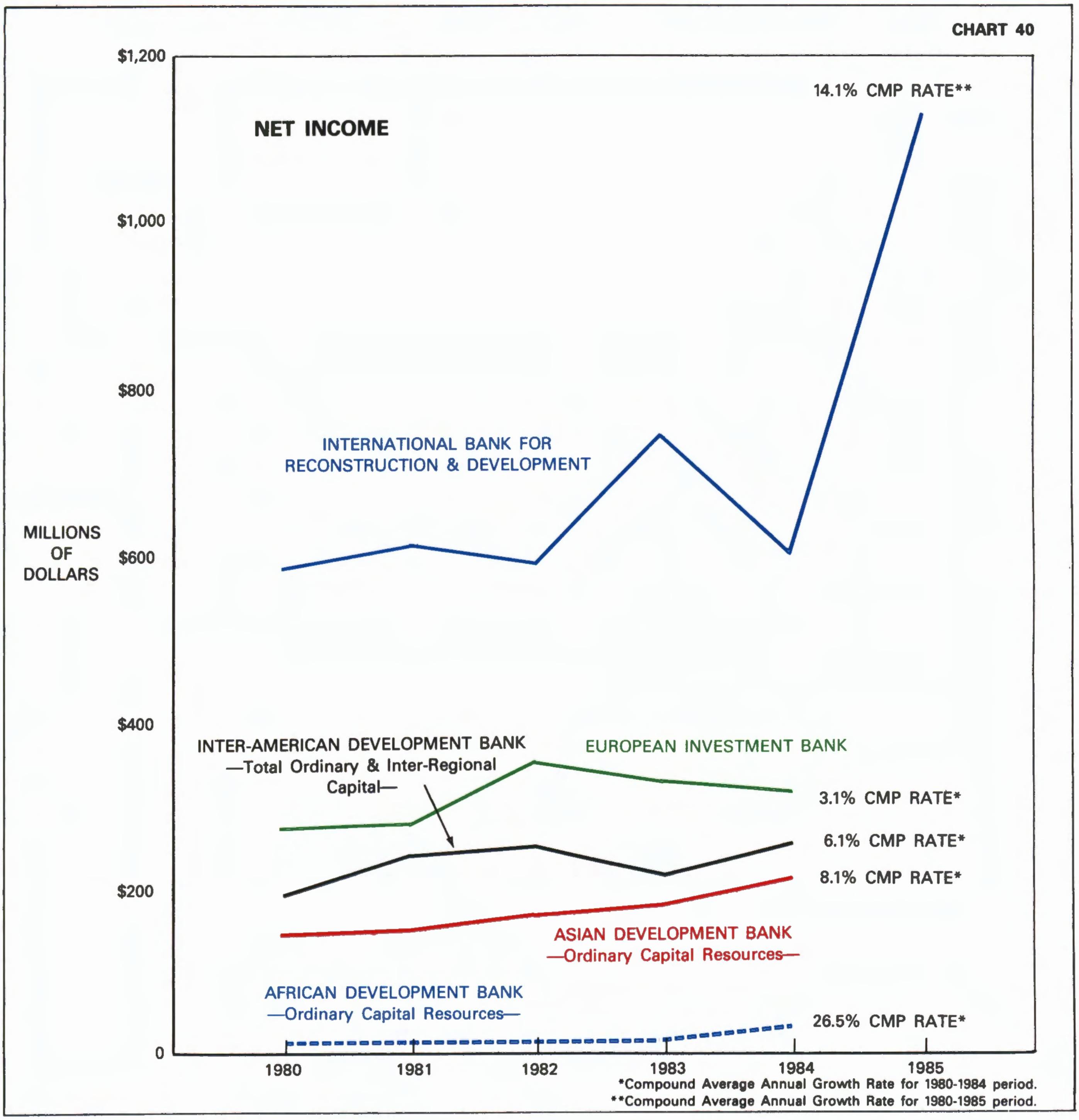


*Compound Average Annual Growth Rate for 1980-1984 period

CHART 39

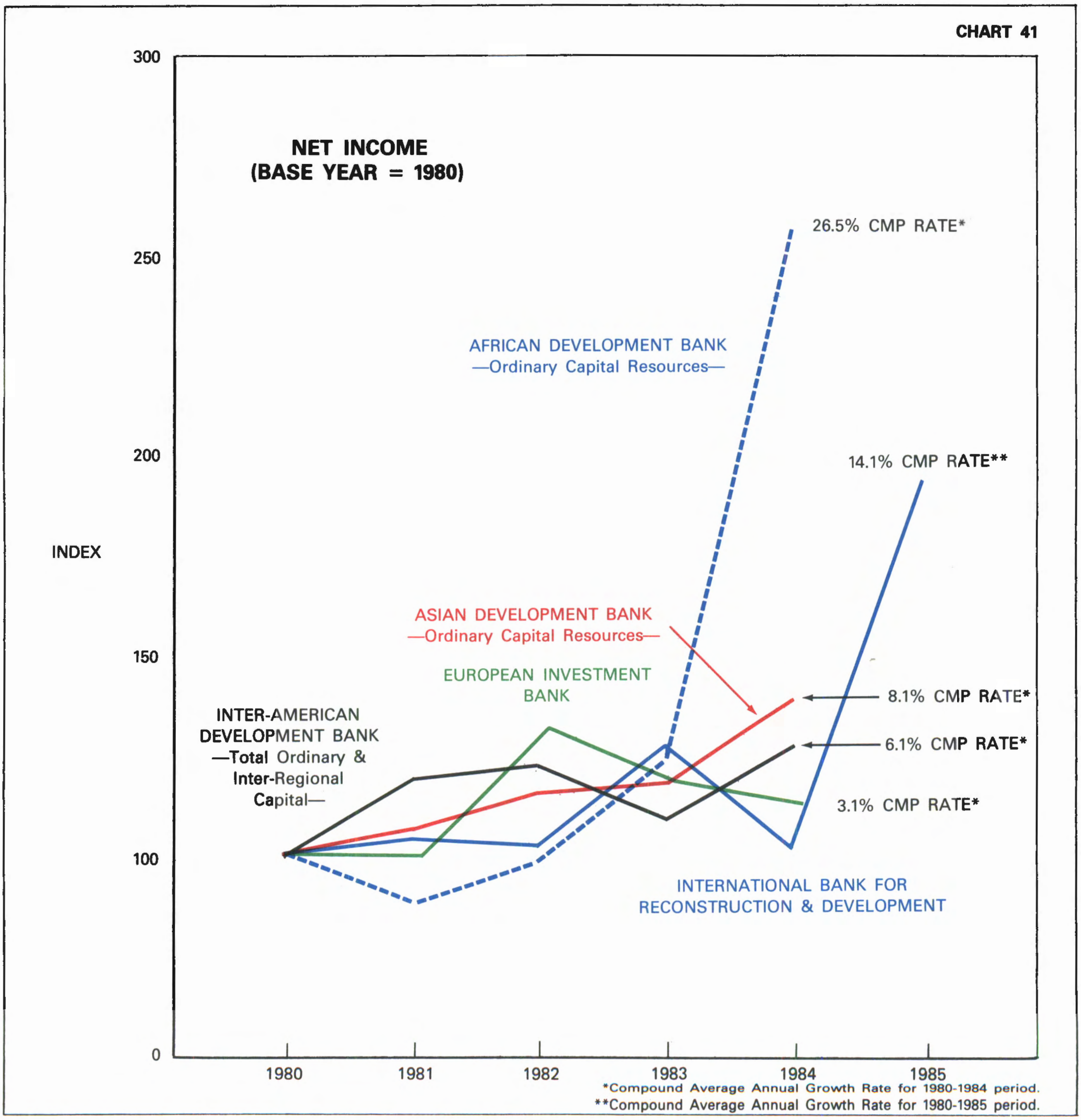


*Compound Average Annual Growth Rate for 1980-1984 period.



Net Income for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 35.1% for the 1980-1984 period.

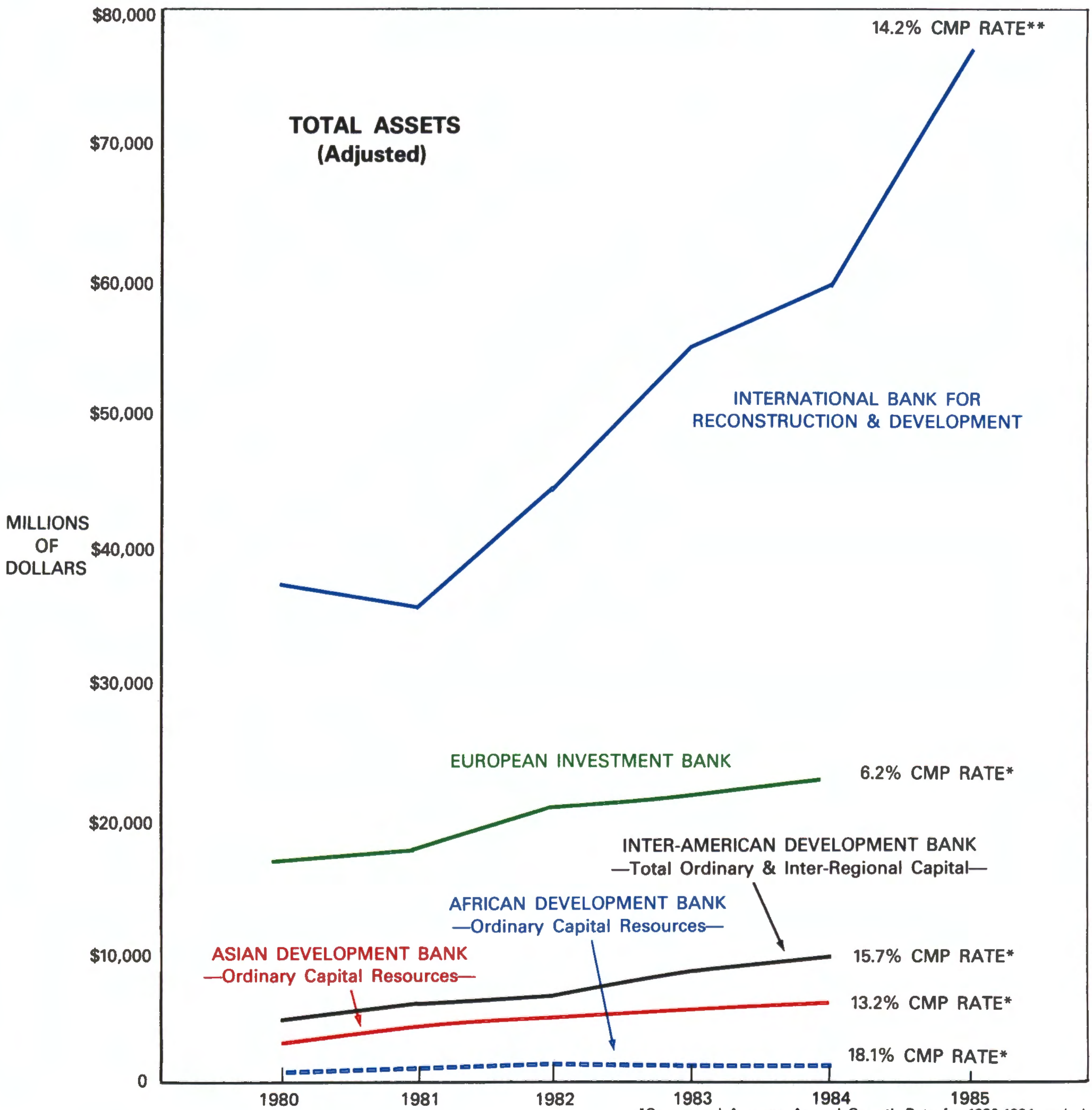
Net Income for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 20.1% for the 1980-1984 period.



Net Income for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 35.1% for the 1980-1984 period.

Net Income for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 20.1% for the 1980-1984 period.

CHART 42

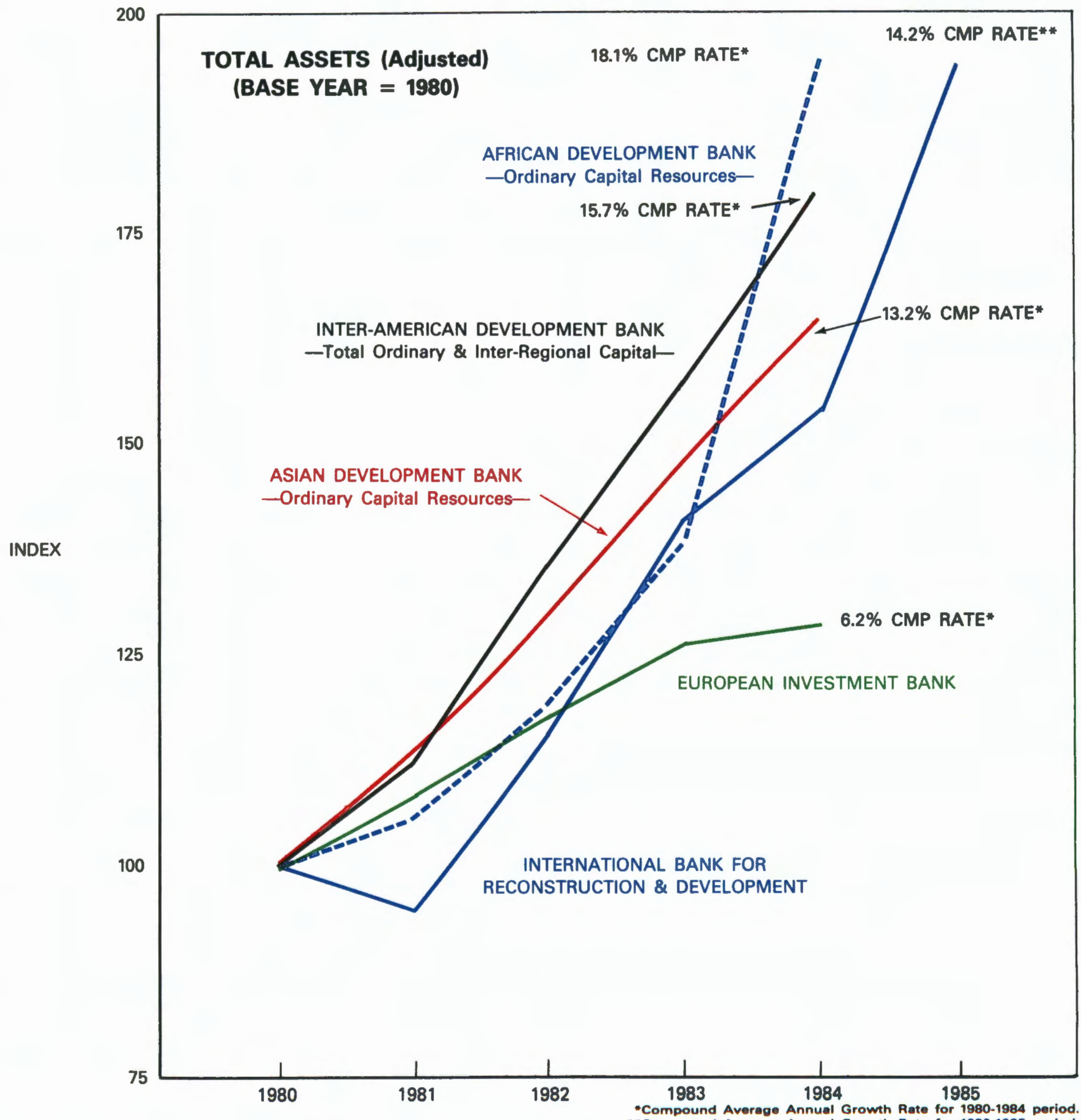


*Compound Average Annual Growth Rate for 1980-1984 period.
**Compound Average Annual Growth Rate for 1980-1985 period.

Total Assets for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 26.2% for the 1980-1984 period.

Total Assets for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 23.8% for the 1980-1984 period.

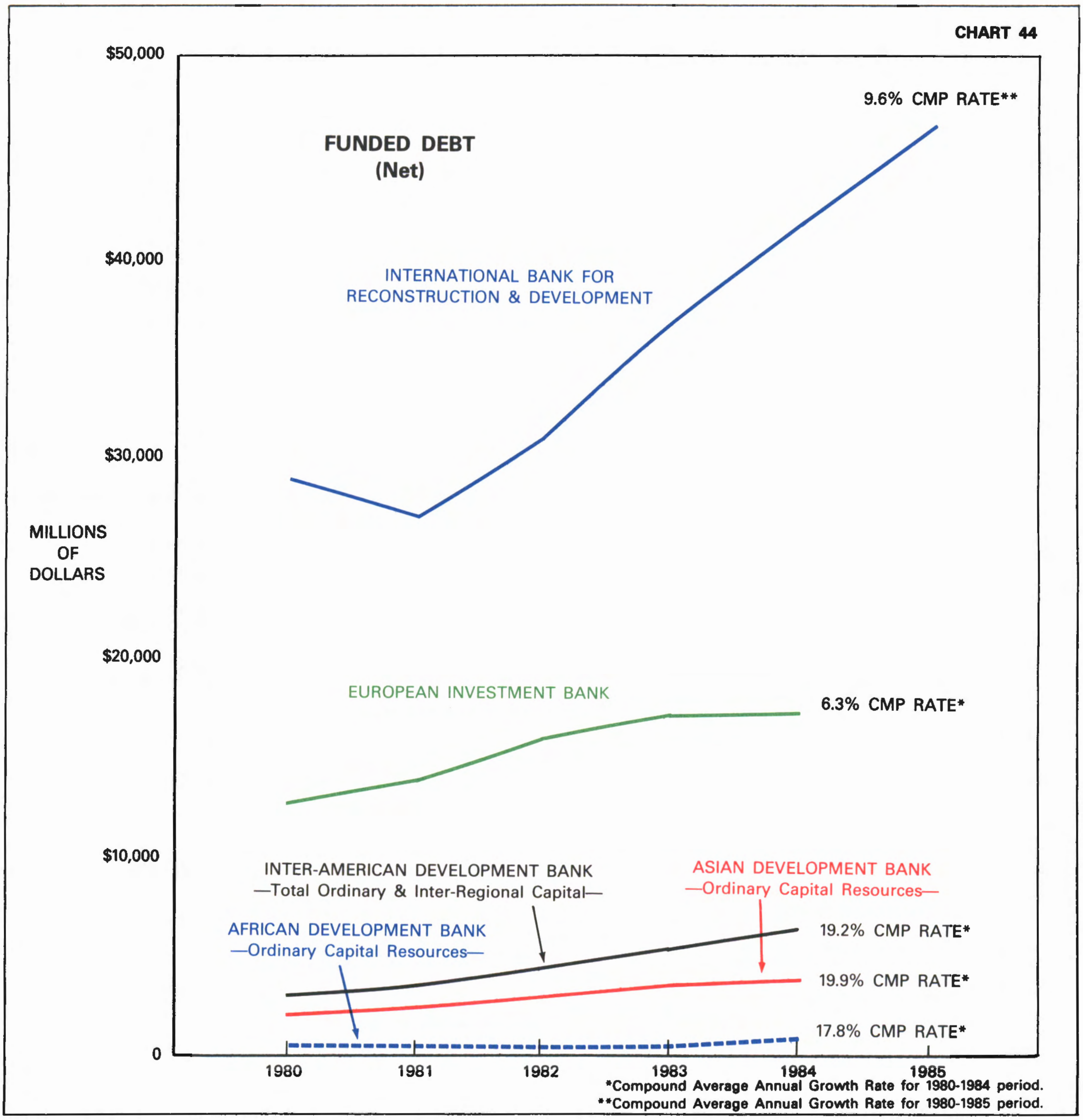
CHART 43



*Compound Average Annual Growth Rate for 1980-1984 period.
**Compound Average Annual Growth Rate for 1980-1985 period.

Total Assets for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 26.2% for the 1980-1984 period.

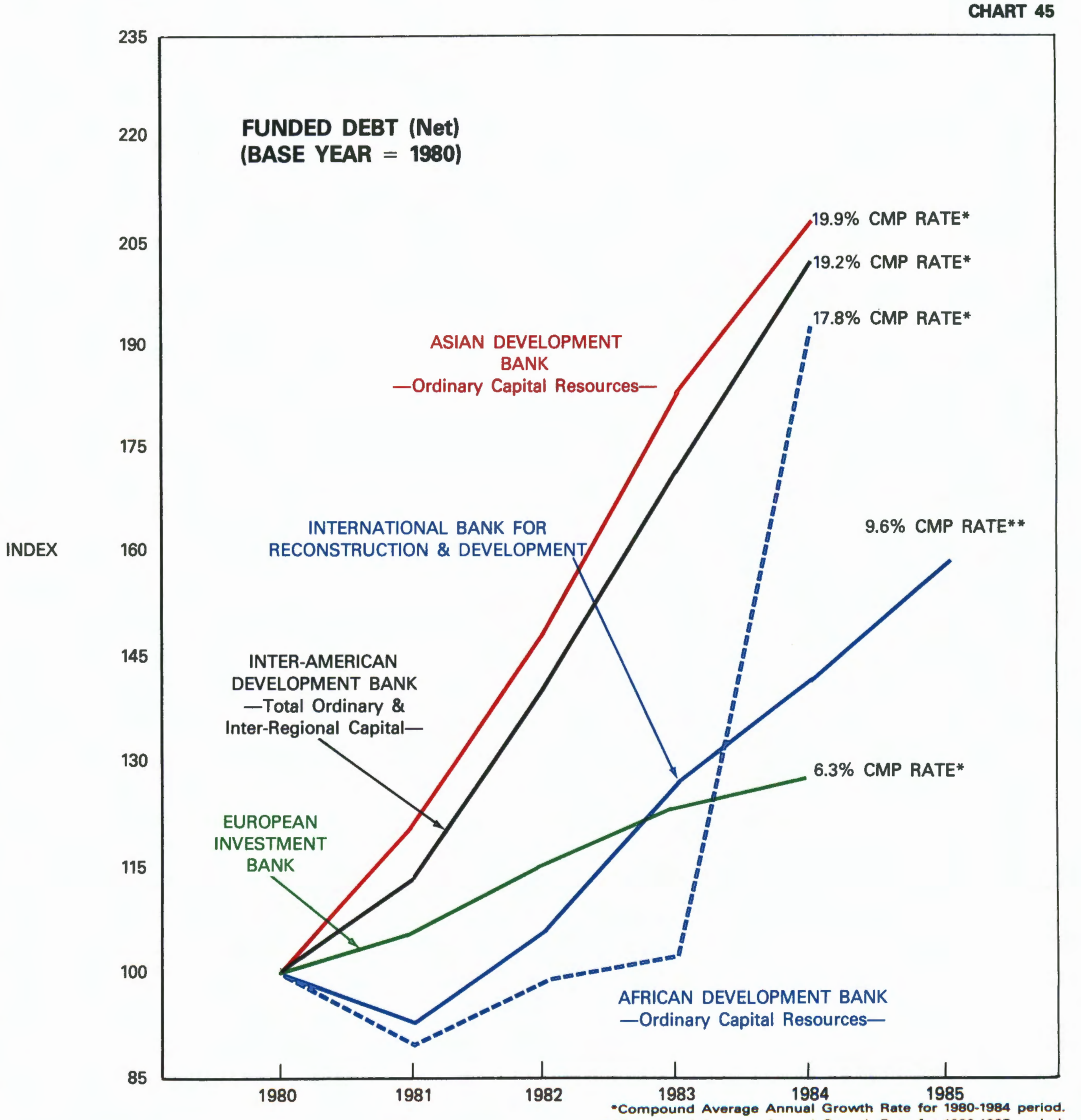
Total Assets for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 23.8% for the 1980-1984 period.



Funded Debt (Net) for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 25.8% for the 1980-1984 period.

Funded Debt (Net) for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 23.9% for the 1980-1984 period.

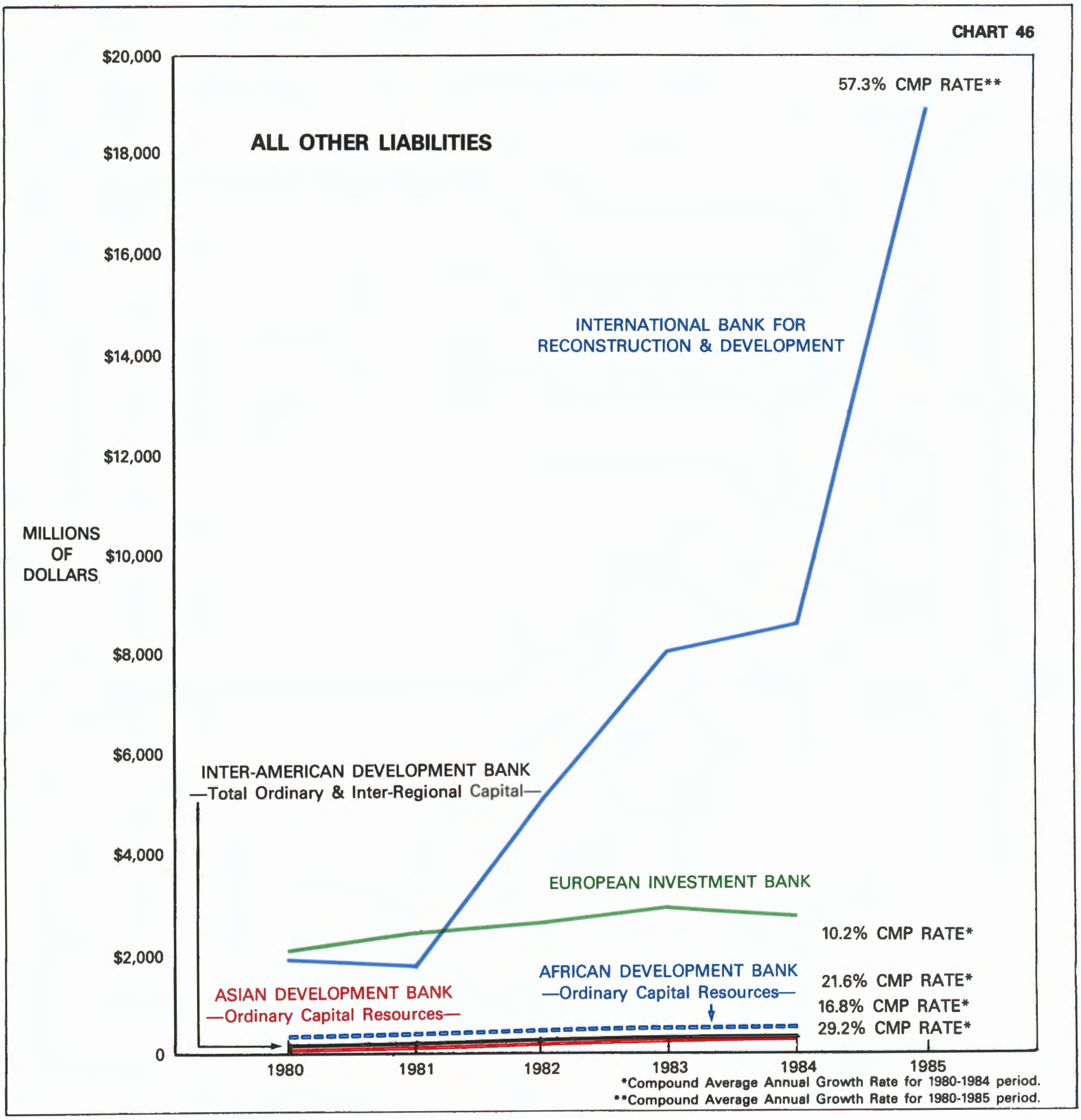
CHART 45



*Compound Average Annual Growth Rate for 1980-1984 period.
**Compound Average Annual Growth Rate for 1980-1985 period.

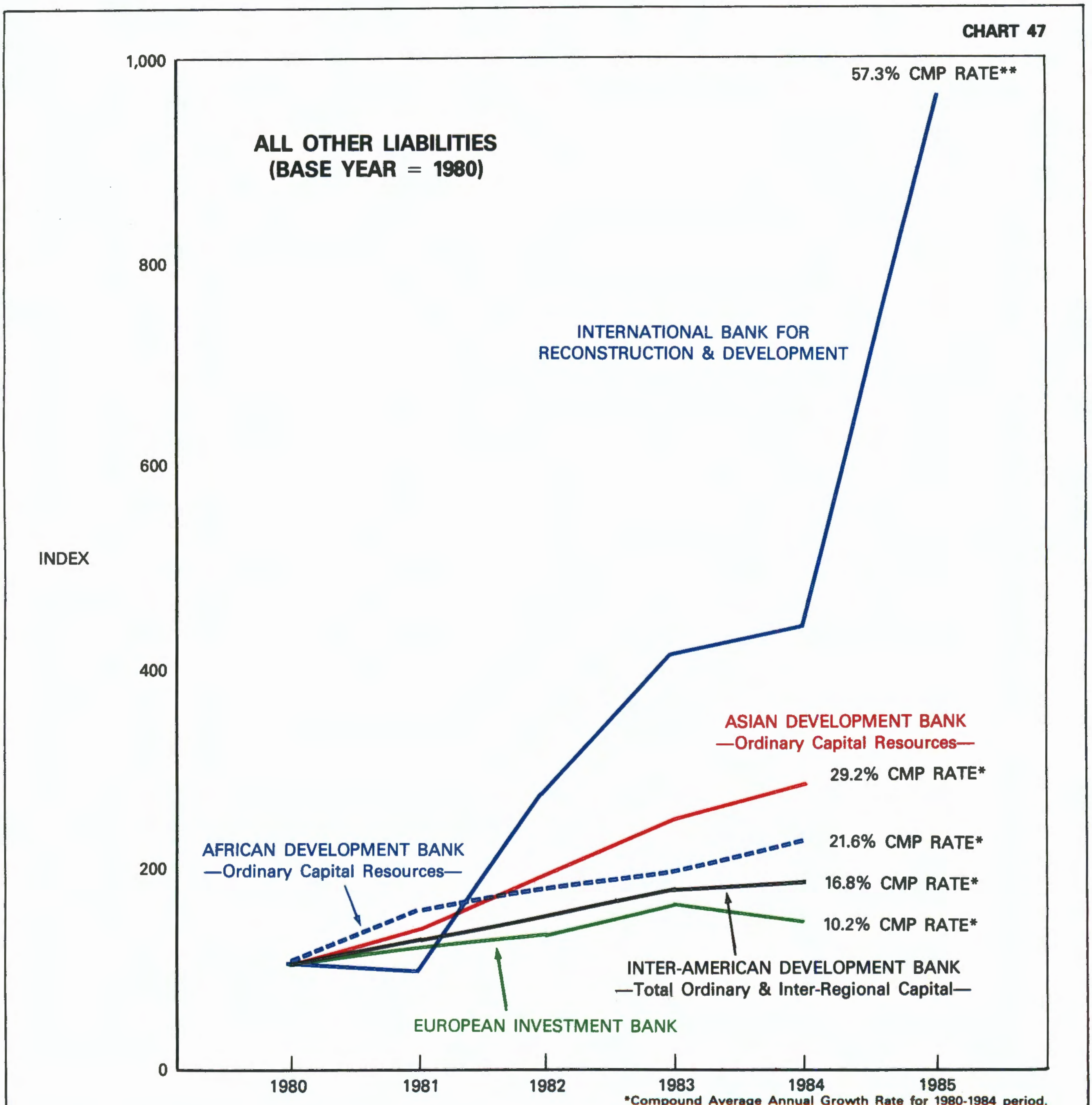
Funded Debt (Net) for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 25.8% for the 1980-1984 period.

Funded Debt (Net) for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 23.9% for the 1980-1984 period.



All Other Liabilities for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 29.8% for the 1980-1984 period.

All Other Liabilities for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 28.5% for the 1980-1984 period.

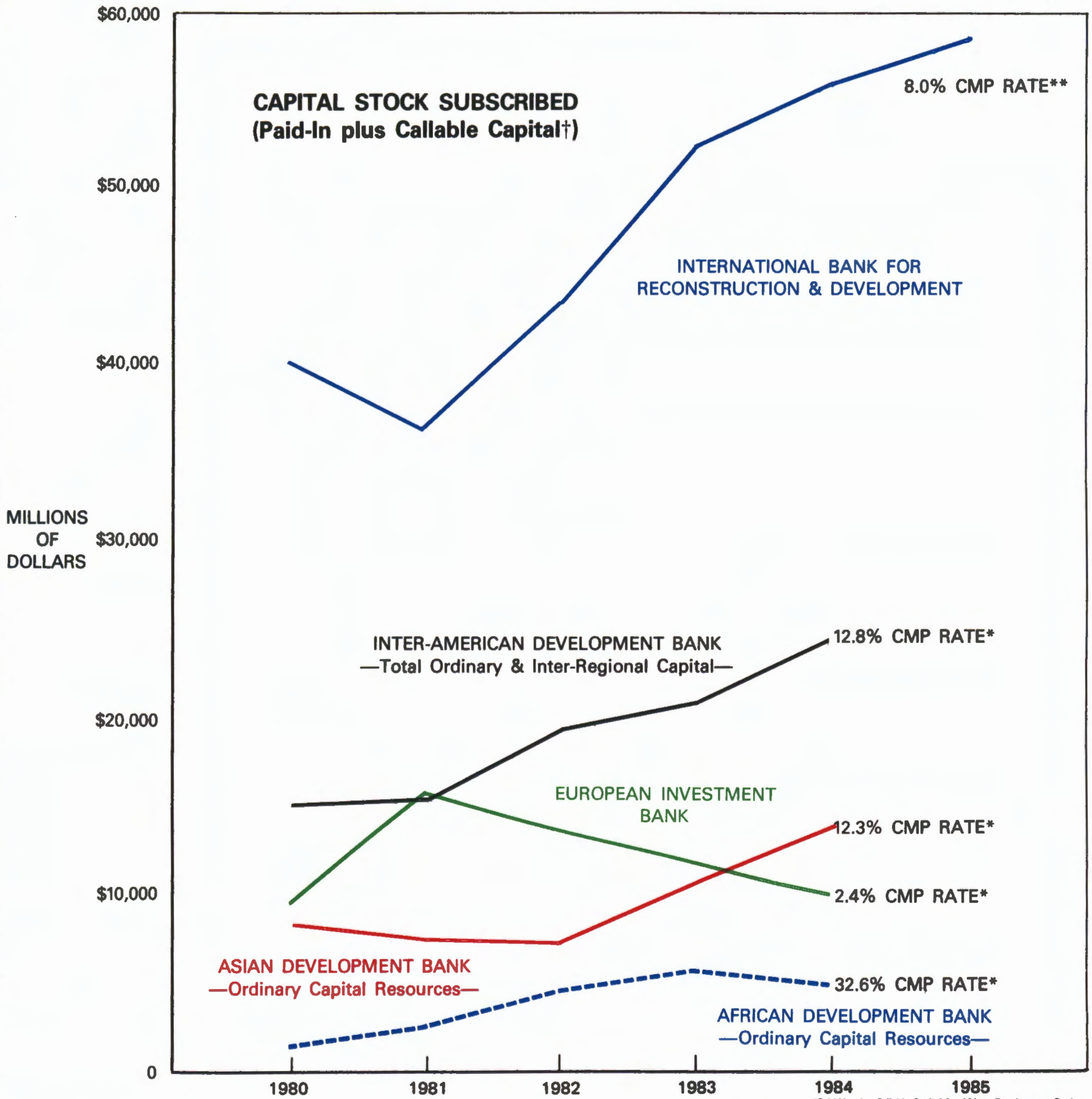


*Compound Average Annual Growth Rate for 1980-1984 period.
**Compound Average Annual Growth Rate for 1980-1985 period.

All Other Liabilities for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 29.8% for the 1980-1984 period.

All Other Liabilities for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 28.5% for the 1980-1984 period.

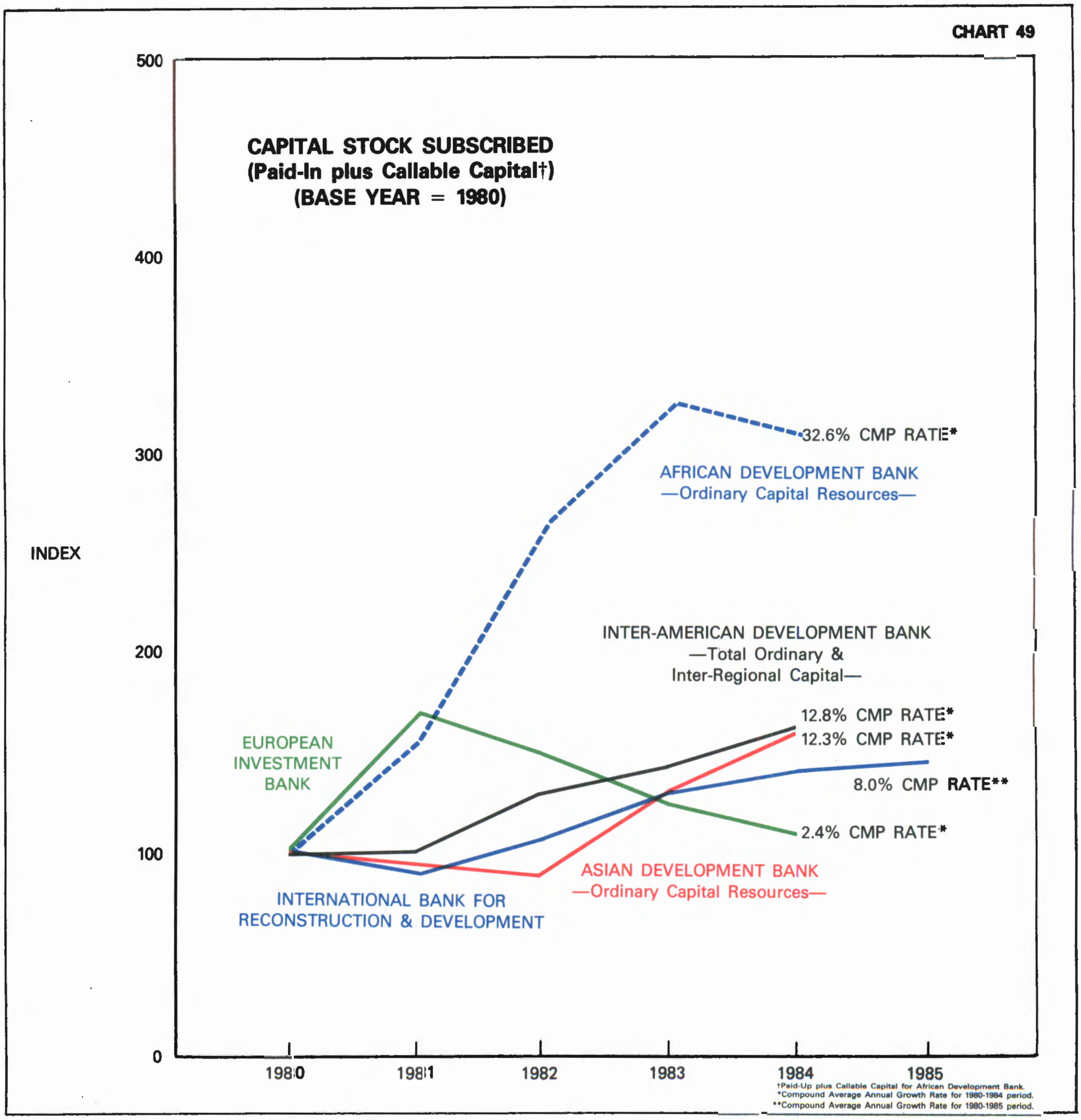
CHART 48



†Paid-Up plus Callable Capital for African Development Bank.
*Compound Average Annual Growth Rate for 1980-1984 period.
**Compound Average Annual Growth Rate for 1980-1985 period.

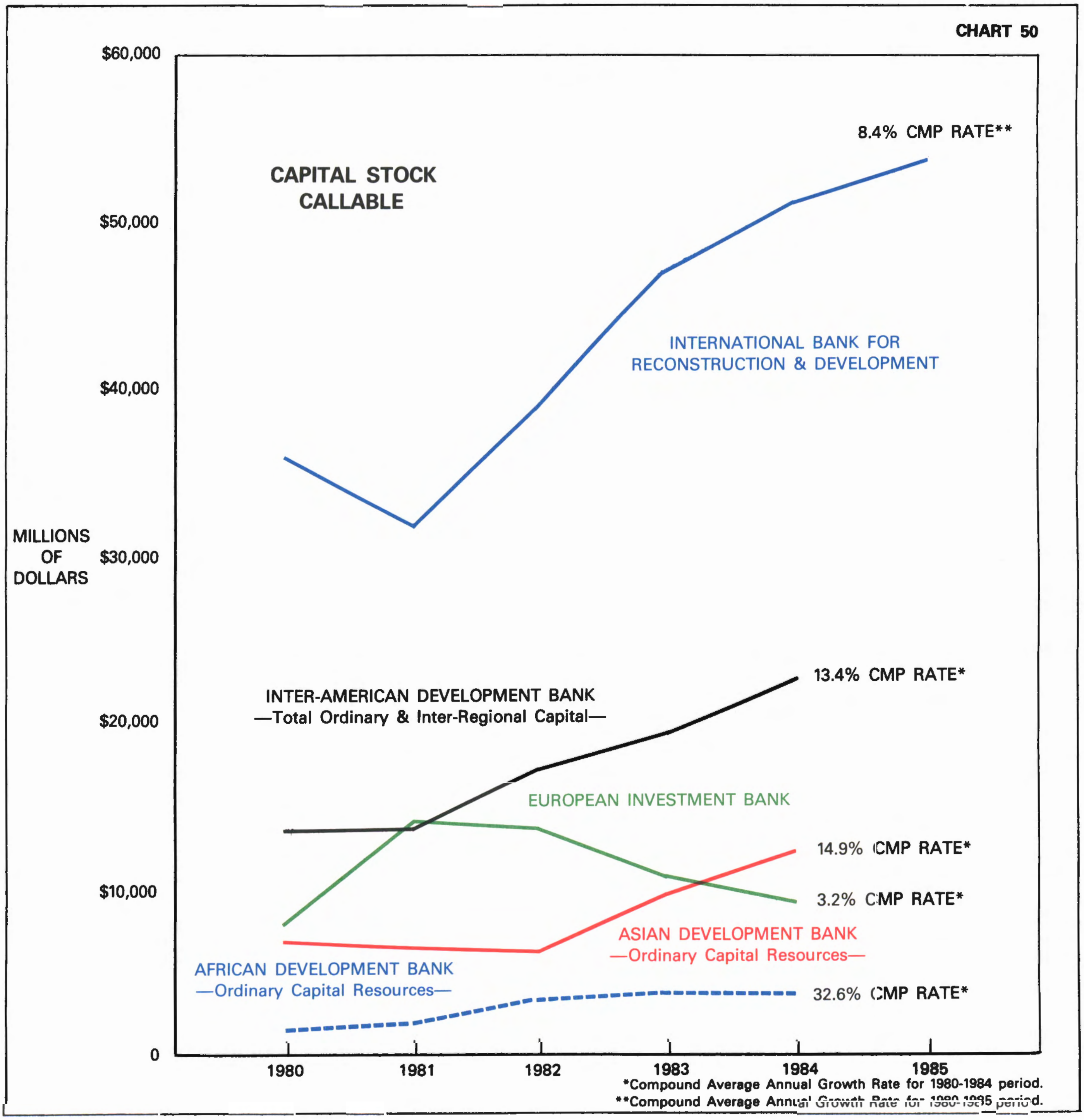
Capital Stock Subscribed for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 41.6% for the 1980-1984 period.

Capital Stock Subscribed for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 19.4% for the 1980-1984 period.



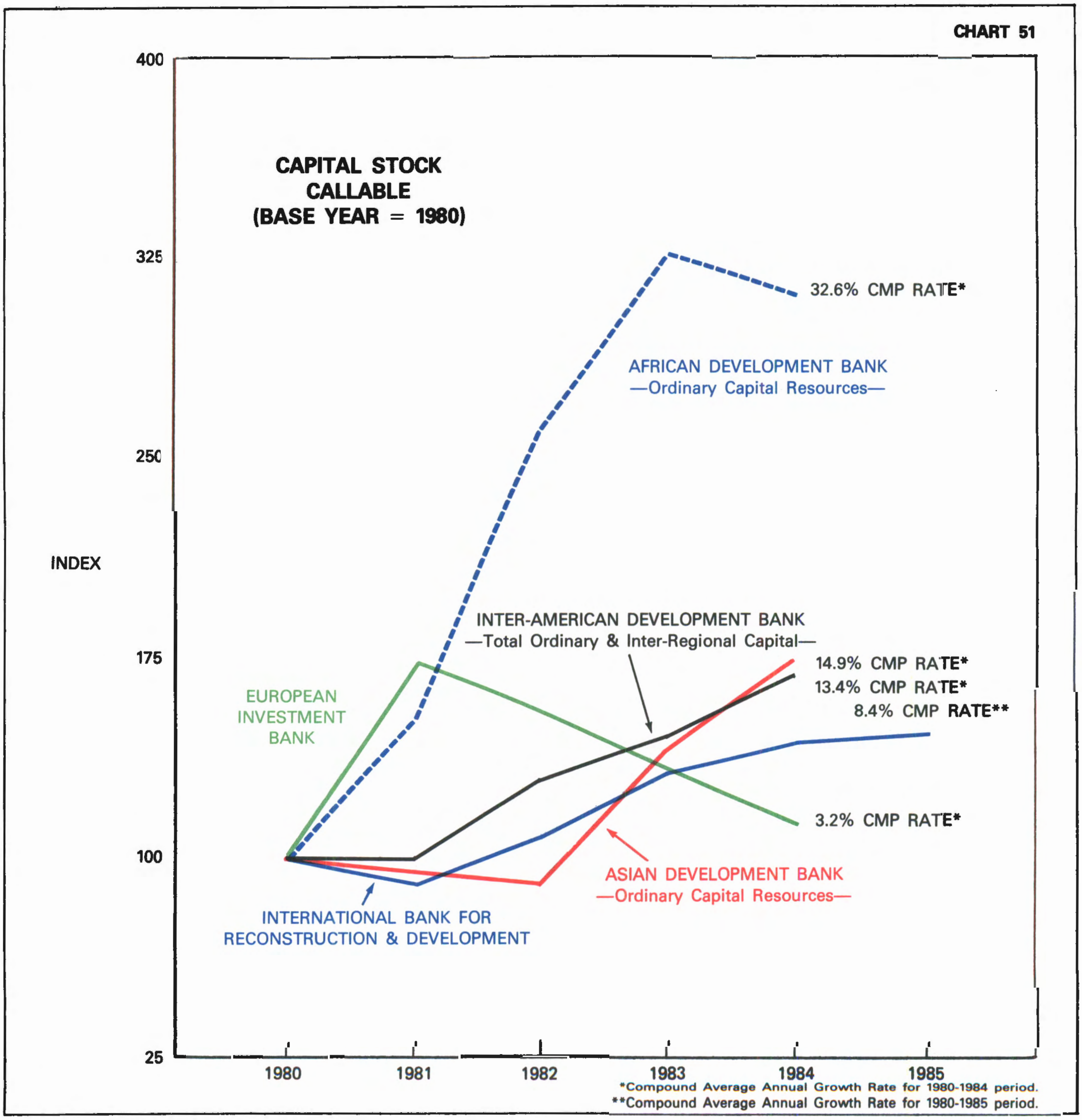
Capital Stock Subscribed for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 41.6% for the 1980-1984 period.

Capital Stock Subscribed for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 19.4% for the 1980-1984 period.



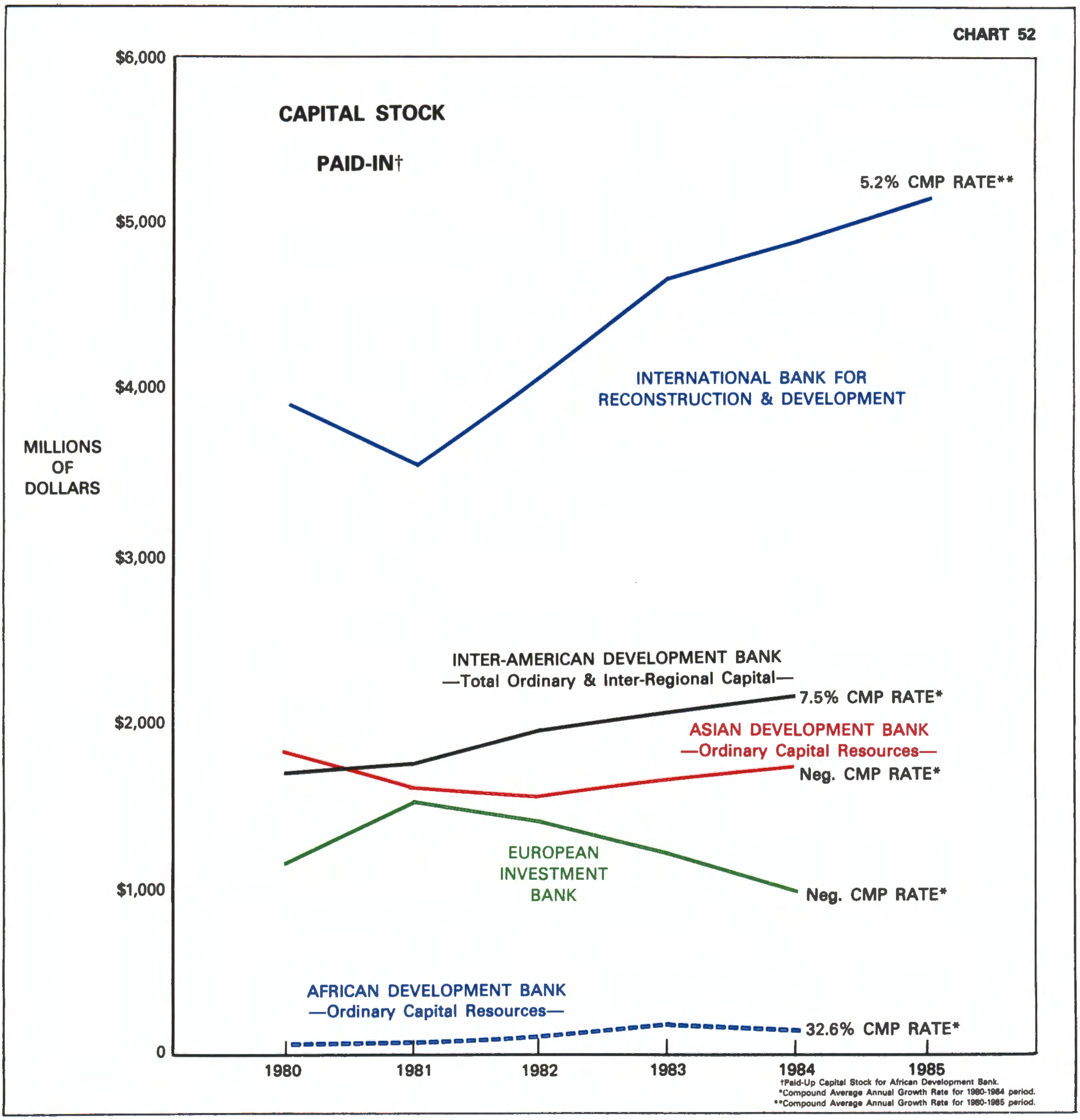
Capital Stock Callable for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 41.6% for the 1980-1984 period.

Capital Stock Callable for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 20.3% for the 1980-1984 period.



Capital Stock Callable for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 41.6% for the 1980-1984 period.

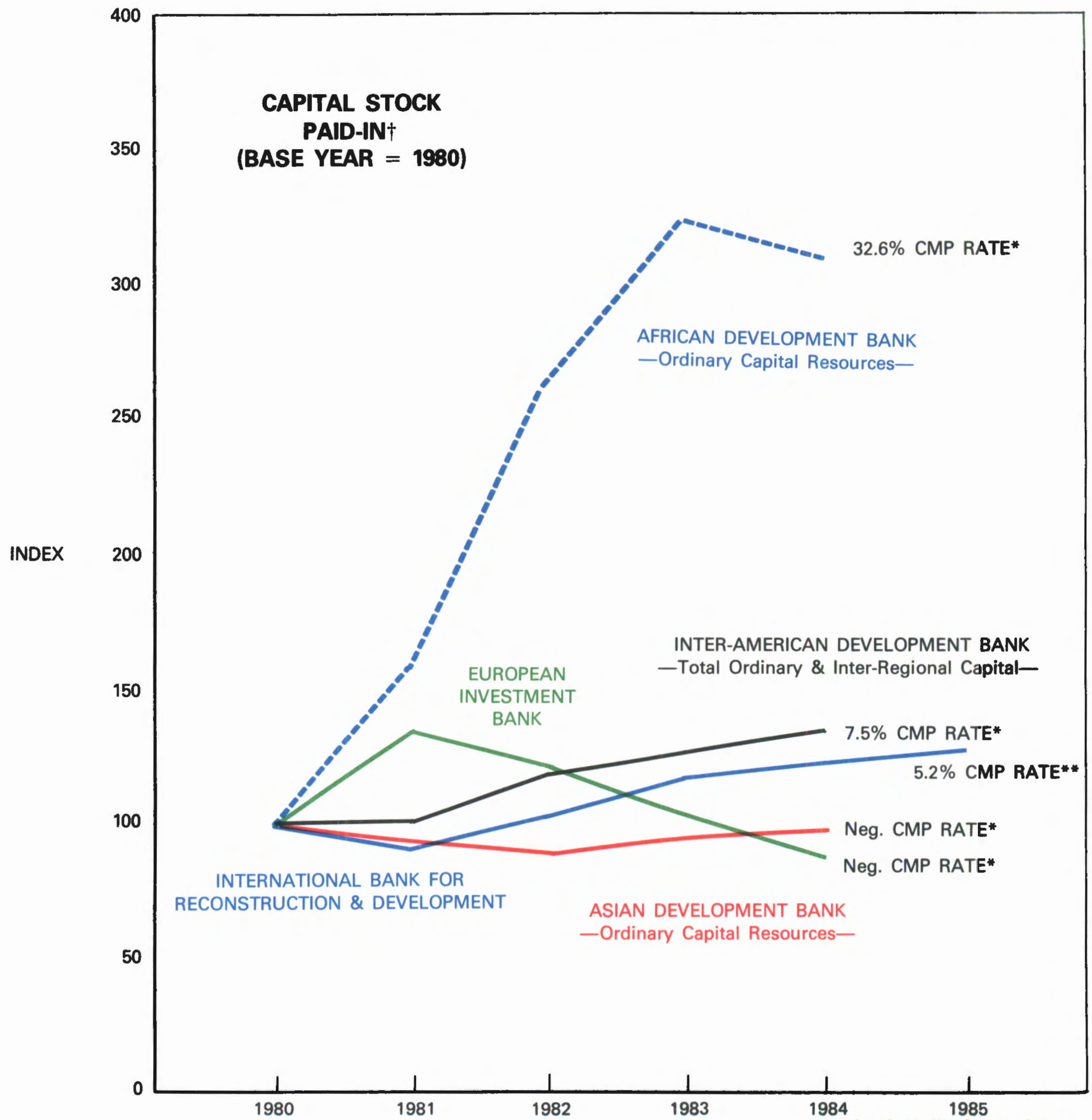
Capital Stock Callable for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 20.3% for the 1980-1984 period.



Capital Stock Paid-Up for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 41.6% for the 1980-1984 period.

Capital Stock Paid-In for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 12.6% for the 1980-1984 period.

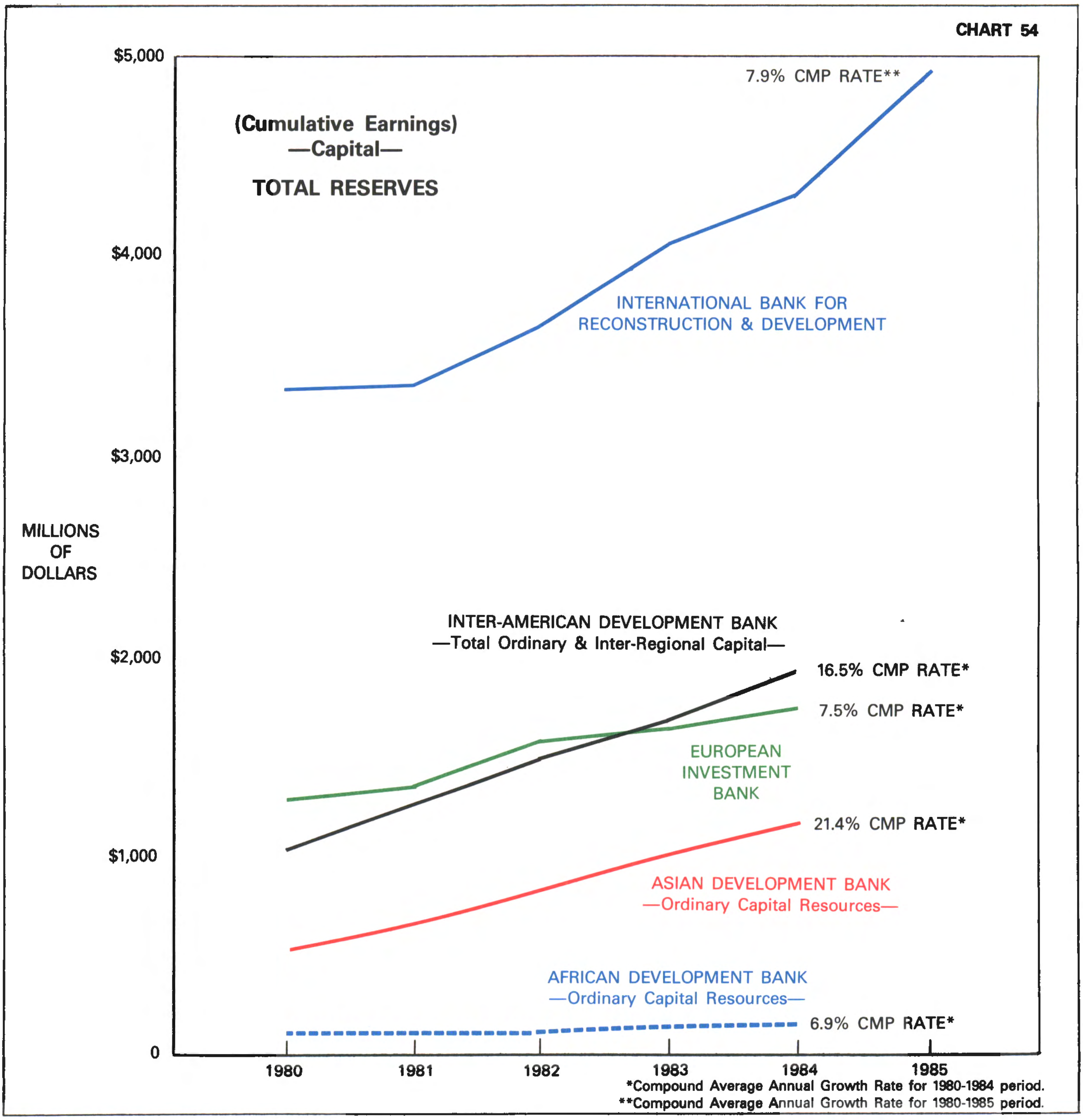
CHART 53



†Paid-Up Capital Stock for African Development Bank.
*Compound Average Annual Growth Rate for 1980-1984 period.
**Compound Average Annual Growth Rate for 1980-1985 period.

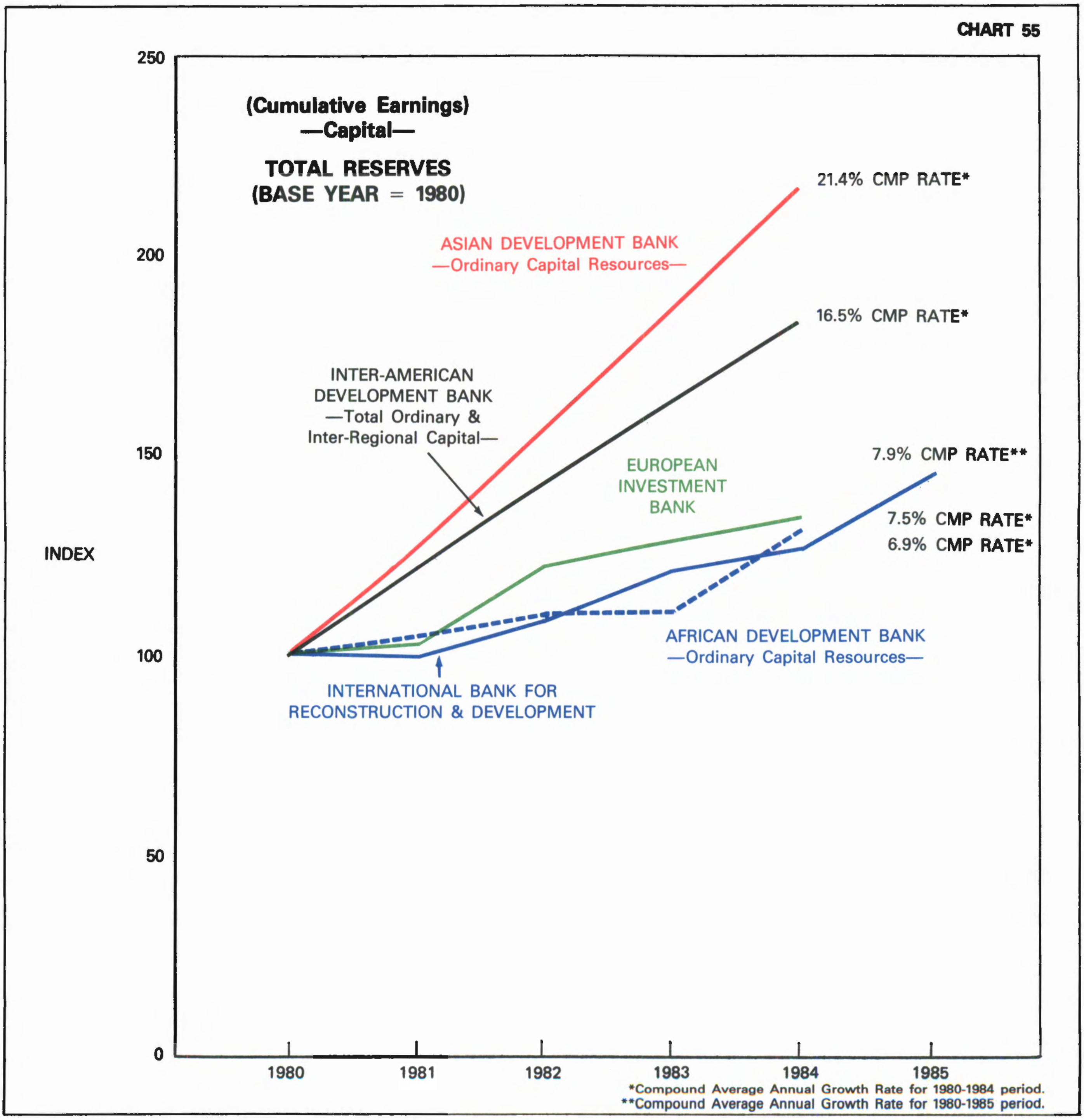
Capital Stock Paid-Up for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 41.6% for the 1980-1984 period.

Capital Stock Paid-In for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 12.6% for the 1980-1984 period.



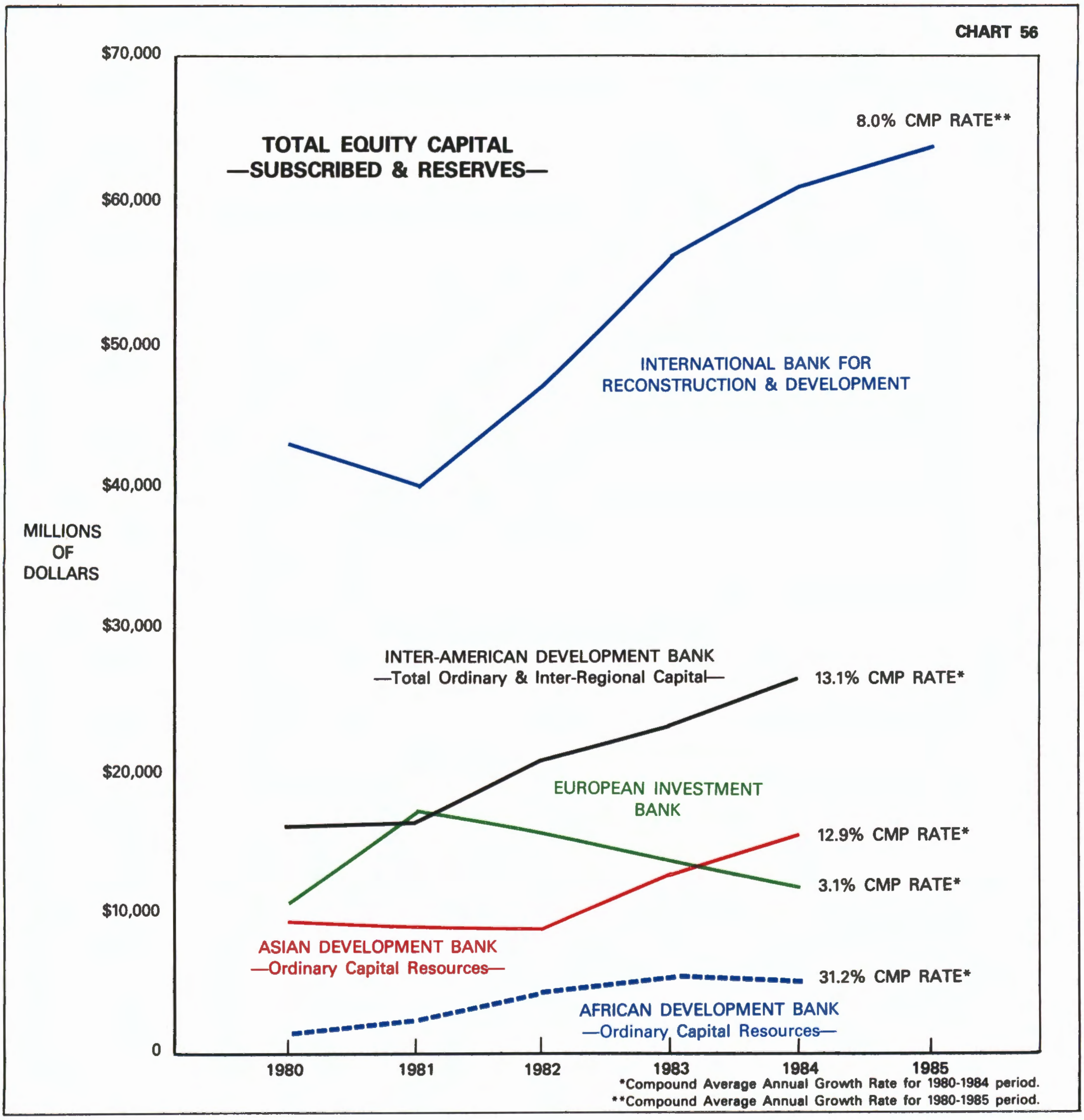
Total Reserves for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 14.1% for the 1980-1984 period.

Total Reserves for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 25.4% for the 1980-1984 period.



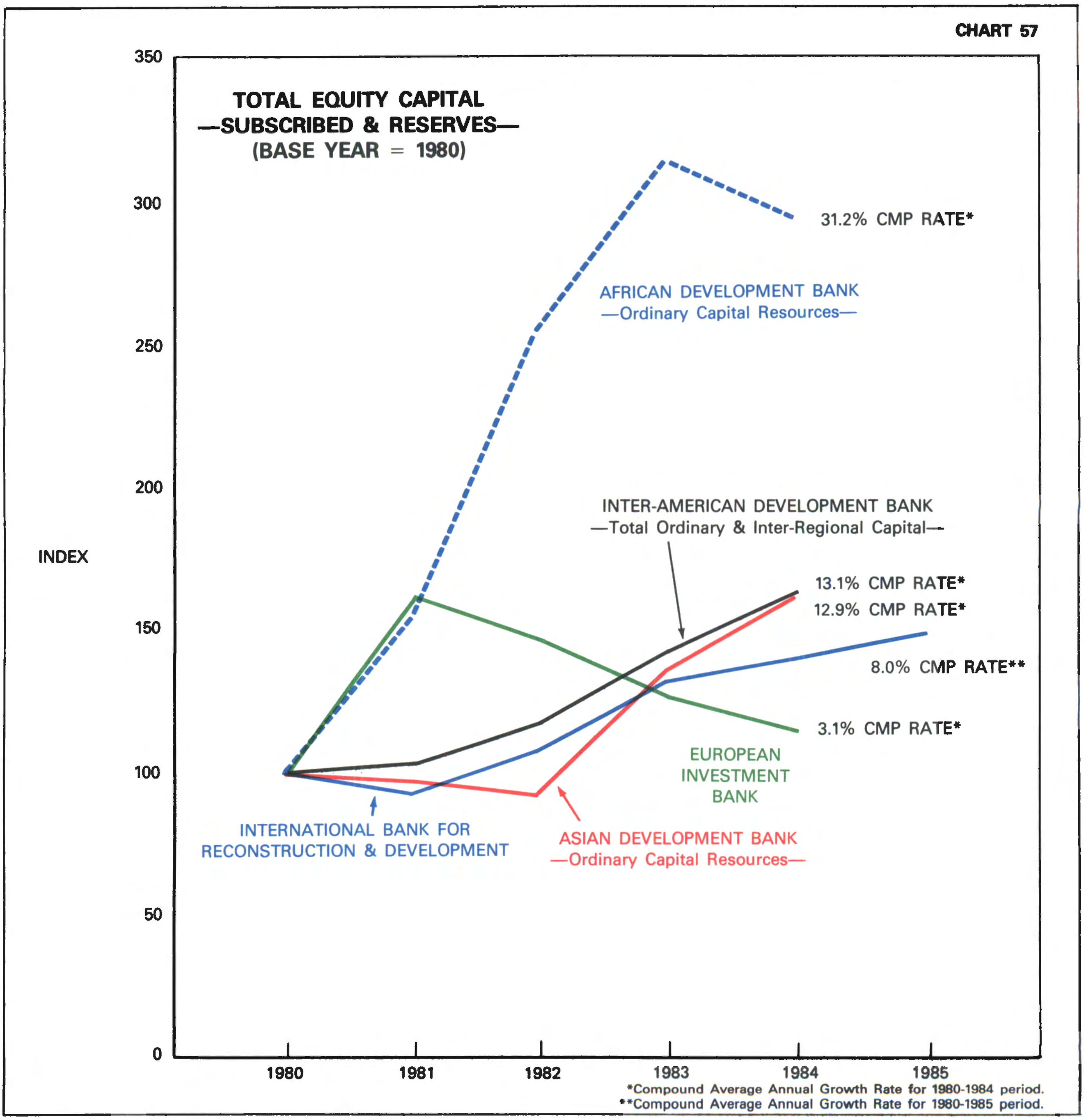
Total Reserves for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 14.1% for the 1980-1984 period.

Total Reserves for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 25.4% for the 1980-1984 period.



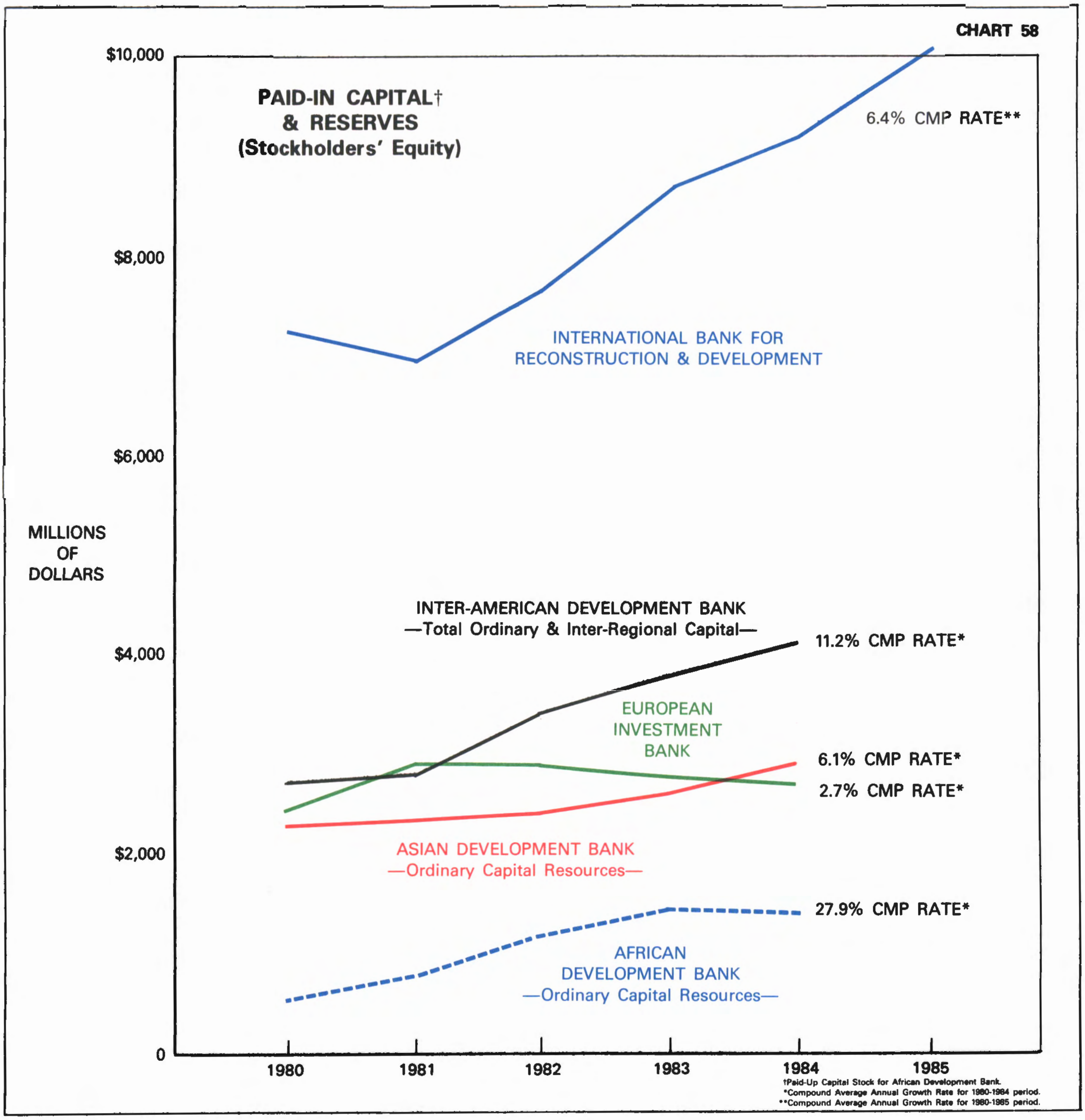
Total Equity Capital for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 40.1% for the 1980-1984 period.

Total Equity Capital for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 20.2% for the 1980-1984 period.



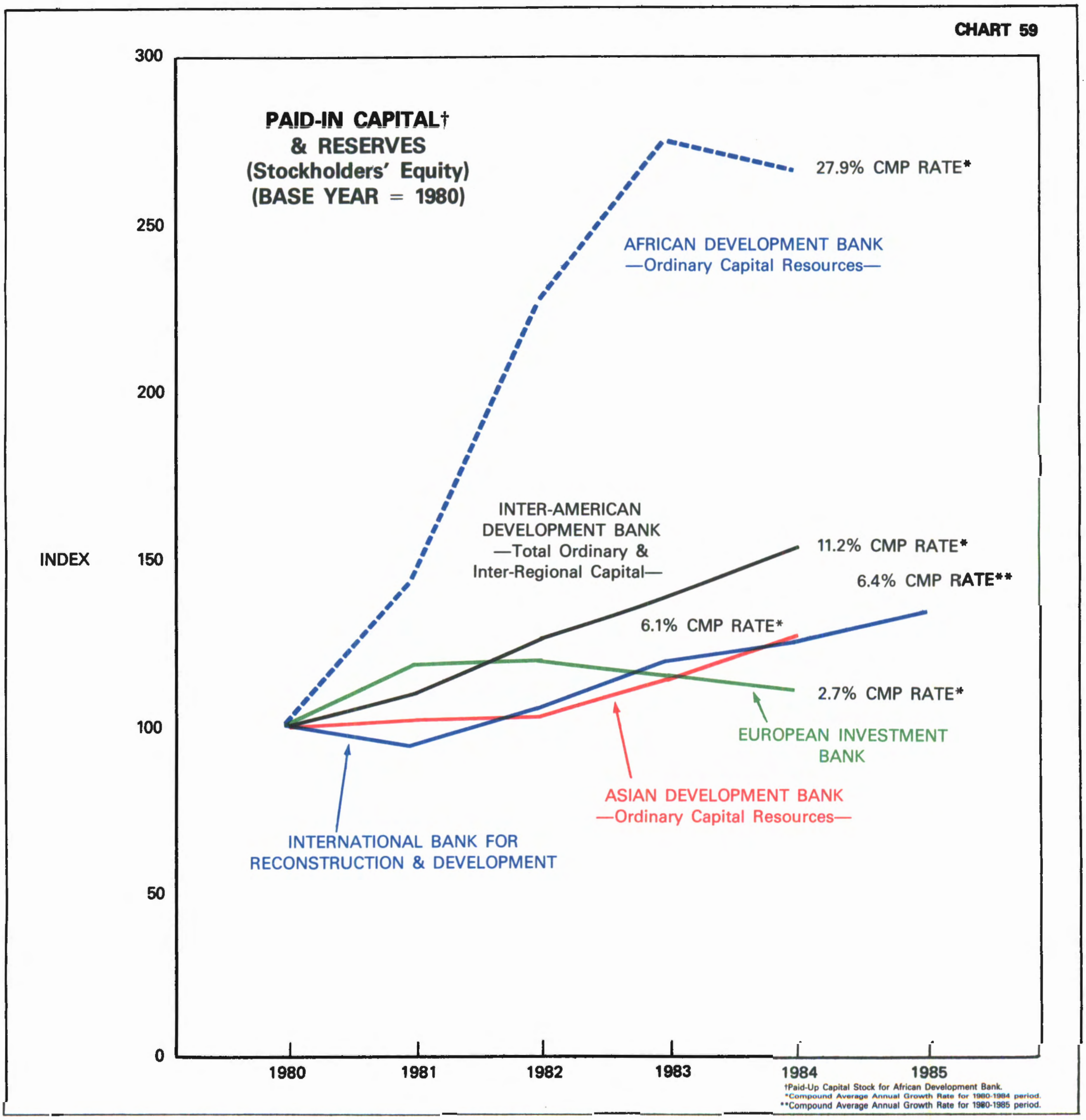
Total Equity Capital for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 40.1% for the 1980-1984 period.

Total Equity Capital for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 20.2% for the 1980-1984 period.



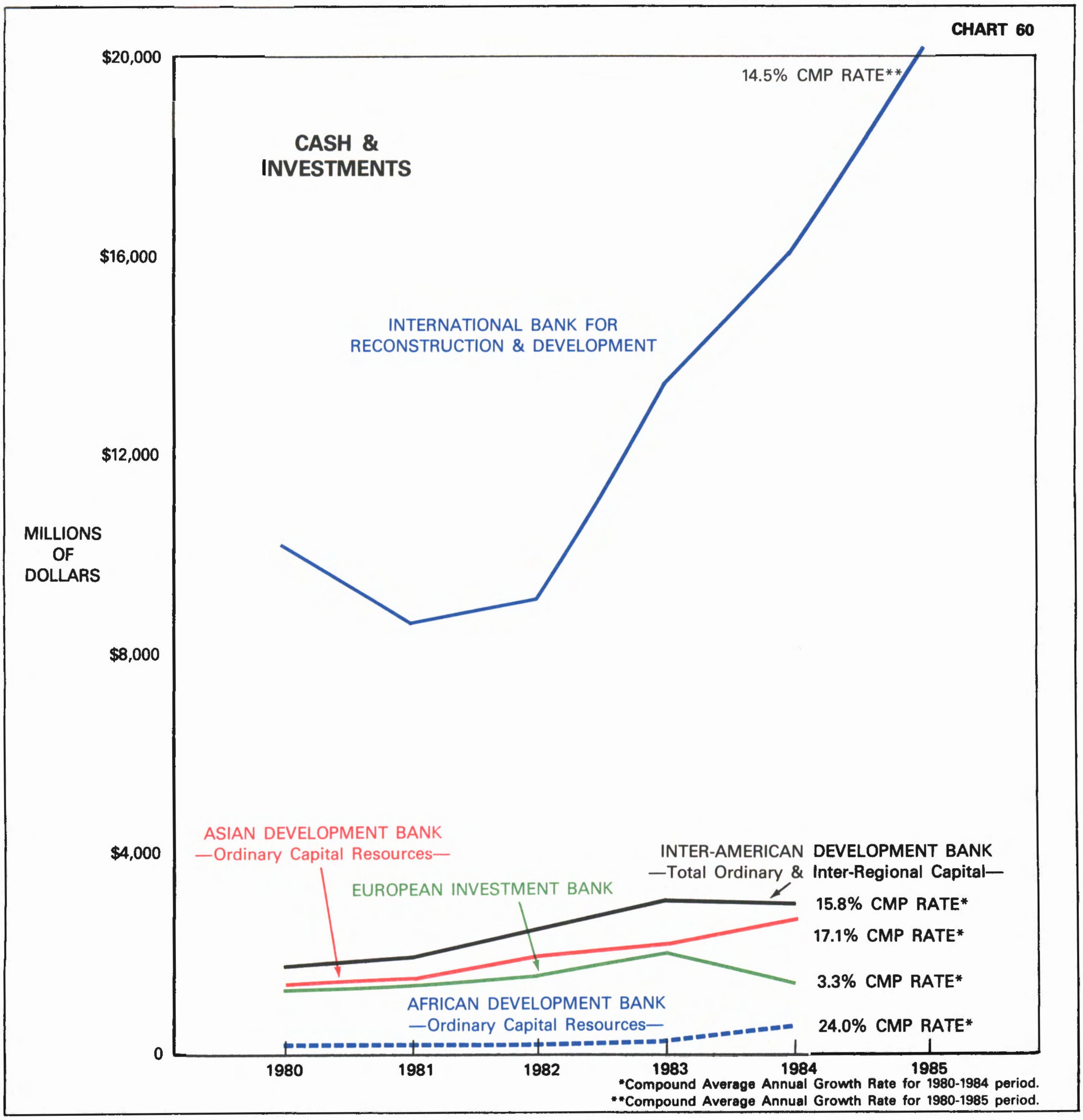
Stockholder's Equity for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 36.6% for the 1980-1984 period.

Stockholder's Equity for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 19.8% for the 1980-1984 period.



Stockholder's Equity for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 36.6% for the 1980-1984 period.

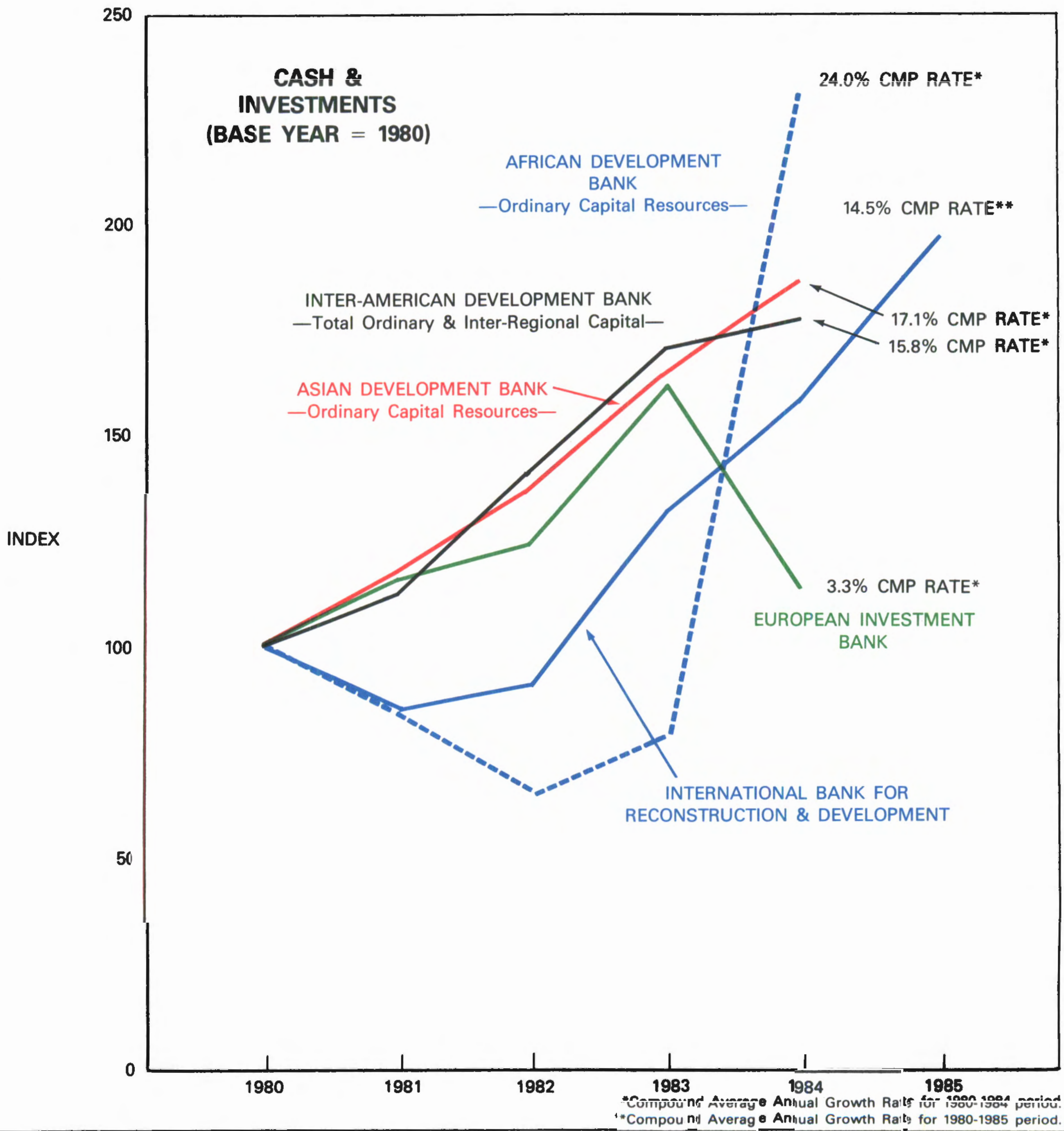
Stockholder's Equity for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 19.8% for the 1980-1984 period.



Cash & Investments for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 32.5% for the 1980-1984 period.

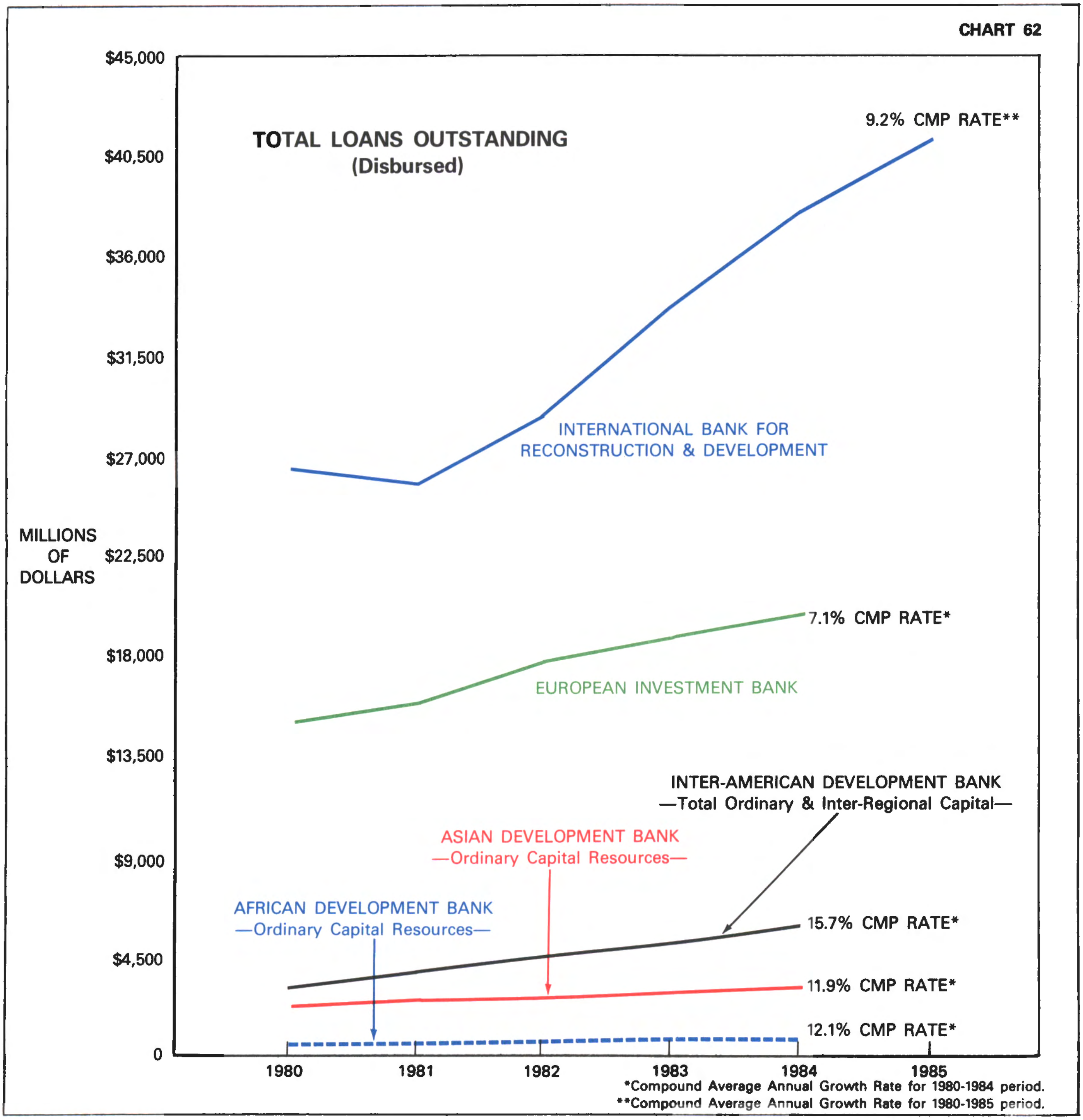
Cash & Investments for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 20.5% for the 1980-1984 period.

CHART 61



Cash & Investments for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 32.5% for the 1980-1984 period.

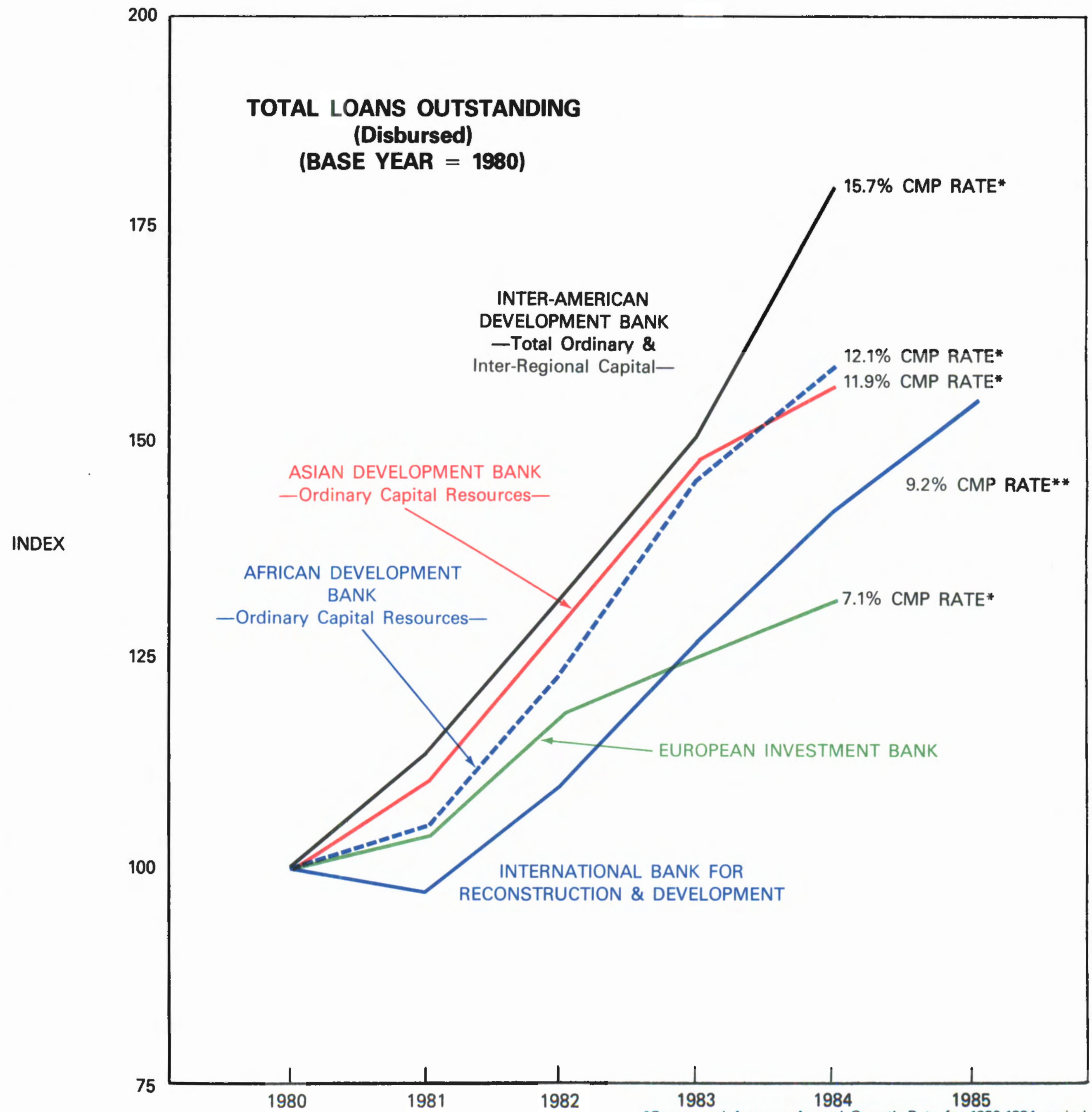
Cash & Investments for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 20.5% for the 1980-1984 period.



Total Loans Outstanding (Disbursed) for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 19.7% for the 1980-1984 period.

Total Loans Outstanding (Disbursed) for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 24.8% for the 1980-1984 period.

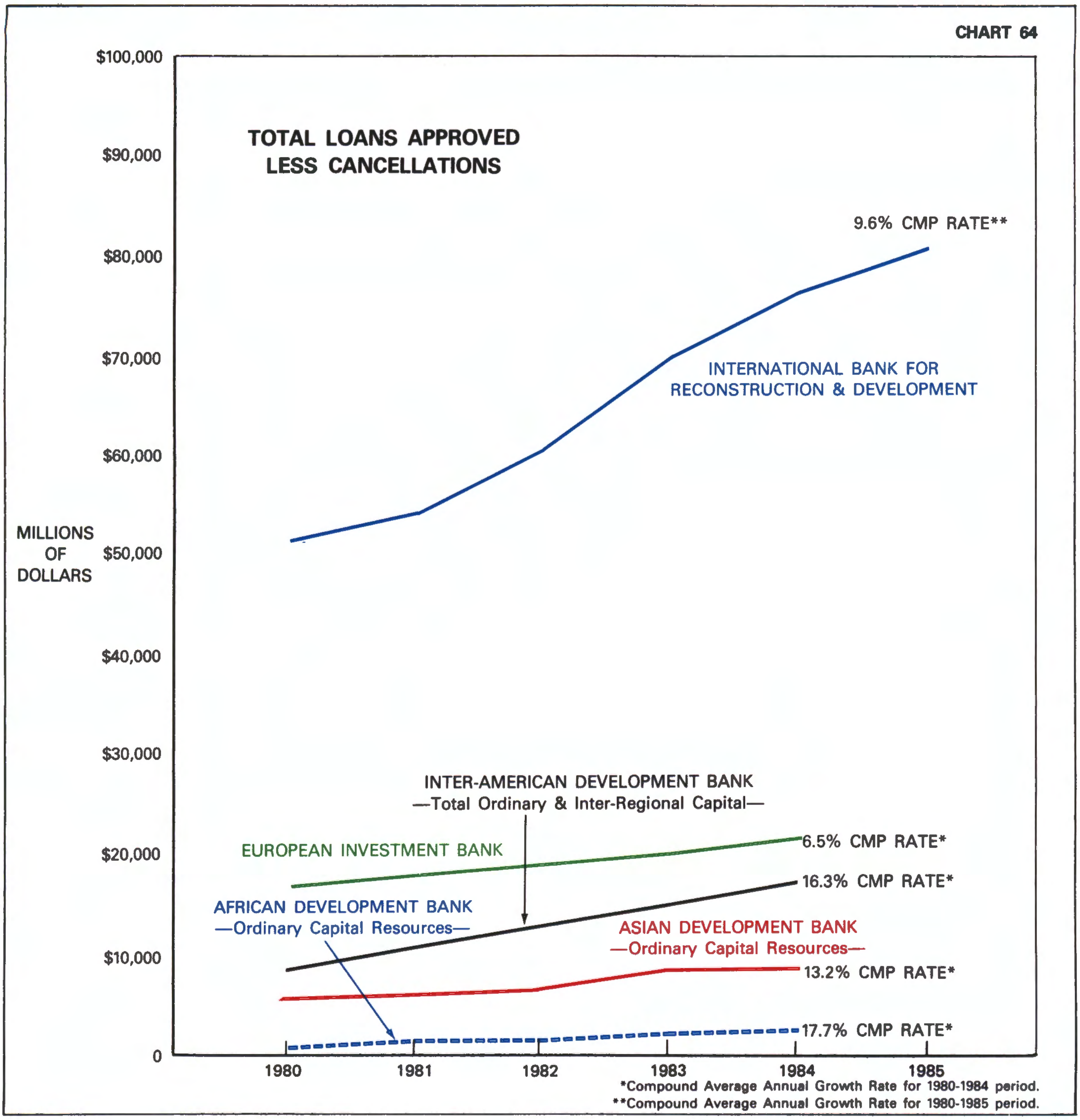
CHART 63



*Compound Average Annual Growth Rate for 1980-1984 period.
**Compound Average Annual Growth Rate for 1980-1985 period.

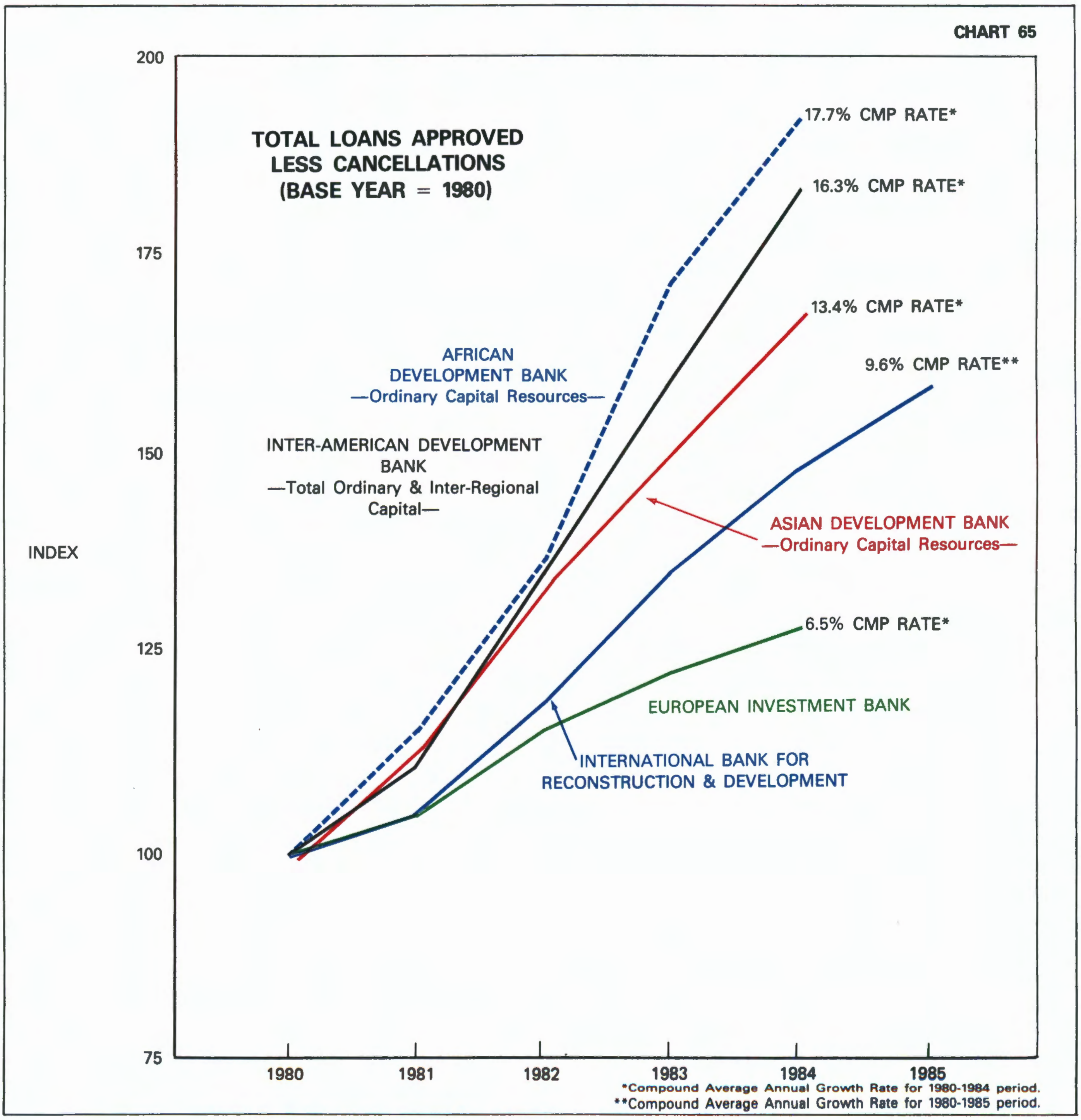
Total Loans Outstanding (Disbursed) for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 19.7% for the 1980-1984 period.

Total Loans Outstanding (Disbursed) for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 24.8% for the 1980-1984 period.



Total Loans Approved for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 25.7% for the 1980-1984 period.

Total Loans Approved for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 24.1% for the 1980-1984 period.



Total Loans Approved for the AfDB, expressed in U.A.s, had a compound average annual growth rate of 25.7% for the 1980-1984 period.

Total Loans Approved for the EIB, expressed in E.C.U.s, had a compound average annual growth rate of 24.1% for the 1980-1984 period.

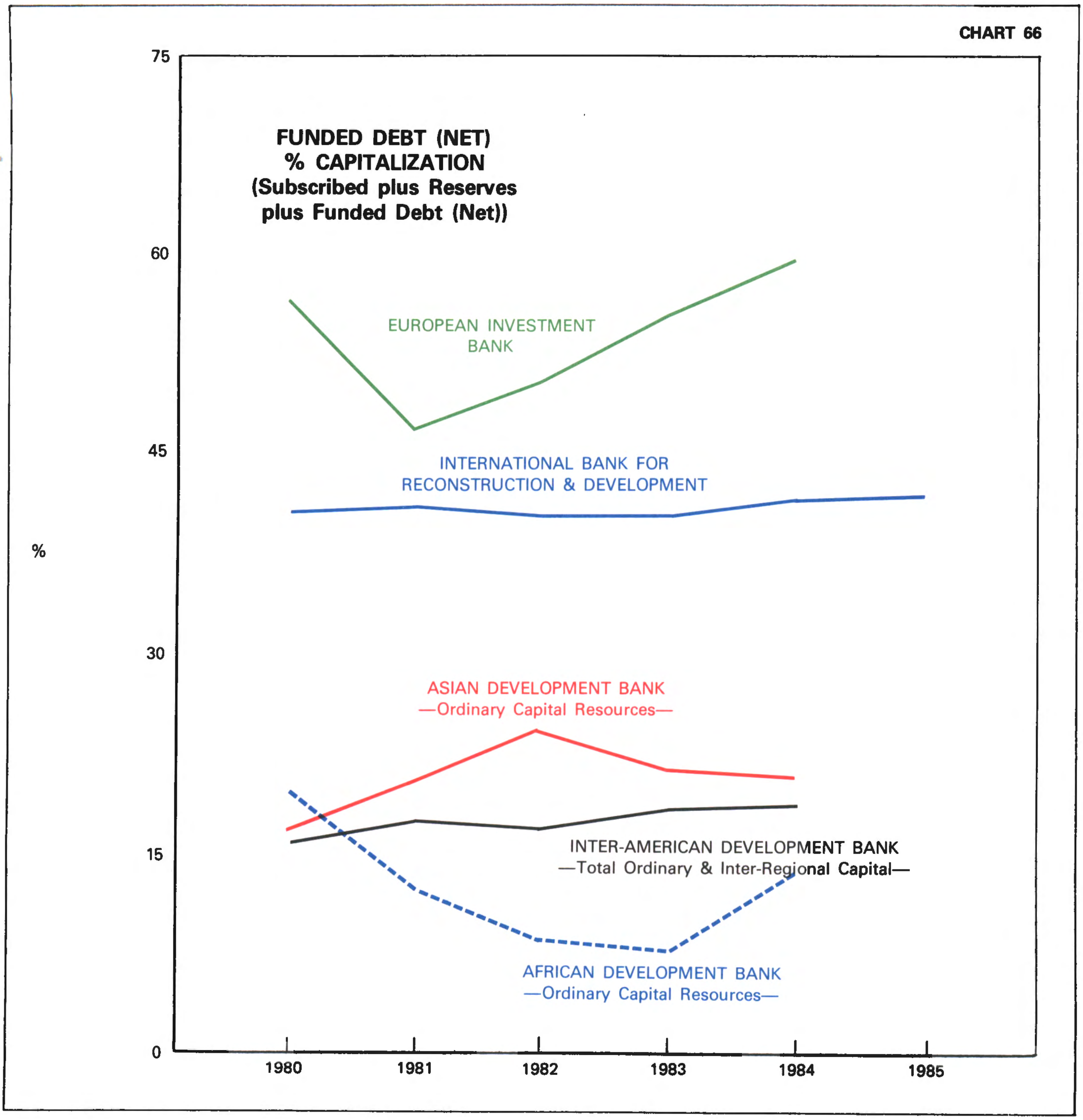


CHART 66
FUNDED DEBT (NET)
% CAPITALIZATION
(Subscribed plus Reserves
plus Funded Debt (Net))
75
60
45
30
15
0
%
EUROPEAN INVESTMENT
BANK
INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
1980
1981
1982
1983
1984
1985

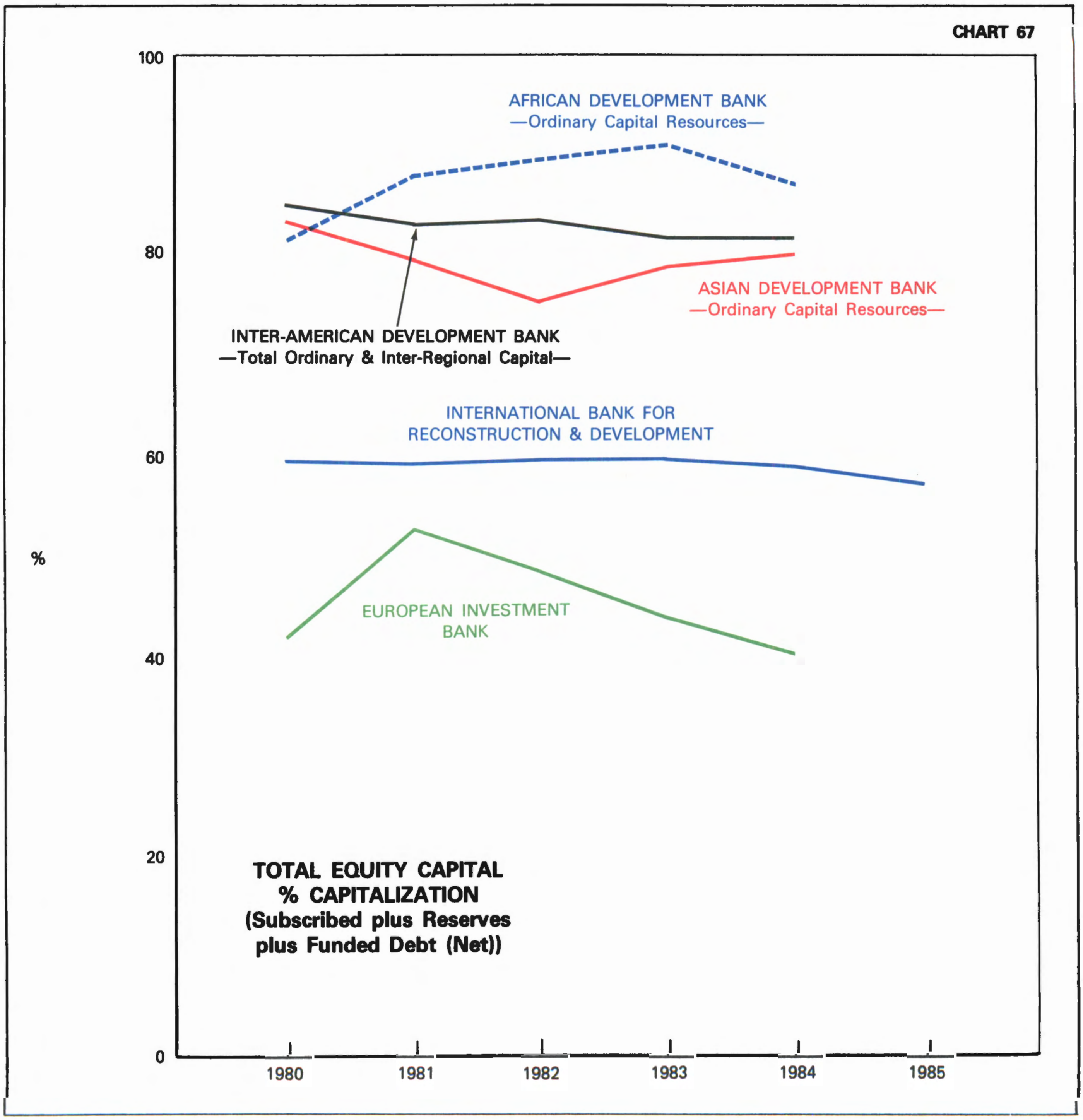
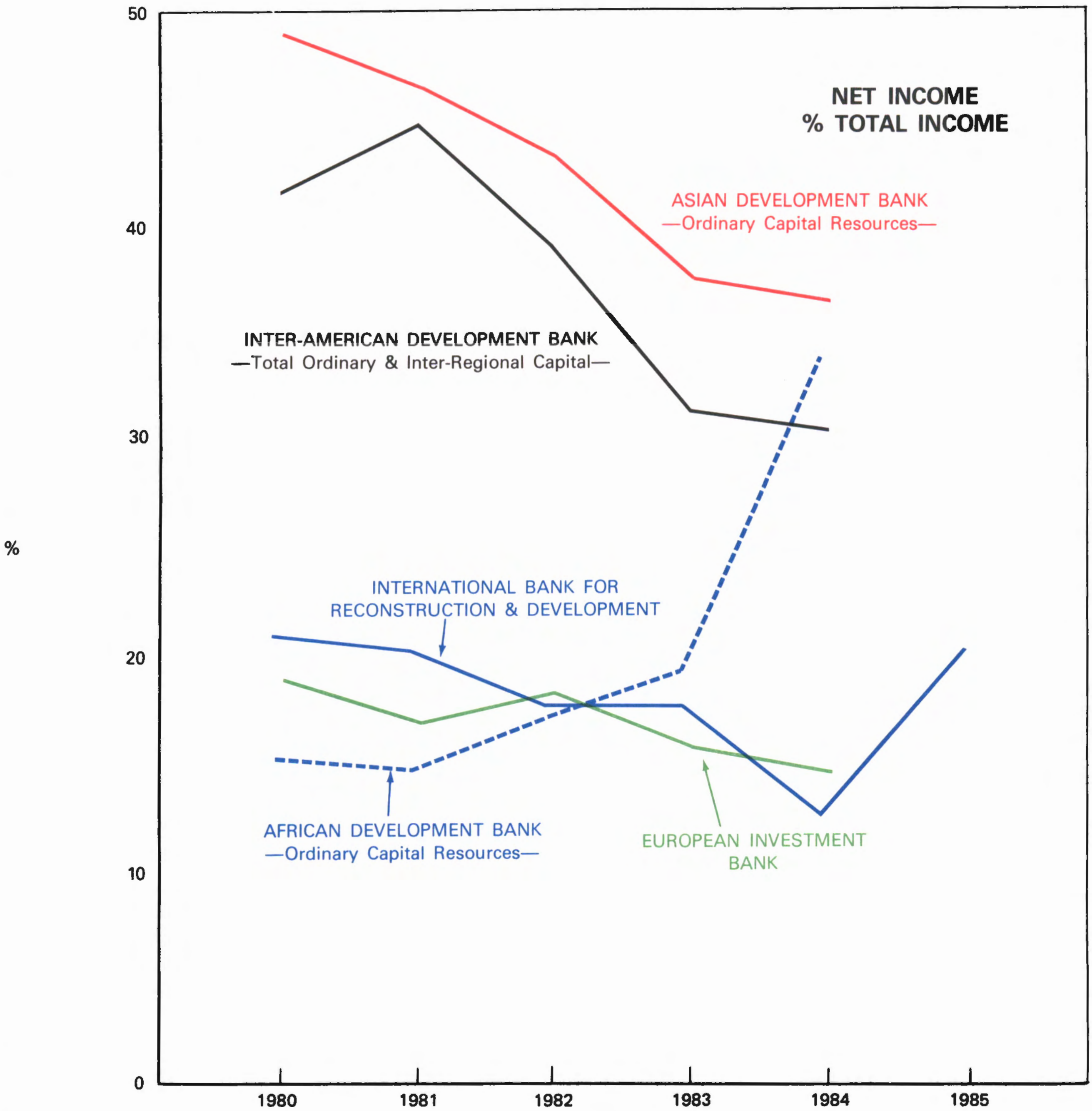


CHART 67
100
80
60
40
20
0
%
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT
EUROPEAN INVESTMENT
BANK
TOTAL EQUITY CAPITAL
% CAPITALIZATION
(Subscribed plus Reserves
plus Funded Debt (Net))
1980
1981
1982
1983
1984
1985

CHART 68


NET INCOME
% TOTAL INCOME
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
EUROPEAN INVESTMENT
BANK
%
50
40
30
20
10
0
1980
1981
1982
1983
1984
1985

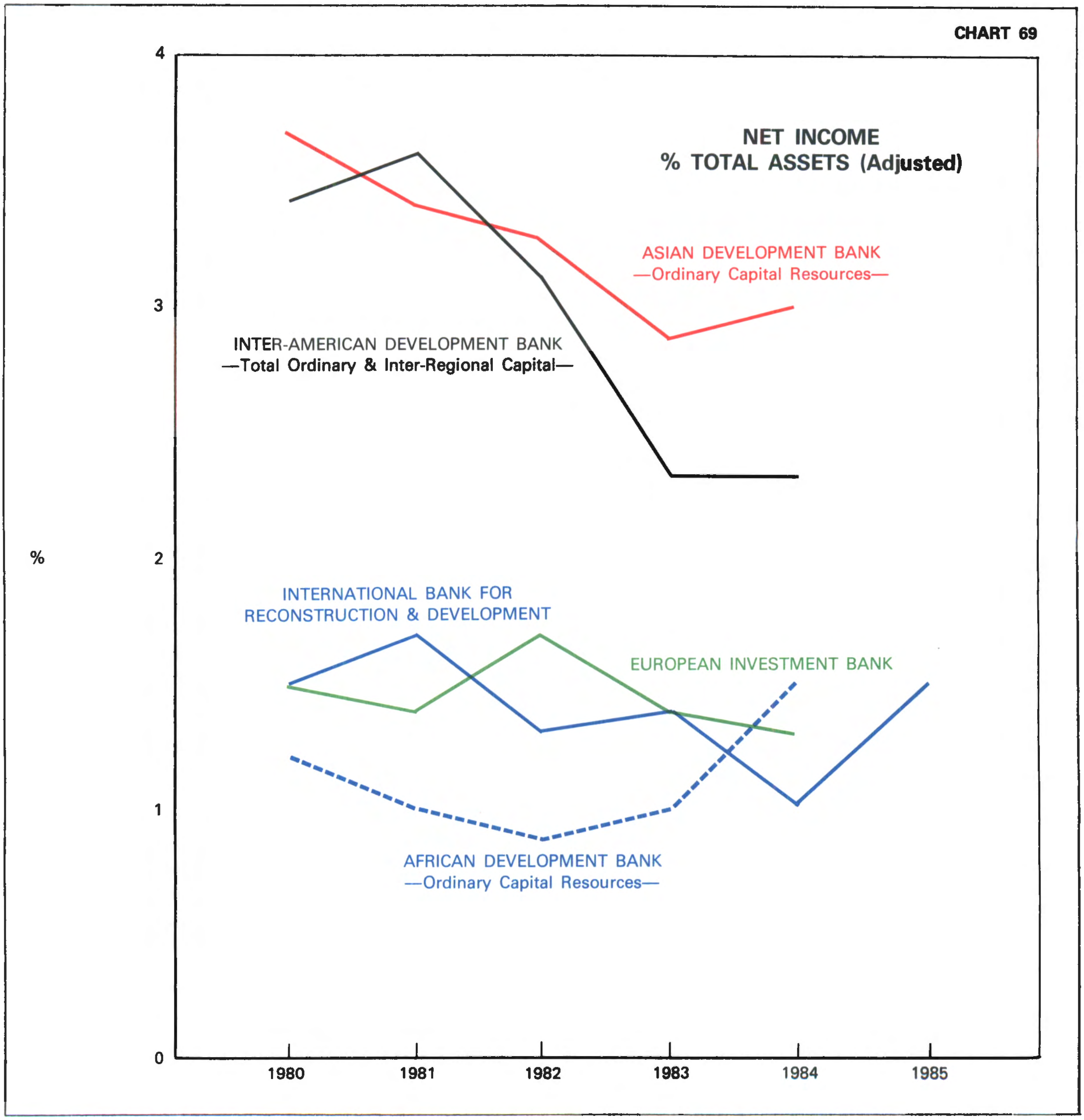
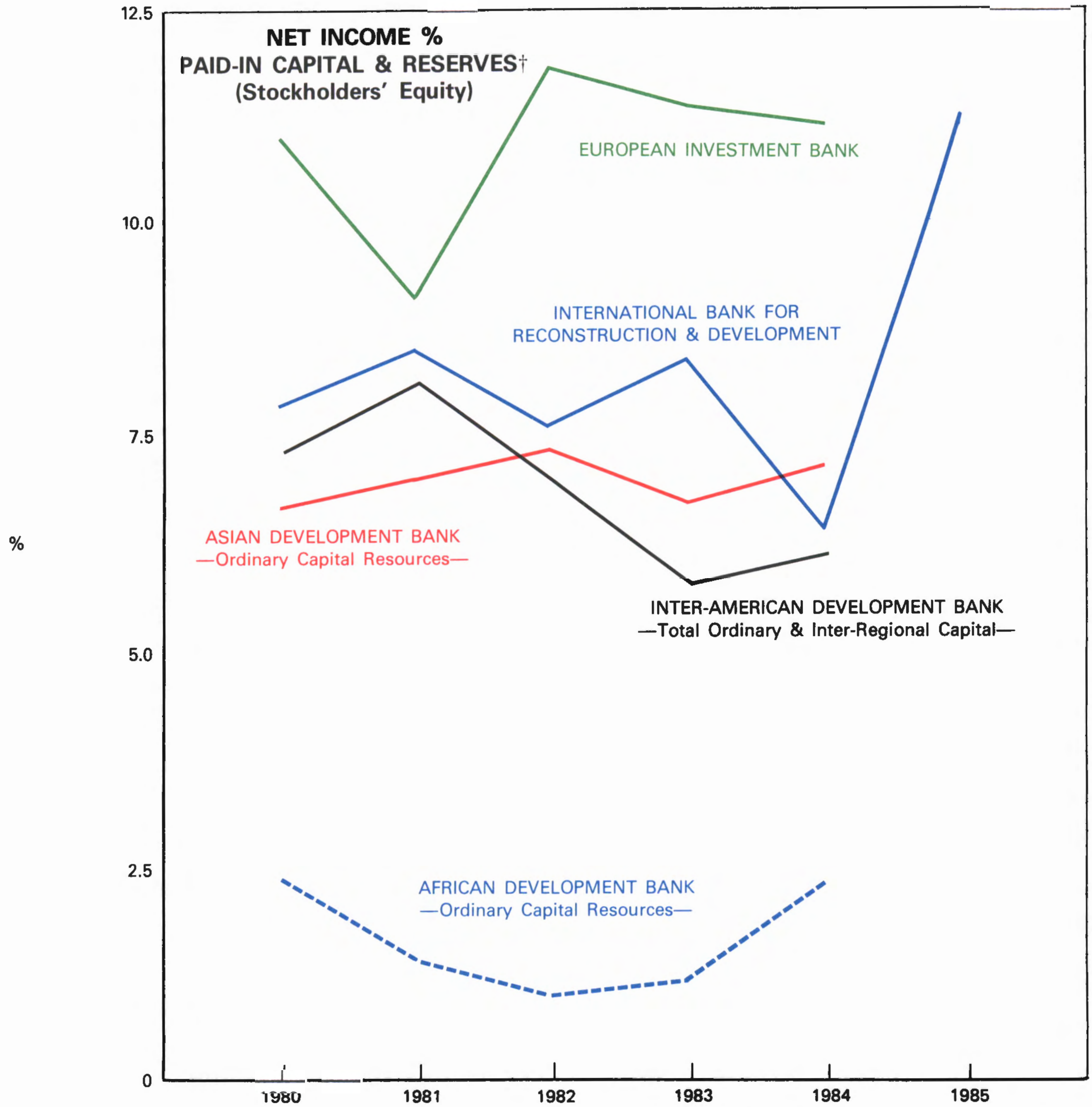


CHART 69
NET INCOME
% TOTAL ASSETS (Adjusted)
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT
EUROPEAN INVESTMENT BANK
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
%
4
3
2
1
0
1980
1981
1982
1983
1984
1985

CHART 70



†Paid-Up Capital & Reserves for African Development Bank.

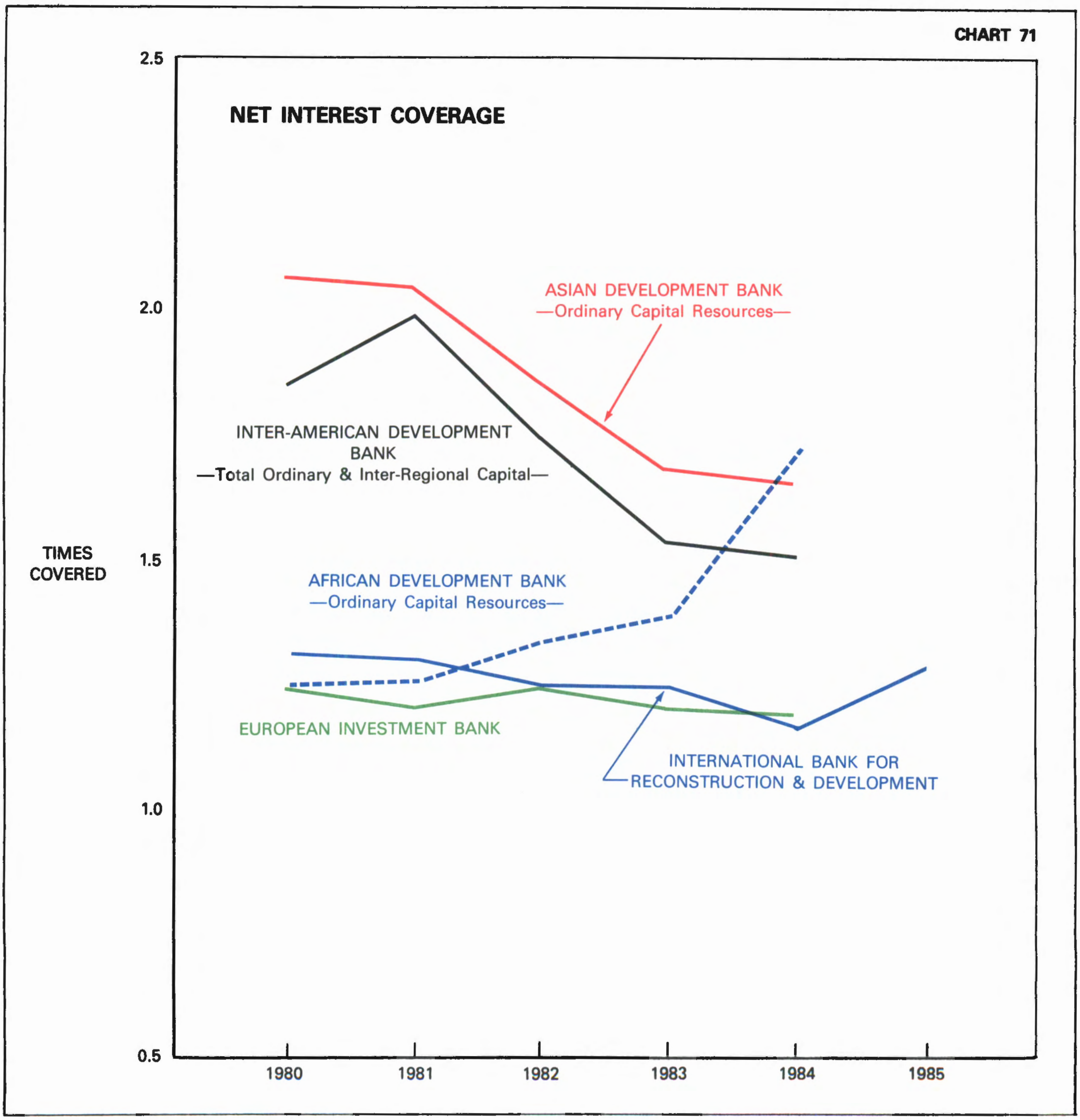
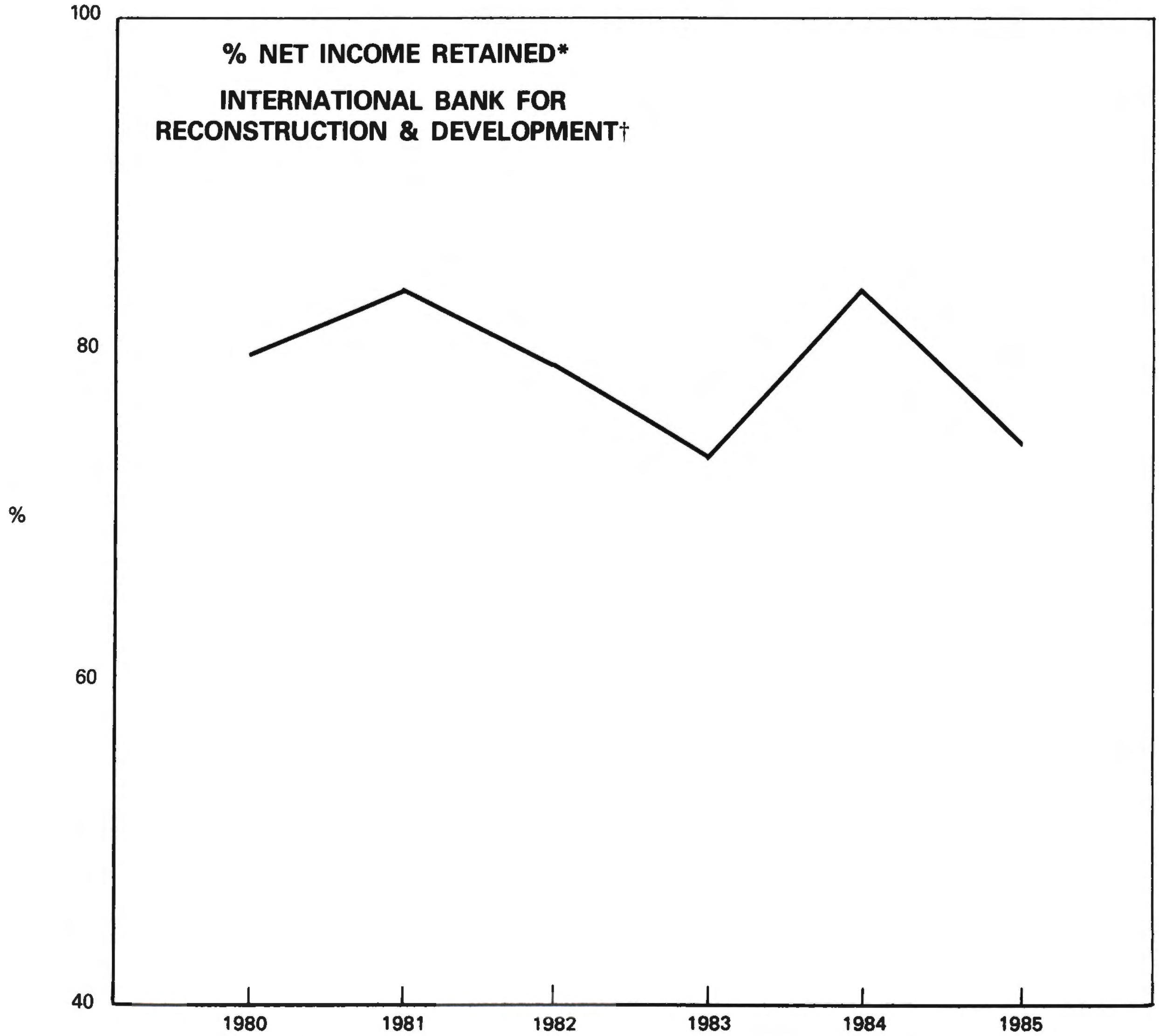


CHART 71
NET INTEREST COVERAGE
TIMES COVERED
2.5
2.0
1.5
1.0
0.5
1980
1981
1982
1983
1984
1985
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
EUROPEAN INVESTMENT BANK
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT

CHART 72



*This ratio measures, as compared to each Bank's net income, the relative proportion of funds transferred directly from net income or from reserves into other lending activities of the Banks, i.e., the World Bank's International Development Association.

†All net income from the African Development Bank, Inter-American Development Bank, Asian Development Bank and European Investment Bank is retained in reserves without any transfers to other lending fund operations.

CHART 73

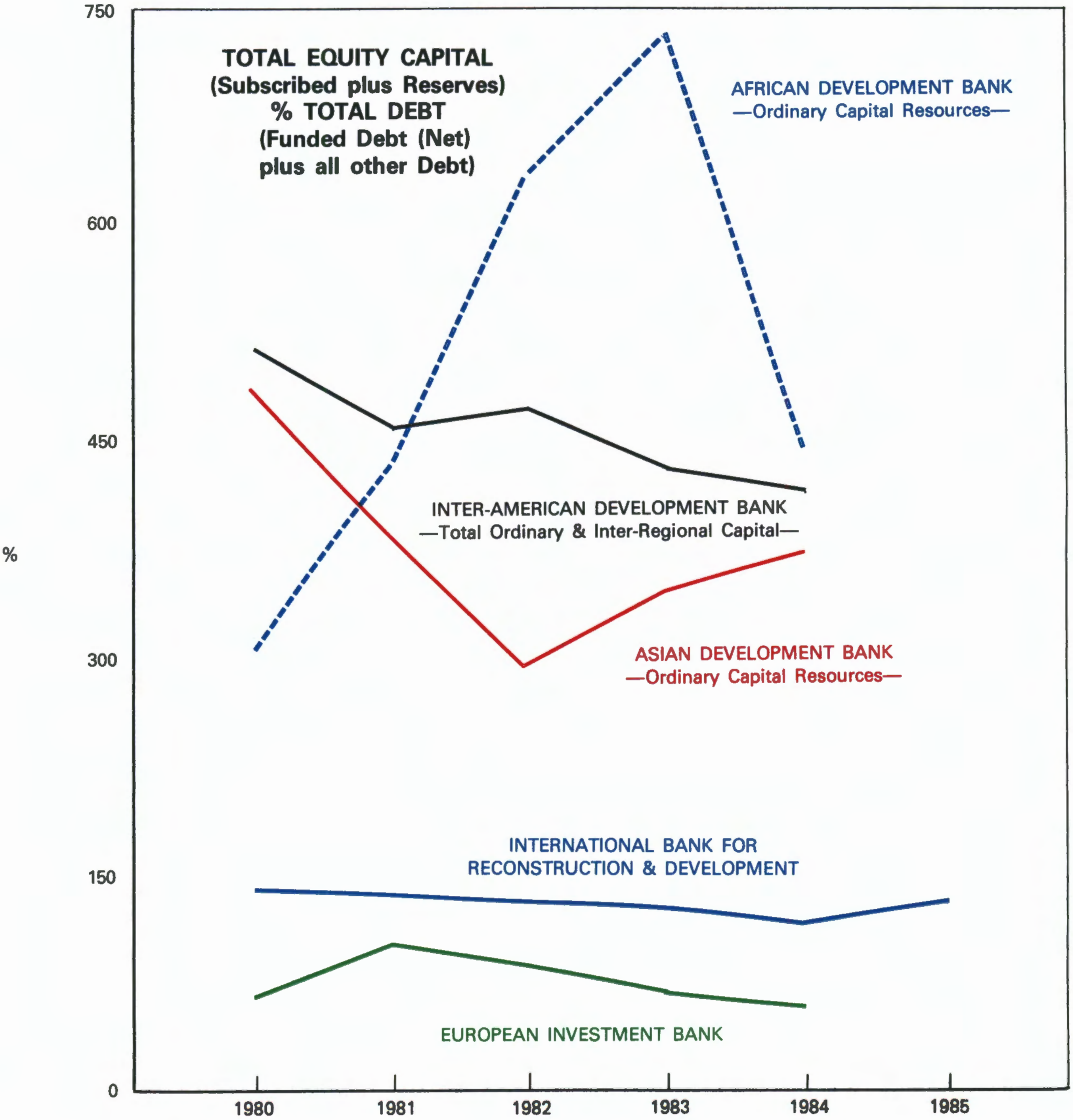
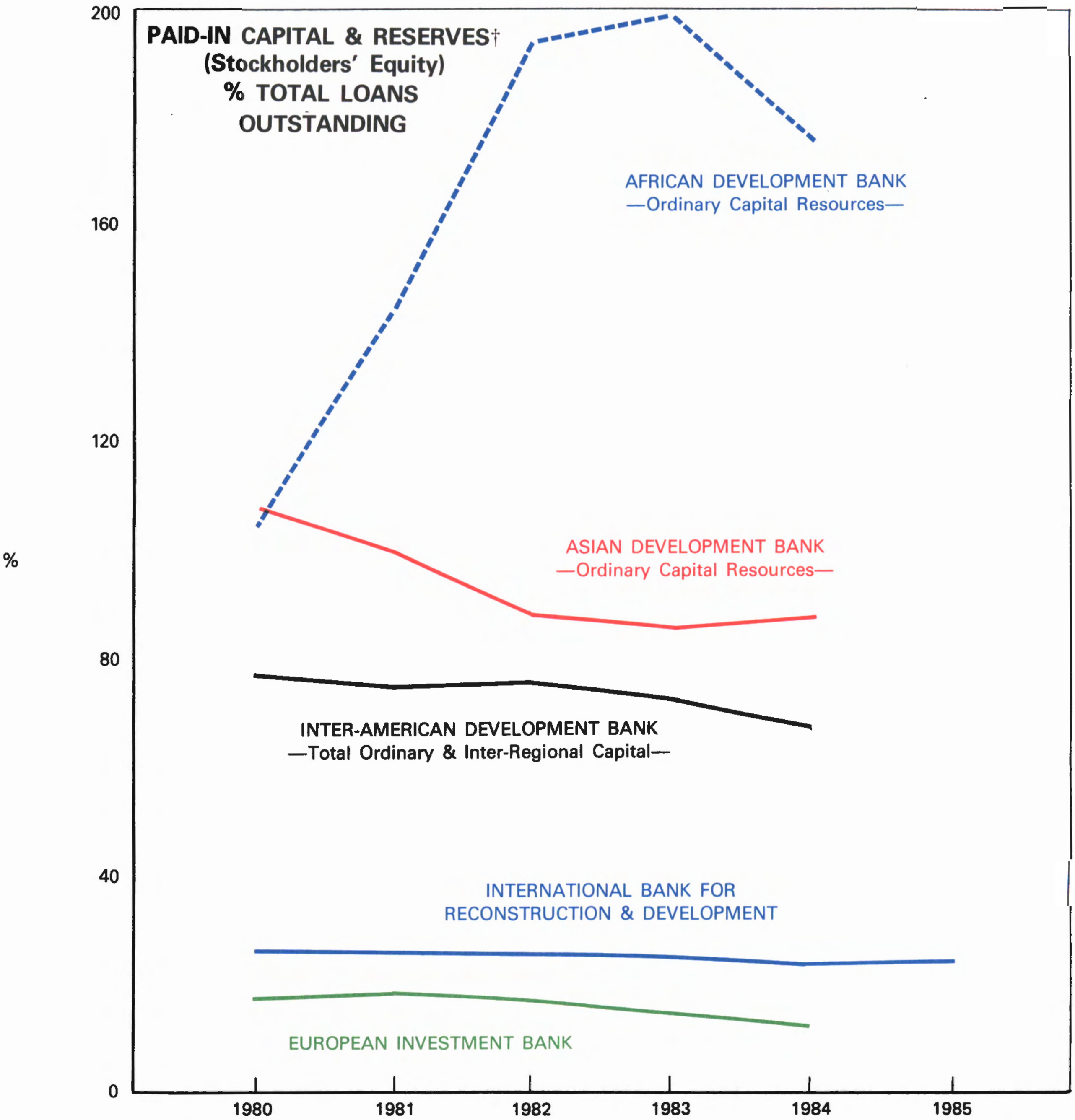

TOTAL EQUITY CAPITAL
(Subscribed plus Reserves)
% TOTAL DEBT
(Funded Debt (Net)
plus all other Debt)
750
600
450
300
150
0
%
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT
EUROPEAN INVESTMENT BANK
1980
1981
1982
1983
1984
1985

CHART 74



†Paid-Up Capital & Reserves for African Development Bank

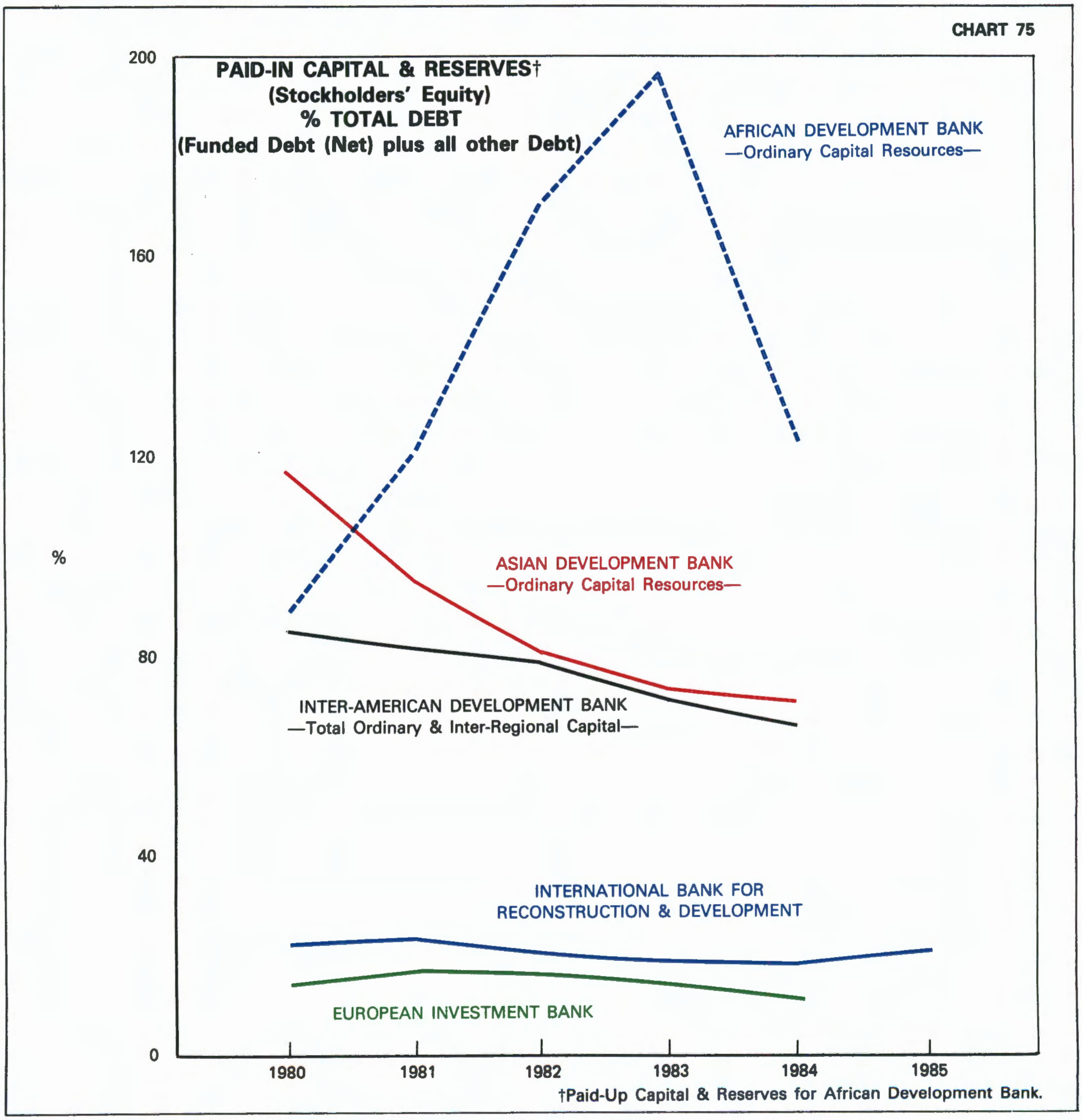
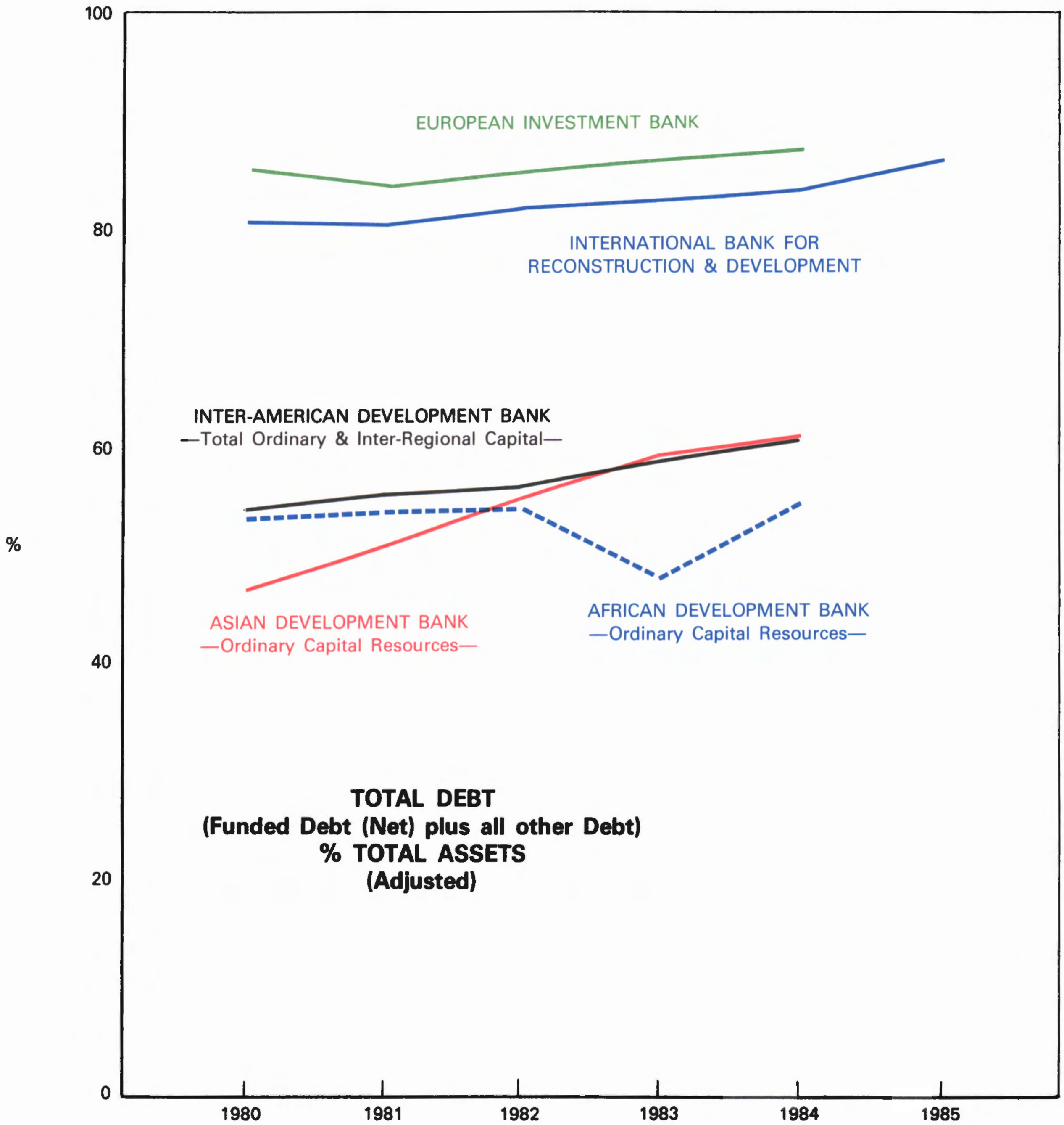


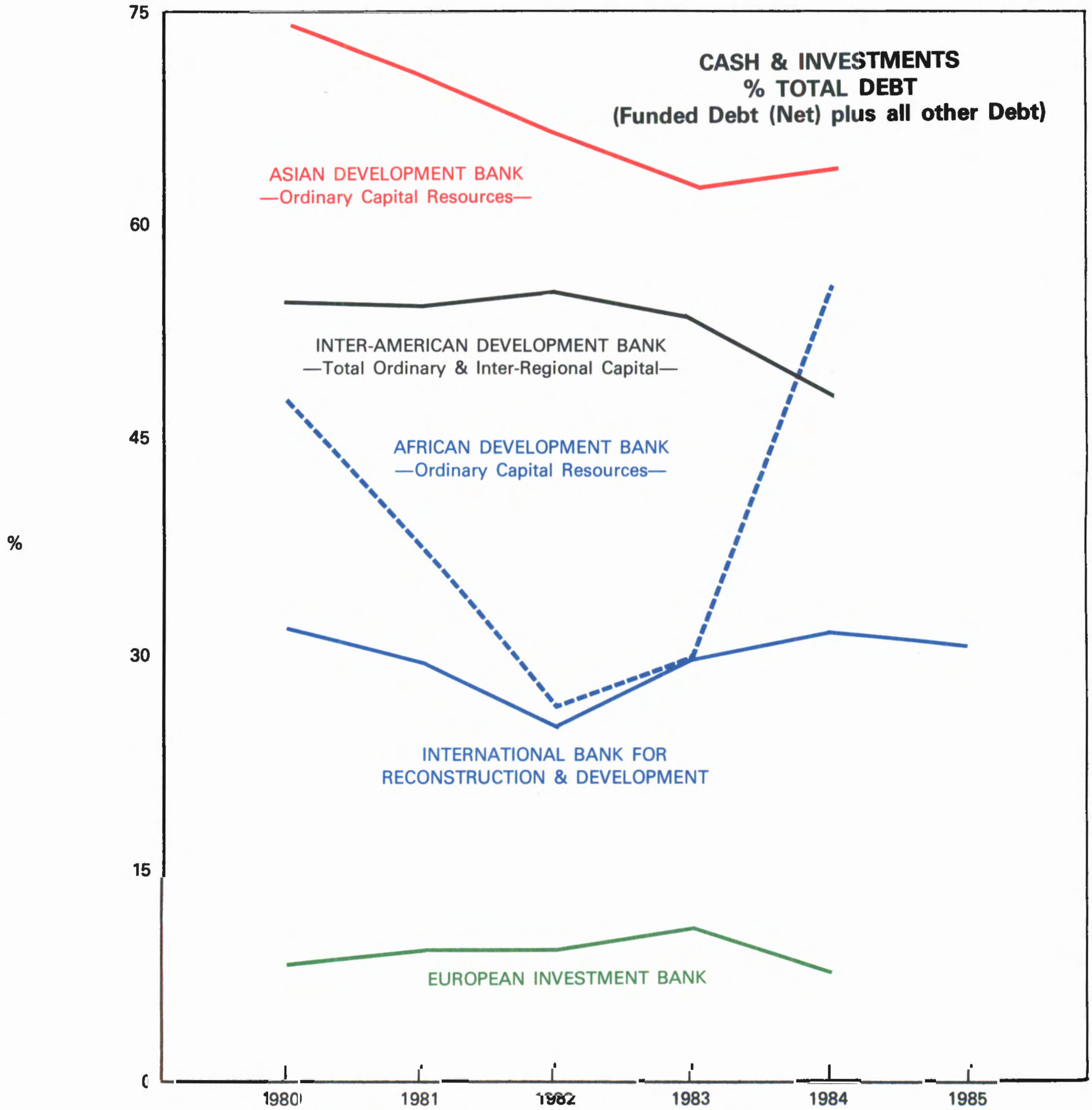
CHART 75
PAID-IN CAPITAL & RESERVES†
(Stockholders' Equity)
% TOTAL DEBT
(Funded Debt (Net) plus all other Debt)
200
160
120
80
40
0
%
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT
EUROPEAN INVESTMENT BANK
1980
1981
1982
1983
1984
1985
†Paid-Up Capital & Reserves for African Development Bank.

CHART 76


100
80
60
%
40
20
0
EUROPEAN INVESTMENT BANK
INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
TOTAL DEBT
(Funded Debt (Net) plus all other Debt)
% TOTAL ASSETS
(Adjusted)
1980
1981
1982
1983
1984
1985

Kidder, Peabody & Co.
Incorporated

CHART 77



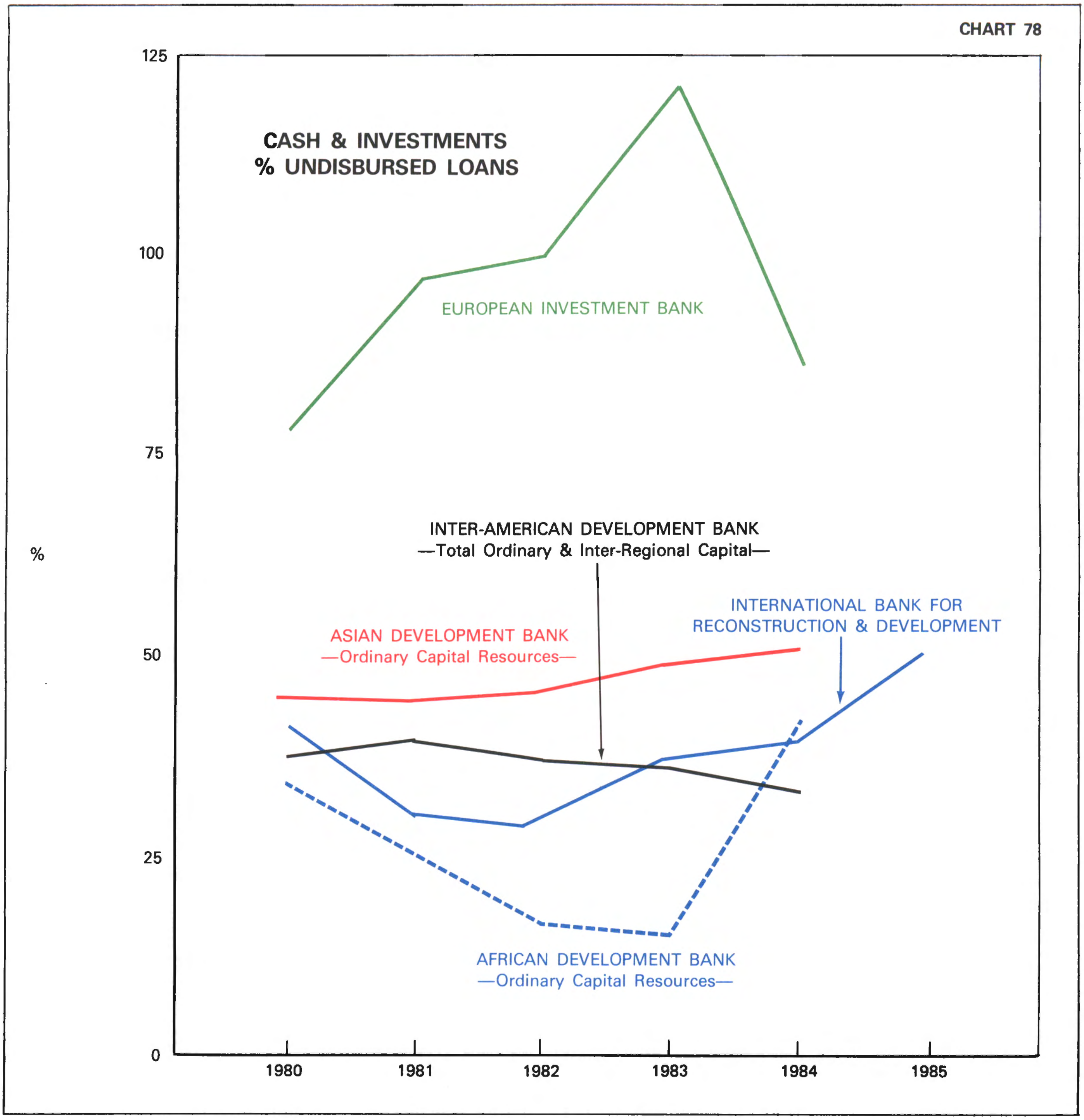


CHART 78
CASH & INVESTMENTS
% UNDISBURSED LOANS
125
100
75
50
25
0
%
EUROPEAN INVESTMENT BANK
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
1980
1981
1982
1983
1984
1985

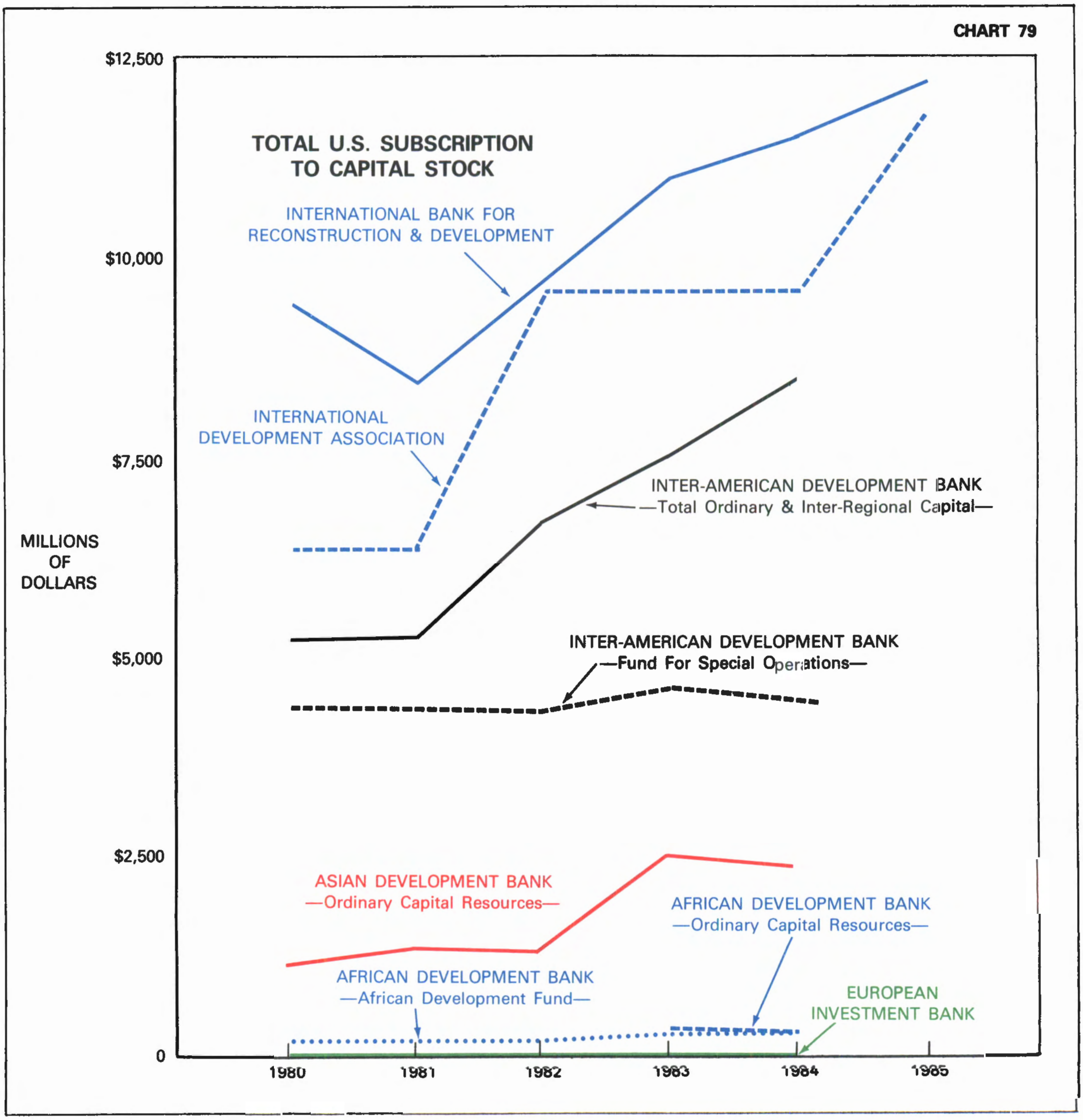
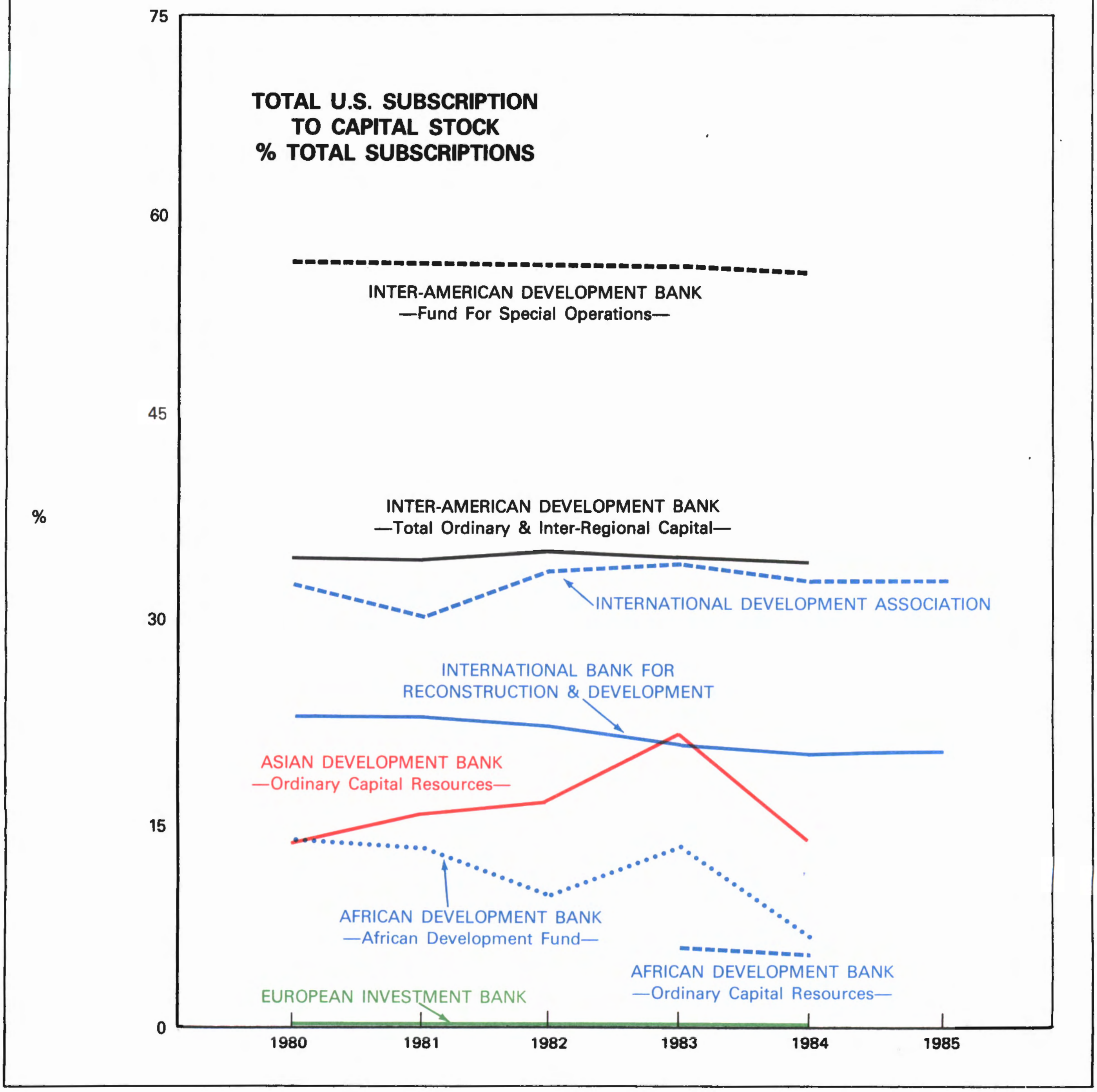


CHART 79
TOTAL U.S. SUBSCRIPTION TO CAPITAL STOCK
$12,500
$10,000
$7,500
$5,000
$2,500
0
MILLIONS OF DOLLARS
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
INTER-AMERICAN DEVELOPMENT BANK —Total Ordinary & Inter-Regional Capital—
INTER-AMERICAN DEVELOPMENT BANK —Fund For Special Operations—
ASIAN DEVELOPMENT BANK —Ordinary Capital Resources—
AFRICAN DEVELOPMENT BANK —Ordinary Capital Resources—
AFRICAN DEVELOPMENT BANK —African Development Fund—
EUROPEAN INVESTMENT BANK
1980
1981
1982
1983
1984
1985

CHART 80


TOTAL U.S. SUBSCRIPTION
TO CAPITAL STOCK
% TOTAL SUBSCRIPTIONS
75
60
45
%
30
15
0
INTER-AMERICAN DEVELOPMENT BANK
—Fund For Special Operations—
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
AFRICAN DEVELOPMENT BANK
—African Development Fund—
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
EUROPEAN INVESTMENT BANK
1980
1981
1982
1983
1984
1985

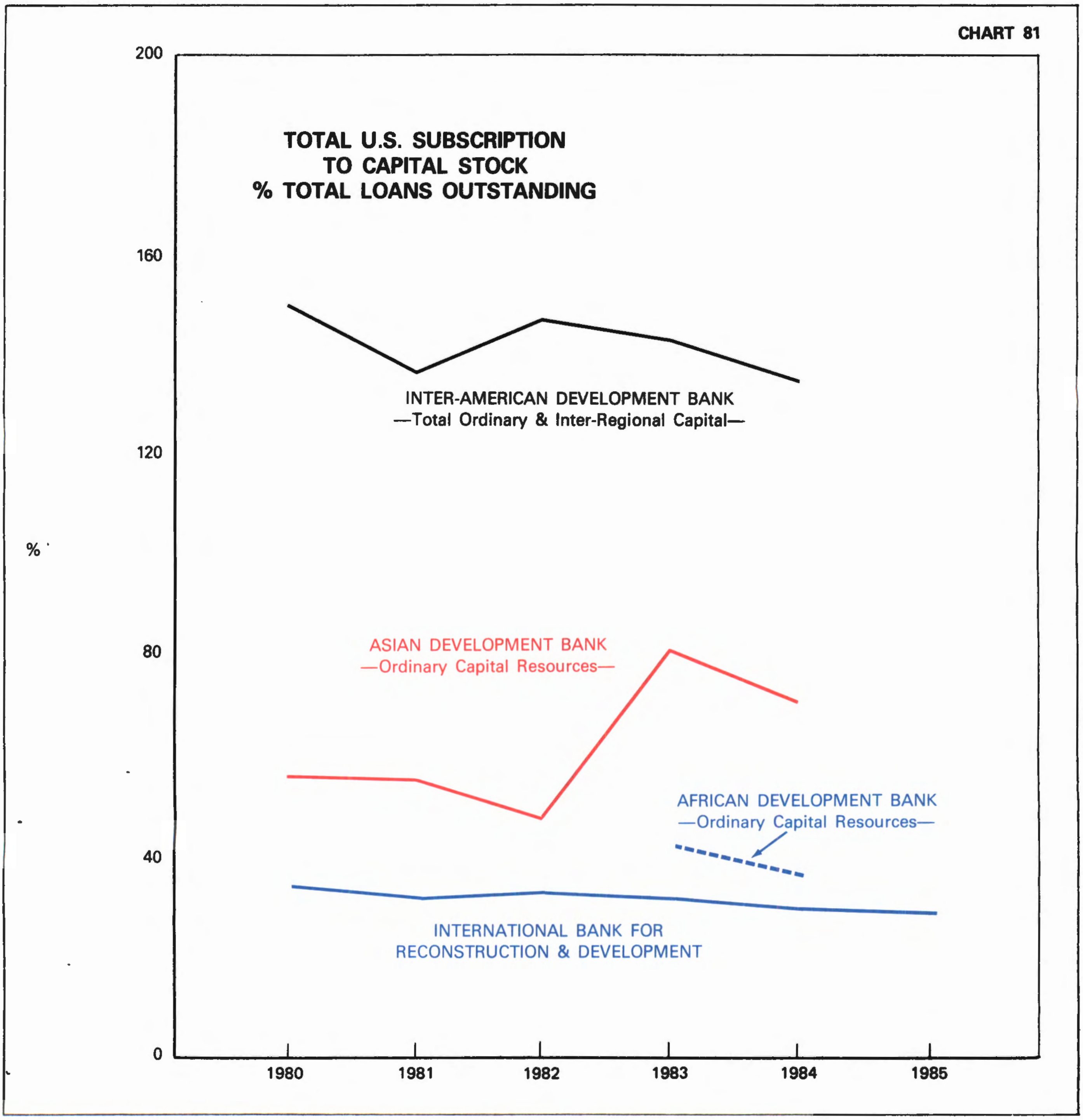


CHART 81
TOTAL U.S. SUBSCRIPTION
TO CAPITAL STOCK
% TOTAL LOANS OUTSTANDING
200
160
120
%
80
40
0
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT
1980
1981
1982
1983
1984
1985

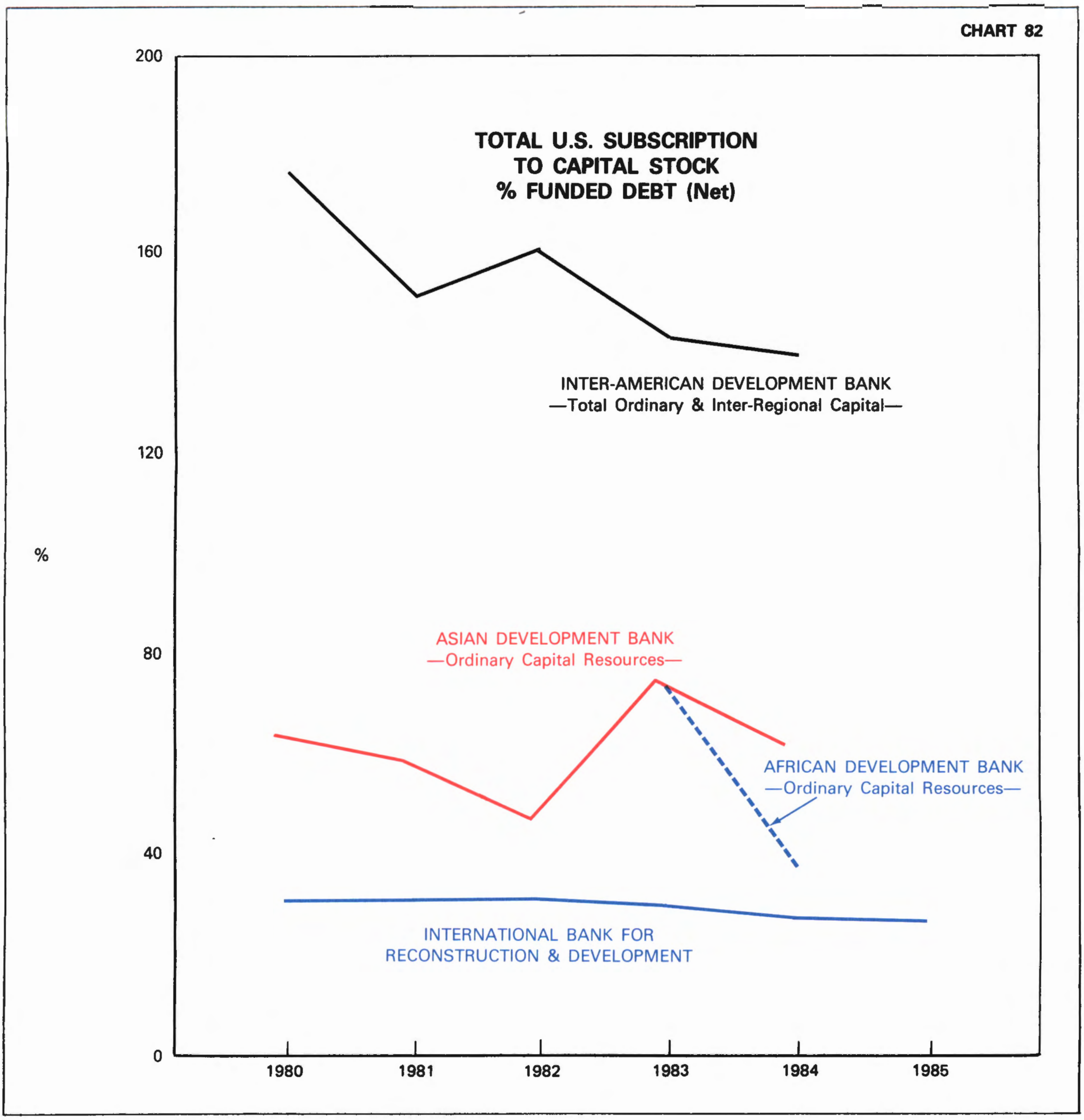


CHART 82
TOTAL U.S. SUBSCRIPTION
TO CAPITAL STOCK
% FUNDED DEBT (Net)
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT
%
200
160
120
80
40
0
1980
1981
1982
1983
1984
1985

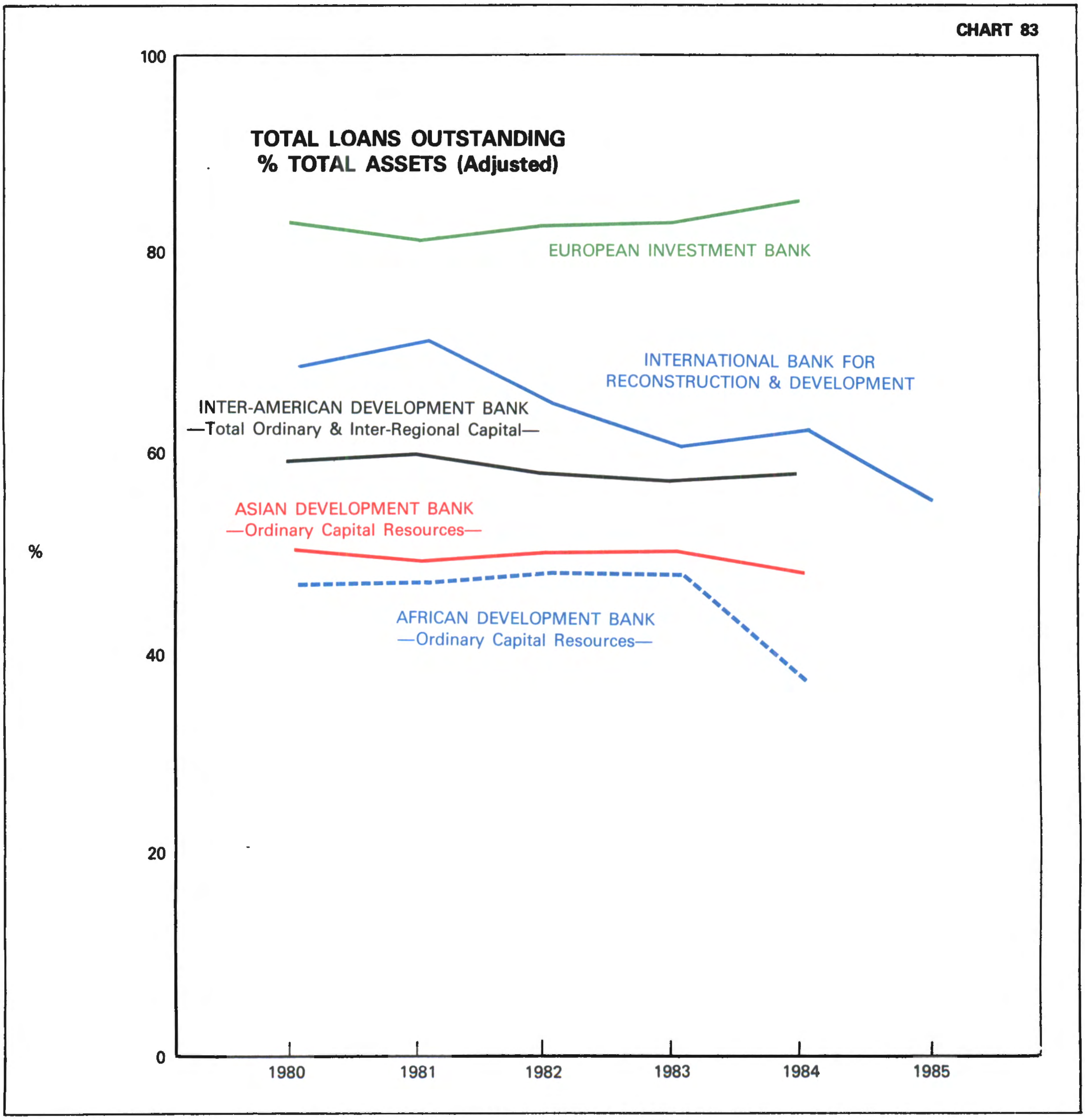


CHART 83
TOTAL LOANS OUTSTANDING
% TOTAL ASSETS (Adjusted)
100
80
60
40
20
0
%
EUROPEAN INVESTMENT BANK
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
1980
1981
1982
1983
1984
1985

CHART 84

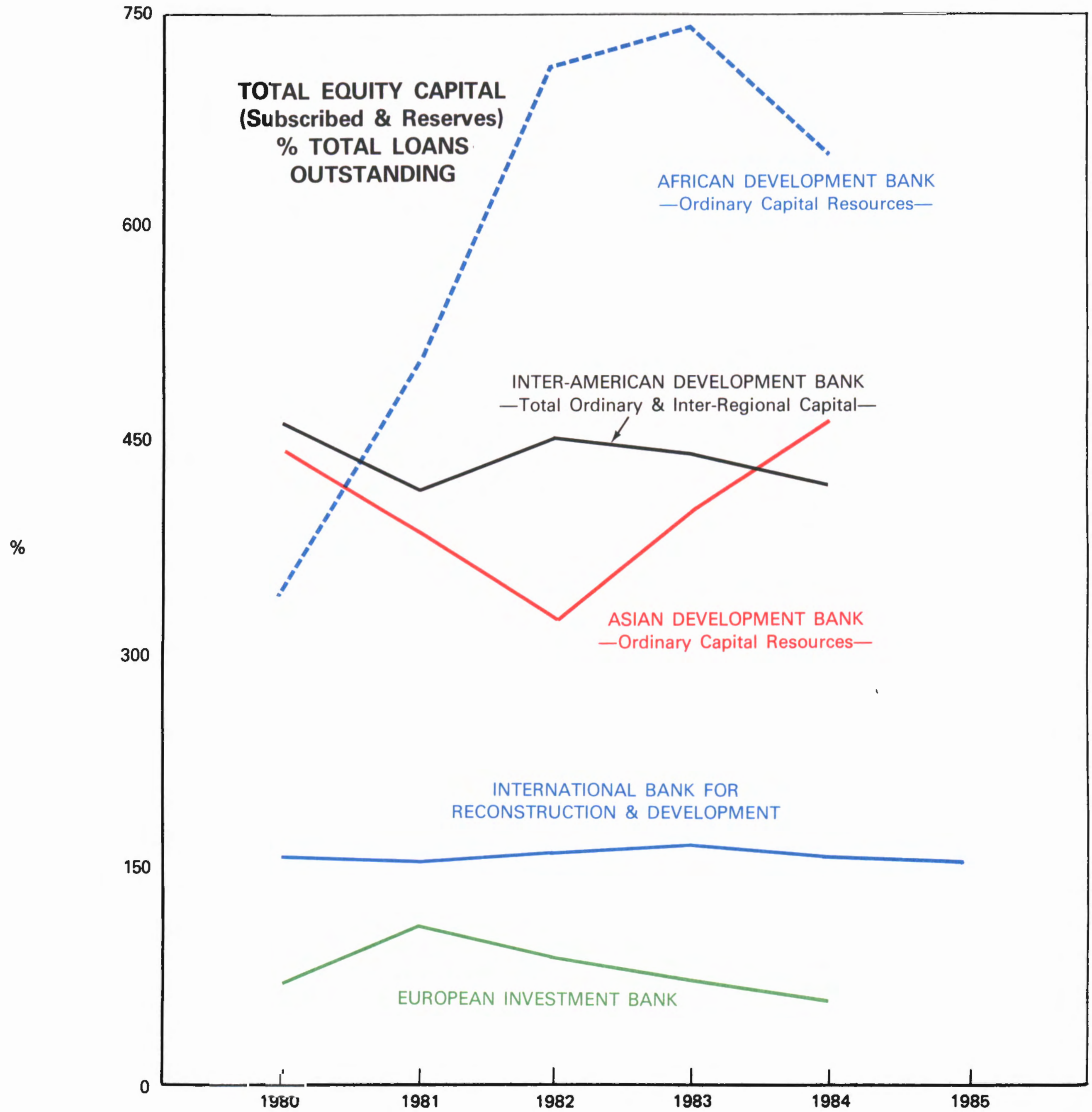
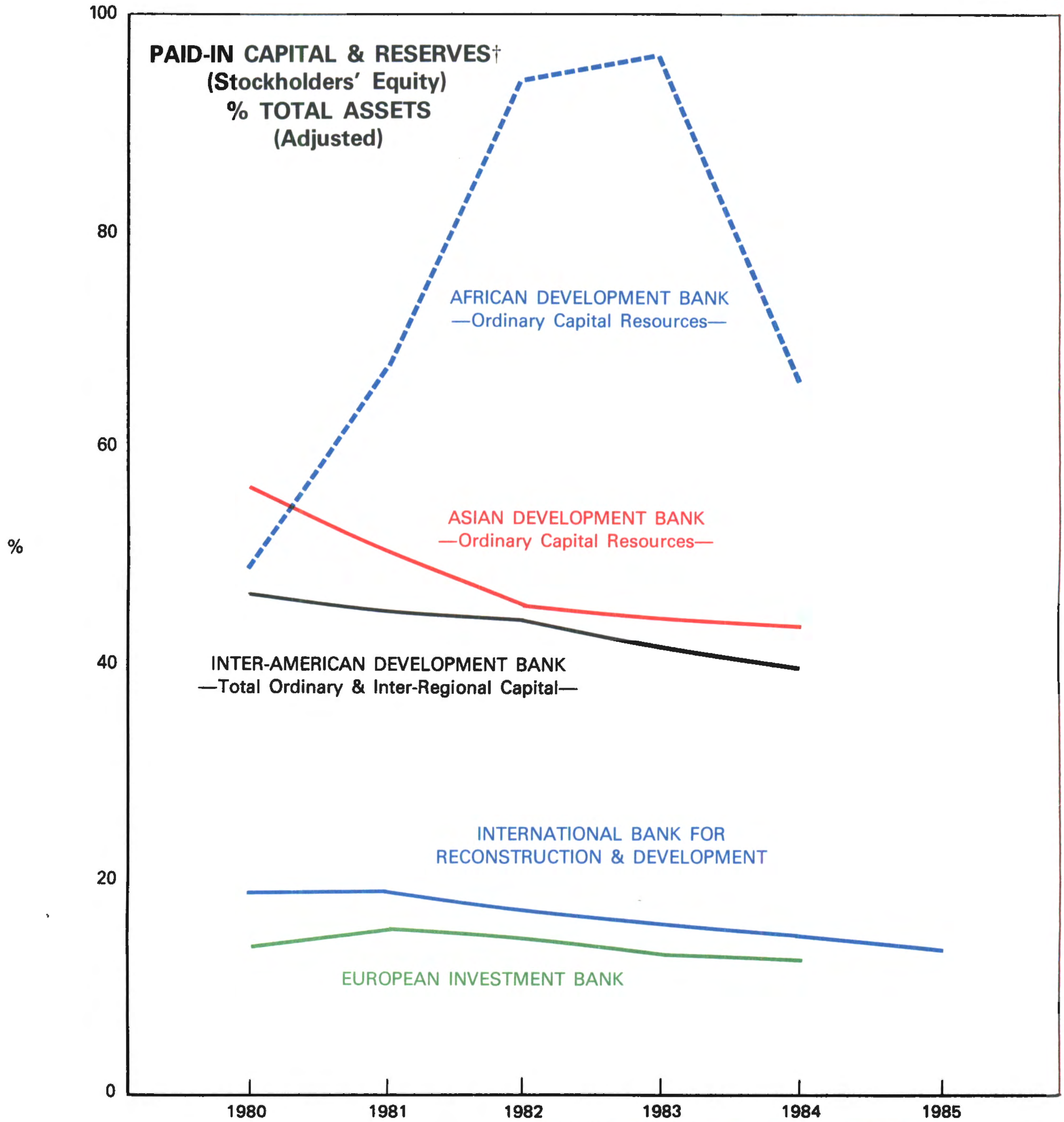
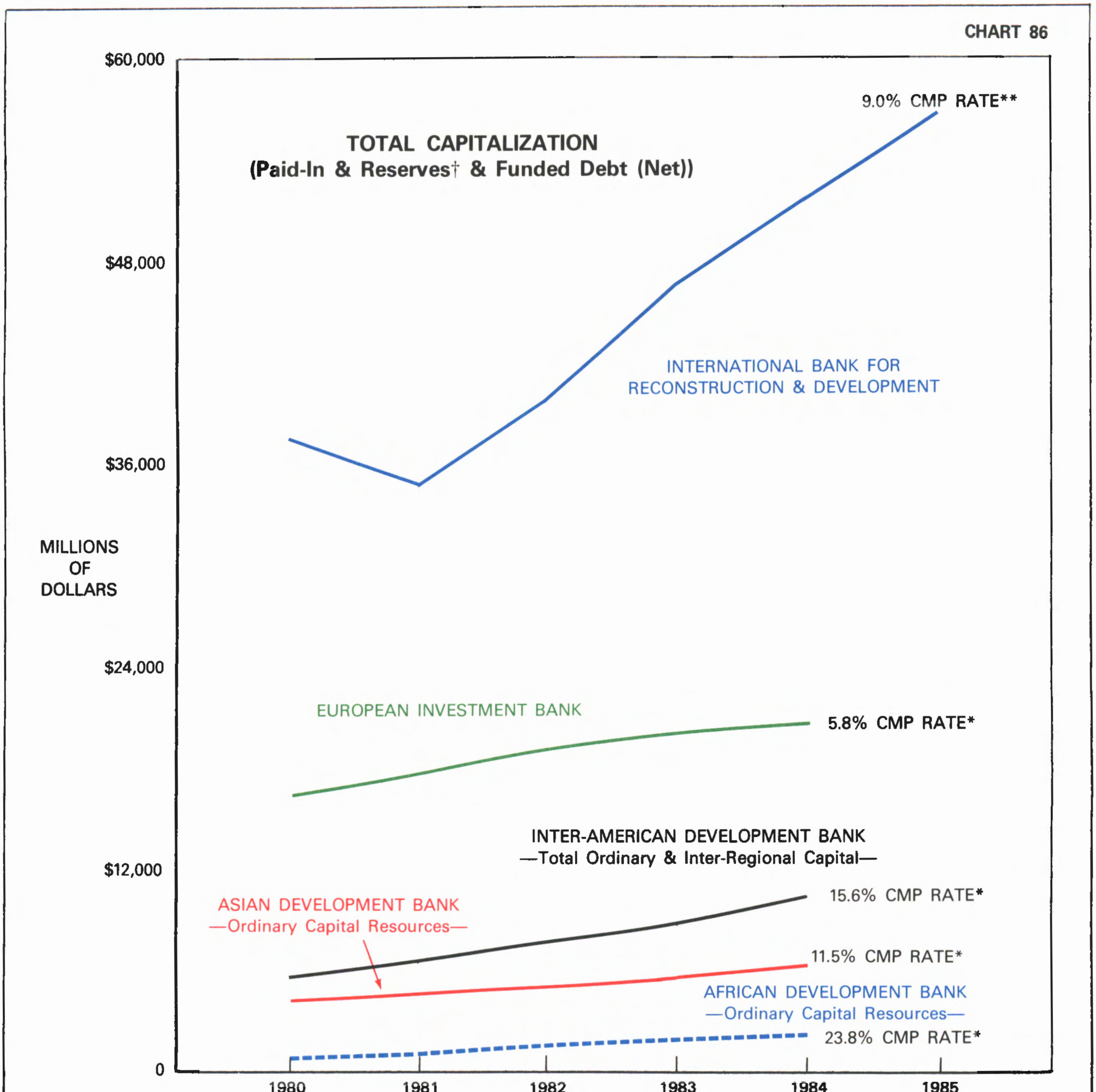

TOTAL EQUITY CAPITAL
(Subscribed & Reserves)
% TOTAL LOANS
OUTSTANDING
750
600
450
300
150
0
%
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT
EUROPEAN INVESTMENT BANK
1980
1981
1982
1983
1984
1985

CHART 85

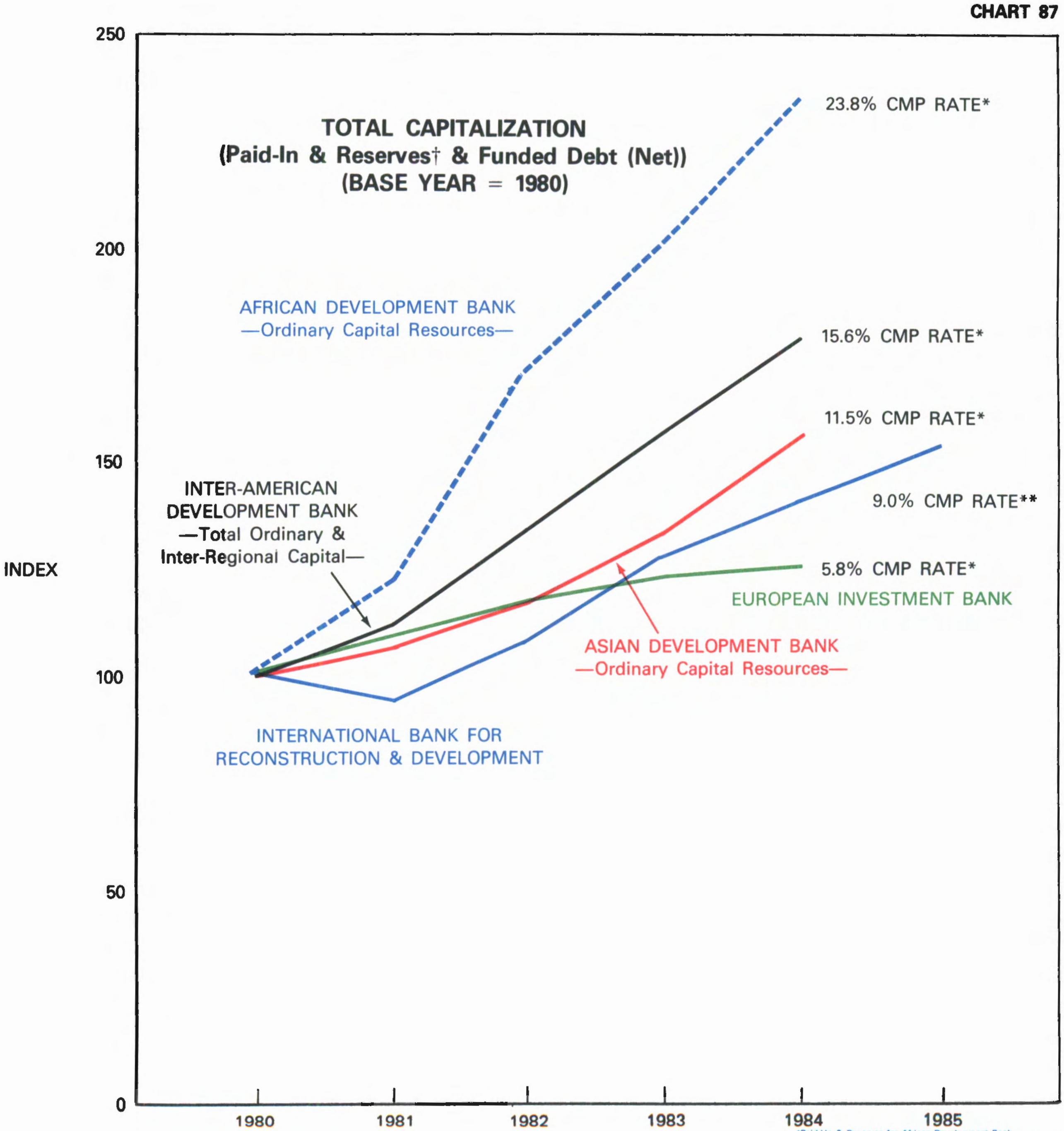


†Paid-Up Capital & Reserves for African Development Bank.



†Paid-Up & Reserves for African Development Bank
*Compound Average Annual Growth Rate for 1980-1984 period.
**Compound Average Annual Growth Rate for 1980-1985 period.

CHART 87



†Paid-Up & Reserves for African Development Bank
*Compound Average Annual Growth Rate for 1980-1984 period.
**Compound Average Annual Growth Rate for 1980-1985 period.

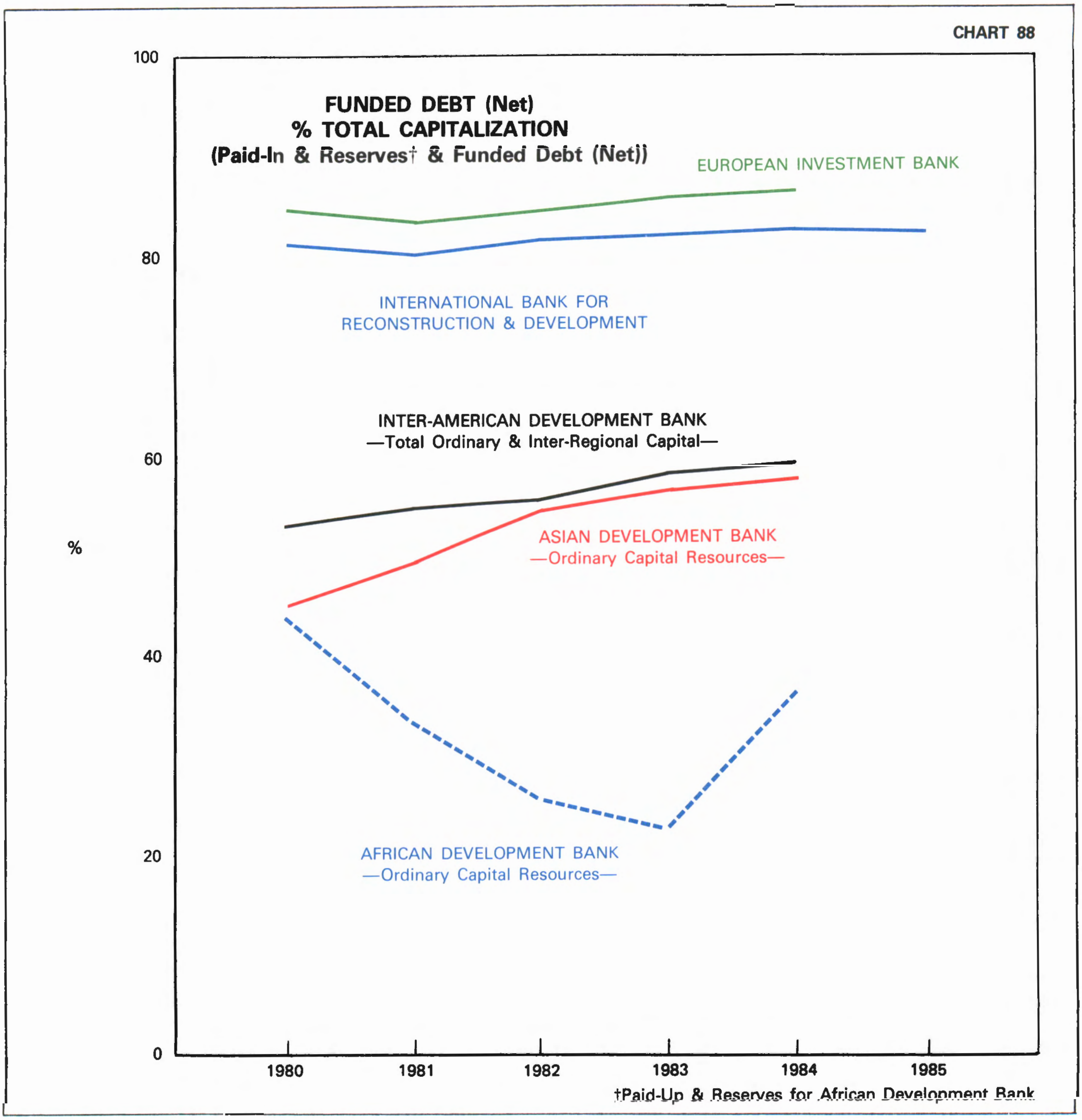


CHART 88
FUNDED DEBT (Net)
% TOTAL CAPITALIZATION
(Paid-In & Reserves† & Funded Debt (Net))
EUROPEAN INVESTMENT BANK
INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
%
100
80
60
40
20
0
1980
1981
1982
1983
1984
1985
†Paid-Up & Reserves for African Development Bank

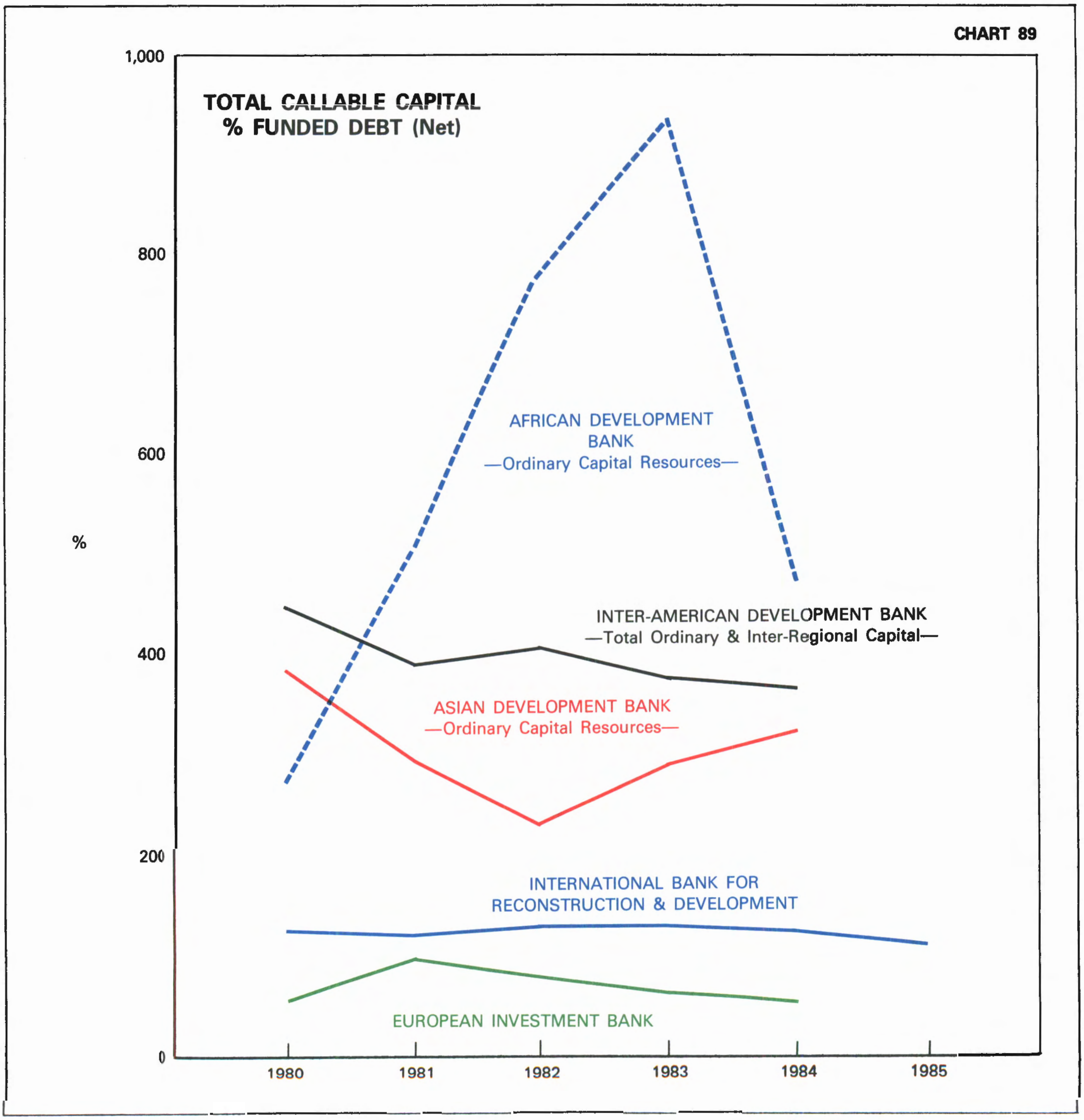


CHART 89
TOTAL CALLABLE CAPITAL
% FUNDED DEBT (Net)
1,000
800
600
400
200
0
%
AFRICAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTER-AMERICAN DEVELOPMENT BANK
—Total Ordinary & Inter-Regional Capital—
ASIAN DEVELOPMENT BANK
—Ordinary Capital Resources—
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT
EUROPEAN INVESTMENT BANK
1980
1981
1982
1983
1984
1985

TABLES 1-15

MULTILATERAL DEVELOPMENT BANKS COMPARATIVE STATISTICS 1974-1985 (Table 1 of 15)

Latest Rating Fitch/Moody's/Standard & Poor's

	AAA/Aaa/AAA THE WORLD BANK (Year Ended 6/30)				AAA/Aaa/AA AFRICAN DEVELOPMENT BANK (Year Ended 12/31)								–/Aaa/AAA EUROPEAN INVESTMENT BANK			
	International Bank for Reconstruction & Development		International Development Association		Ordinary Capital Resources				African Development Fund				As Stated (Expressed in Thousands of European U.A.)		As Restated (Year-End Conversion Rates) (Expressed in Thousands of United States Dollars)	
	(Expressed in thousands of U.S. dollars)				(Expressed in thousands of U.A. and U.S. dollars)*								(Year Ended 12/31)			
	Total Income		Total Income		Total Income		Total Income		Total Income		Total Income		Total Income		Total Income	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$ 929,343	100	$ 57,521	100	12,024	100	$14,506	100	N.A.	–	N.A.	–	267,854	100	$ 336,146	100
1975	1,157,467	125	68,234	119	13,639	113	16,454	113	N.A.	–	N.A.	–	353,713	132	412,175	123
1976	1,329,647	143	60,652	105	14,921	124	18,000	124	N.A.	–	N.A.	–	449,611	168	508,056	151
1977	1,617,376	174	64,992	113	21,805	181	26,487	183	10,114	100	$11,237	100	521,282	195	638,602	190
1978	1,946,566	209	72,249	126	28,743	239	37,446	258	21,890	216	26,266	234	626,848	234	863,094	257
1979	2,424,570	261	83,556	145	43,253	360	56,978	393	27,890	276	33,840	301	804,115	300	1,156,631	344
1980	2,799,530	301	90,450	157	64,660	538	82,469	569	37,671	372	44,253	394	1,116,284	417	1,461,919	435
1981	2,999,052	323	105,551	183	63,315	527	73,696	508	49,783	492	53,371	475	1,509,952	564	1,638,555	487
1982	3,372,319	363	128,182	223	64,621	537	71,284	491	45,285	448	46,010	409	1,992,014	744	1,927,606	573
1983	4,232,457	455	145,148	252	75,877	631	79,439	548	33,657	333	32,455	289	2,480,371	926	2,052,184	611
1984	4,654,522	501	176,811	307	96,594	803	94,682	653	36,606	362	33,049	294	3,020,197	1,128	2,141,157	637
1985	5,528,752	595	209,289	364												
Compound Average Annual Growth Rate																
1975/84	16.7%		11.2%		24.3%		21.5%		N.A.		N.A.		26.9%		20.1%	
1980/84	13.6%		18.2%		10.6%		3.5%		Negative		Negative		28.3%		10.0%	
1980/85	14.6%		18.3%													
	Total Loan Income		Total Loan Income Development Credits		Total Loan Income		Total Loan Income		Total Loan Income		Total Loan Income		Total Loan Income		Total Loan Income	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$ 654,334	100	$ 26,539	100	3,697	100	$ 4,460	100	N.A.	–	N.A.	–	214,537	100	$ 269,237	100
1975	765,662	117	33,125	125	6,074	164	7,327	164	N.A.	–	N.A.	–	314,714	147	366,730	136
1976	896,527	137	41,455	156	8,808	238	10,625	238	N.A.	–	N.A.	–	409,470	191	462,697	172
1977	1,072,729	164	51,032	192	11,966	324	14,536	326	163	100	$ 181	100	468,404	218	573,823	213
1978	1,324,592	202	59,640	225	17,338	469	22,588	506	380	233	456	252	564,790	263	777,648	289
1979	1,668,842	255	67,602	255	22,618	612	29,796	668	651	399	790	436	705,632	329	1,014,974	377
1980	1,944,783	297	77,452	292	29,483	797	37,603	843	1,150	706	1,351	746	948,690	442	1,242,433	461
1981	2,163,662	331	90,144	340	36,134	977	42,059	943	1,777	1,090	1,905	1,052	1,319,496	615	1,431,877	532
1982	2,391,346	365	105,090	396	44,880	1,214	49,507	1,110	2,507	1,538	2,547	1,407	1,736,566	809	1,680,418	624
1983	2,796,853	427	128,482	484	56,945	1,540	59,619	1,337	3,587	2,201	3,459	1,911	2,230,775	1,040	1,845,676	686
1984	3,235,714	495	159,032	599	71,129	1,924	69,722	1,563	4,704	2,886	4,247	2,346	2,734,573	1,275	1,938,665	720
1985	3,487,943	533	186,694	703												
Compound Average Annual Growth Rate																
1975/84	17.4%		19.0%		31.4%		28.4%		N.A.		N.A.		27.2%		20.3%	
1980/84	13.6%		19.7%		24.6%		16.7%		42.2%		33.2%		30.3%		11.8%	
1980/85	12.4%		19.2%													
	Loan Income Interest & Commissions		Loan Income Interest & Commissions		Loan Income Interest & Commissions		Loan Income Interest & Commissions		Loan Income Interest & Commissions		Loan Income Interest & Commissions		Loan Income Interest & Commissions		Loan Income Interest & Commissions	
	$	Index			U.A.	Index	$	Index					E.C.U.	Index	$	Index
1974	$ 610,483	100			3,287	100	$ 3,965	100					212,652	100	$ 266,870	100
1975	709,749	116			5,308	161	6,404	162					312,485	147	364,133	136
1976	825,191	135			7,765	236	9,367	236					406,676	191	459,540	172
1977	985,271	161			10,765	328	13,076	330					465,097	219	569,772	214
1978	1,218,443	200	Not Available		15,719	478	20,479	516	Not Available		Not Available		560,837	264	772,205	289
1979	1,543,471	253			20,289	617	26,727	674					701,235	330	1,008,649	378
1980	1,800,996	295			26,435	804	33,715	850					942,992	443	1,234,971	463
1981	1,986,529	325			32,205	980	37,485	945					1,312,001	617	1,423,744	533
1982	2,160,688	354			39,630	1,206	43,717	1,103					1,727,465	812	1,671,611	626
1983	2,486,728	407			49,753	1,514	52,089	1,314					2,218,756	1,043	1,835,733	688
1984	2,961,922	485			60,478	1,840	59,281	1,495					2,719,196	1,279	1,927,763	722
1985	3,238,737	531														
Compound Average Annual Growth Rate																
1975/84	17.2%				31.0%		28.1%						27.2%		20.3%	
1980/84	13.2%				23.0%		15.2%						30.3%		11.8%	
1980/85	12.5%															

N.M. = Not Meaningful N.A. = Not Available

1. Financial information, including adjustments, presented as reported.
2. Sources: Annual Reports and various prospectuses.
3. For the European Investment Bank, 1979 and 1980 financial information, including adjustments, was taken from June 1981 Yen prospectus.

*Financial statistics for the African Development Bank were converted, by the Bank's accountants, from Units of Account to U.S. dollars at year-end prevailing rates provided by the Bank.

AAA/Aaa/AAA ASIAN DEVELOPMENT BANK

(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

	Ordinary Capital Resources		*Technical Assistance Special Fund Resources*		*Asian Development Fund*	
	Total Income		*Total Income*		*Total Income*	
	$	*Index*	*$*	*Index*	*$*	*Index*
	$ 57,511	100	$ 439	100	$ 390	100
	80,985	141	468	107	4,188	1,074
	128,305	223	414	94	14,360	3,682
	168,617	293	557	127	22,557	5,784
	213,175	371	681	155	29,841	7,652
	260,773	453	990	226	37,999	9,743
	309,580	538	1,693	386	49,936	12,804
	347,055	603	7,092	1,615	51,009	13,079
	413,672	719	10,005	2,279	56,144	14,396
	477,983	831	6,693	1,525	54,097	13,871
	568,552	989	7,676	1,749	52,056	13,348
	24.2%		36.5%		32.3%	
	16.4%		45.9%		1.0%	
	Total Loan Income		*Total Loan Income*		*Total Loan Income*	
	$	*Index*			*$*	*Index*
	$ 24,398	100			N.M.	–
	39,923	164			$ 692	100
	59,182	243			3,456	499
	81,318	333			4,927	712
	116,409	477	Not Available		7,666	1,108
	146,659	601			9,444	1,365
	170,804	700			10,094	1,459
	190,926	783			11,248	1,625
	213,330	874			11,454	1,655
	255,744	1,048			12,985	1,876
	298,233	1,222			15,034	2,173
	25.0%				40.8%	
	15.0%				10.5%	
	Loan Income Interest & Commissions		*Loan Income Interest & Commissions*		*Loan Income Interest & Commissions*	
	$	*Index*				
	$ 21,307	100				
	36,852	173				
	55,774	262				
	76,080	357				
	108,130	507	Not Available		Not Available	
	134,211	630				
	155,149	728				
	171,522	805				
	188,872	886				
	228,201	1,071				
	266,998	1,253				
	24.6%					
	14.5%					

AAA/Aaa/AAA INTER-AMERICAN DEVELOPMENT BANK

(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

	Capital Resources						*Fund for Special Operations*	
	Ordinary Capital		*Inter-Regional Capital*		*Total Ordinary & Inter-Regional Capital*			
	Total Income		*Total Income*		*Total Income*		*Total Income*	
	$	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*
	$174,013	100	–	–	$174,013	100	$ 66,127	100
	207,973	120	–	–	207,973	120	73,954	112
	235,112	135	$ 257	(6 mos.)	235,369	135	82,905	125
	271,425	156	4,272	100	275,697	158	95,382	144
	313,195	180	19,626	459	332,821	191	105,126	159
	348,306	200	57,017	1,335	405,323	233	120,090	182
	379,342	218	103,793	2,430	483,135	278	135,692	205
	379,429	218	156,342	3,660	535,771	308	144,970	219
	381,592	219	240,710	5,635	622,302	358	151,389	229
	391,565	225	305,064	7,141	696,629	400	149,009	225
	445,263	256	376,877	8,822	822,140	472	146,092	221
	8.8%		–		16.5%		7.9%	
	4.1%		38.0%		14.2%		1.9%	
	Total Loan Income		*Total Loan Income*		*Total Loan Income*		*Total Loan Income*	
	$	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*
	$ 96,181	100	–	–	$ 96,181	100	$ 58,379	100
	123,521	128	–	–	123,521	128	64,590	111
	143,631	149	–	–	143,631	149	71,618	123
	169,302	176	$ 1,316	100	170,618	177	78,118	134
	206,494	215	9,831	747	216,325	225	81,842	140
	234,418	244	32,538	2,472	266,956	278	86,406	148
	245,974	256	55,837	4,243	301,811	314	90,342	155
	249,840	260	81,241	6,173	331,081	344	93,241	160
	263,481	274	122,677	9,322	386,158	401	98,726	169
	277,436	288	175,161	13,310	452,597	471	102,084	175
	287,771	299	255,720	19,432	543,491	565	106,970	183
	9.9%		–		17.9%		5.8%	
	4.0%		46.3%		15.8%		4.3%	
	Loan Income Interest & Commissions		*Loan Income Interest & Commissions*		*Loan Income Interest & Commissions*		*Loan Income Interest & Commissions*	
	$	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*
	$ 82,572	100	–	–	$ 82,572	100	$46,714	100
	106,547	129	–	–	106,547	129	51,622	111
	123,945	150	–	–	123,945	150	56,856	122
	145,517	176	$ 1,252	100	146,769	178	62,289	133
	178,242	216	9,005	719	187,247	227	65,573	140
	202,236	245	29,805	2,381	232,041	281	70,353	151
	215,609	261	51,747	4,133	267,356	324	75,036	161
	219,708	266	76,638	6,121	296,346	359	78,447	168
	228,259	276	117,206	9,362	345,465	418	84,402	181
	241,084	292	168,633	13,469	409,717	496	89,182	191
	250,669	304	245,084	19,575	495,753	600	94,769	203
	10.0%		–		18.6%		7.0%	
	3.8%		47.5%		16.7%		6.0%	

MULTILATERAL DEVELOPMENT BANKS COMPARATIVE STATISTICS (continued)
1974-1985 (Table 2 of 15)

Latest Rating Fitch/Moody's/Standard & Poor's

	AAA/Aaa/AAA THE WORLD BANK (Year Ended 6/30)				AAA/Aaa/AA AFRICAN DEVELOPMENT BANK (Year Ended 12/31)								–/Aaa/AAA EUROPEAN INVESTMENT BANK			
	International Bank for Reconstruction & Development		International Development Association		Ordinary Capital Resources				African Development Fund				As Stated (Expressed in Thousands of European U.A.)		As Restated (Year-End Conversion Rates) (Expressed in Thousands of United States Dollars)	
	(Expressed in thousands of U.S. dollars)				(Expressed in thousands of U.A. and U.S. dollars)*								(Year Ended 12/31)			
	Loan Income Commitment Charges		Loan Income Commitment Charges		Loan Income Commitment Charges		Loan Income Commitment Charges		Loan Income Service Charges		Loan Income Service Charges		Loan Income Management Commission		Loan Income Management Commission	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$ 43,851	100	–	–	410	100	$ 495	100	N.A.	–	N.A.	–	1,886	100	$ 2,367	100
1975	55,913	128	–	–	765	187	923	186	N.A.	–	N.A.	–	2,228	118	2,596	110
1976	71,336	163	–	–	1,043	254	1,258	254	N.A.	–	N.A.	–	2,794	148	3,157	133
1977	87,458	199	–	–	1,202	293	1,460	295	163	100	$ 181	100	3,307	175	4,051	171
1978	106,149	242	–	–	1,619	395	2,110	426	380	233	456	252	3,954	210	5,444	230
1979	125,371	286	–	–	2,329	568	3,069	620	651	399	790	436	4,397	233	6,325	267
1980	143,787	328	–	–	3,048	743	3,888	785	1,150	706	1,351	746	5,698	302	7,462	315
1981	177,133	404	–	–	3,929	958	4,573	924	1,777	1,090	1,905	1,052	7,495	397	8,133	344
1982	191,579	437	$ 5	100	5,250	1,280	5,791	1,170	2,507	1,538	2,547	1,407	9,101	483	8,807	372
1983	212,674	485	6,725	134,500	7,192	1,754	7,529	1,521	3,587	2,201	3,459	1,911	12,019	637	9,944	420
1984	239,828	547	19,320	386,400	10,651	2,598	10,441	2,109	4,704	2,886	4,247	2,346	15,377	815	10,901	461
1985	239,144	545	28,750	575,000												
Compound Average Annual Growth Rate																
1975/84	17.6%		–		34.0%		30.9%		N.A.		N.A.		23.9%		17.3%	
1980/84	13.6%		–		36.7%		28.0%		42.2%		33.2%		28.2%		9.9%	
1980/85	10.7%		–													

	Investment Income		Investment Income		Investment Income		Investment Income		Investment Income		Investment Income		Investment Income		Investment Income	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$ 267,387	100	$30,982	100	8,237	100	$ 9,937	100	N.A.	–	N.A.	–	51,965	100	$ 65,214	100
1975	382,712	143	34,800	112	7,337	89	8,851	89	N.A.	–	N.A.	–	33,975	65	39,590	61
1976	424,892	159	19,177	62	5,853	71	7,060	71	N.A.	–	N.A.	–	37,315	72	42,166	65
1977	536,054	200	14,126	46	9,592	116	11,652	117	9,951	100	$11,056	100	43,387	83	53,152	82
1978	613,560	229	12,753	41	11,166	136	14,547	146	18,983	191	22,778	206	57,732	111	79,490	122
1979	743,940	278	17,106	55	19,308	234	25,435	256	27,239	274	33,050	299	99,082	191	142,519	219
1980	834,498	312	11,010	36	30,951	376	39,475	397	36,521	367	42,902	388	148,509	286	194,492	298
1981	813,255	304	16,343	53	22,918	278	26,676	268	48,003	482	51,462	465	172,236	331	186,905	287
1982	954,463	357	24,558	79	16,080	195	17,739	179	42,148	424	42,823	387	194,874	375	188,573	289
1983	1,417,113	530	17,793	57	15,842	192	16,586	167	28,543	287	27,524	249	205,602	396	170,109	261
1984	1,399,022	523	17,779	57	23,084	280	22,627	228	31,551	317	28,485	258	242,227	466	171,726	263
1985	2,019,138	755	22,595	73												
Compound Average Annual Growth Rate																
1975/84	15.5%		Negative		13.6%		11.0%		N.A.		N.A.		24.4%		17.7%	
1980/84	13.8%		12.7%		Negative		Negative		Negative		Negative		13.0%		Negative	
1980/85	19.3%		15.5%													

	Other Income		Other Income		Other Income		Other Income		Other Income		Other Income		Other Income		Other Income	
	$	Index			U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$ 7,622	100			90	100	$ 109	100	N.A.	–	N.A.	–	1,352	100	$ 1,697	100
1975	9,093	119			229	254	276	253	N.A.	–	N.A.	–	5,024	372	5,854	345
1976	8,228	108			261	290	315	289	N.A.	–	N.A.	–	2,827	209	3,194	188
1977	8,593	113			246	273	299	274	–	–	–	–	9,492	702	11,628	685
1978	8,414	110			239	266	311	285	2,527	100	$ 3,033	100	4,327	320	5,958	351
1979	11,788	155	None		1,326	1,473	1,747	1,603	–	–	–	–	(599)	–	(862)	–
1980	20,249	266			4,226	4,696	5,390	4,945	–	–	–	–	19,085	1,412	24,994	1,473
1981	22,135	290			4,262	4,736	4,961	4,551	4	0	4	0	18,220	1,348	19,772	1,165
1982	26,510	348			3,661	4,068	4,038	3,705	630	25	640	21	60,574	4,480	58,615	3,454
1983	18,491	243			3,089	3,432	3,234	2,967	1,526	60	1,472	49	43,994	3,254	36,399	2,145
1984	19,786	260			2,380	2,644	2,333	2,140	351	14	317	10	43,397	3,210	30,766	1,813
1985	21,671	284														
Compound Average Annual Growth Rate																
1975/84	9.0%		–		29.7%		26.8%		N.A.		N.A.		27.1%		20.2%	
1980/84	Negative		–		Negative		Negative		–		–		22.8%		5.3%	
1980/85	1.4%		–													

N.M. = Not Meaningful N.A. = Not Available
1. Financial information, including adjustments, presented as reported.
2. Sources: Annual Reports and various prospectuses.
3. For the European Investment Bank, 1979 and 1980 financial information, including adjustments, was taken from June 1981 Yen prospectus.
*Financial statistics for the African Development Bank were converted, by the Bank's accountants, from Units of Account to U.S. dollars at year-end prevailing rates provided by the Bank.

AAA/Aaa/AAA
ASIAN DEVELOPMENT BANK
(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

Ordinary Capital Resources: Loan Income Commitment Charges $	Index	Technical Assistance Special Fund Resources: Loan Income Commitment Charges	Asian Development Fund: Loan Income Commitment Charges
$ 3,092	100	Not Available	Not Available
3,070	99		
3,408	110		
5,238	169		
8,279	268		
12,448	403		
15,655	506		
19,404	628		
24,458	791		
27,543	891		
31,235	1,010		
29.4%			
18.8%			

Ordinary Capital Resources: Investment Income $	Index	Technical Assistance Special Fund Resources: Investment Income $	Index	Asian Development Fund: Investment Income $	Index
$ 32,513	100	$ 455	100	$ 341	100
40,549	125	468	103	3,496	1,025
68,458	211	414	91	10,702	3,138
86,513	266	554	122	17,414	5,107
96,037	295	680	149	21,951	6,437
113,208	348	989	217	28,212	8,273
136,440	420	1,538	338	39,379	11,548
155,489	478	1,444	317	39,542	11,596
199,122	612	1,147	252	44,439	13,032
218,283	671	1,141	251	40,933	12,004
264,349	813	1,019	224	36,911	10,824
23.2%		9.0%		29.9%	
18.0%		Negative		Negative	

Ordinary Capital Resources: Other Income $	Index	Technical Assistance Special Fund Resources: Other Income $	Index	Asian Development Fund: Other Income $	Index
$ 600	100	$ (15)	–	$ 49	100
514	86	(20)	–	N.M.	–
665	111	1	100	201	410
787	131	3	300	216	441
729	122	1	100	224	457
906	151	1	100	343	700
2,336	389	7	700	463	945
640	107	2	200	219	447
1,220	203	342	34,200	251	512
3,956	659	776	77,600	179	365
5,970	995	236	23,600	111	227
31.3%		N.M.		N.M.	
26.4%		141.0%		Negative	

AAA/Aaa/AAA
INTER-AMERICAN DEVELOPMENT BANK
(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

Capital Resources: Ordinary Capital: Loan Income Special Commissions $	Index	Capital Resources: Inter-Regional Capital: Loan Income Special Commissions	Capital Resources: Total Ordinary & Inter-Regional Capital: Loan Income Special Commissions $	Index	Fund for Special Operations: Loan Income Service Charges $	Index
$11,242	100	None	$11,242	100	$ 8,357	100
13,747	122		13,747	122	9,571	115
15,664	139		15,664	139	10,558	126
18,539	165		18,539	165	10,865	130
22,961	204		22,961	204	10,779	129
27,391	244		27,391	244	10,299	123
27,500	245		27,500	245	9,604	115
27,759	247		27,759	247	8,843	106
31,762	283		31,762	283	8,145	97
31,290	278		31,290	278	7,445	89
32,685	291		32,685	291	6,735	81
10.1%			10.1%		Negative	
4.4%			4.4%		Negative	

Ordinary Capital: Investment Income $	Index	Inter-Regional Capital: Investment Income $	Index	Total Ordinary & Inter-Regional Capital: Investment Income $	Index	Fund for Special Operations: Investment Income $	Index
$ 73,690	100	–	–	$ 73,690	100	$ 7,494	100
78,781	107	–	–	78,781	107	9,101	121
84,059	114	$ 257	(6 mos.)	84,316	114	11,039	147
97,727	133	2,949	100	100,676	137	16,981	227
102,843	140	9,769	331	112,612	153	22,674	303
110,996	151	24,438	829	135,434	184	32,951	440
126,962	172	47,893	1,624	174,855	237	44,265	591
124,452	169	75,042	2,545	199,494	271	50,977	680
113,500	154	117,822	3,995	231,322	314	52,207	697
104,308	142	129,169	4,380	233,477	317	46,344	618
150,808	205	120,450	4,084	271,258	368	38,750	517
7.5%		–		14.7%		17.5%	
4.4%		25.9%		11.6%		Negative	

Ordinary Capital: Other Income $	Index	Inter-Regional Capital: Other Income $	Index	Total Ordinary & Inter-Regional Capital: Other Income $	Index	Fund for Special Operations: Other Income $	Index
$4,142	100	–	–	$ 4,142	100	$ 254	100
5,671	137	–	–	5,671	137	263	104
7,422	179	–	–	7,422	179	248	98
4,396	106	$ 7	100	4,403	106	283	111
3,858	93	26	371	3,884	94	610	240
2,892	70	41	586	2,933	71	733	289
6,406	155	63	900	6,469	156	1,085	427
5,137	124	59	843	5,196	125	752	296
4,611	111	211	3,014	4,822	116	456	180
9,821	237	734	10,486	10,555	255	581	229
6,684	161	707	10,100	7,391	178	372	146
1.8%		–		3.0%		3.9%	
1.1%		83.0%		3.4%		Negative	

MULTILATERAL DEVELOPMENT BANKS COMPARATIVE STATISTICS (continued) 1974-1985 (Table 3 of 15)

Latest Rating Fitch/Moody's/Standard & Poor's

	AAA/Aaa/AAA THE WORLD BANK (Year Ended 6/30)				AAA/Aaa/AA AFRICAN DEVELOPMENT BANK (Year Ended 12/31)								–/Aaa/AAA EUROPEAN INVESTMENT BANK (Year Ended 12/31)			
	International Bank for Reconstruction & Development		International Development Association		Ordinary Capital Resources				African Development Fund				As Stated (Expressed in Thousands of European U.A.)		As Restated (Year-End Conversion Rates) (Expressed in Thousands of United States (Dollars)	
	(Expressed in thousands of U.S. dollars)				(Expressed in thousands of U.A. and U.S. dollars)*											
	Total Operating Expenses		Total Operating Expenses		Total Operating Expenses		Total Operating Expenses		Total Operating Expenses		Total Operating Expenses		Total Operating Expenses		Total Operating Expenses	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$ 713,525	100	$ 43,180	100	4,607	100	$ 5,557	100	N.A.	–	N.A.	–	225,566	100	$ 283,076	100
1975	882,487	124	47,602	110	3,335	72	4,023	72	N.A.	–	N.A.	–	298,793	132	348,178	123
1976	1,109,794	156	62,770	145	4,755	103	5,737	103	N.A.	–	N.A.	–	378,838	168	428,083	151
1977	1,407,926	197	72,296	167	10,311	224	12,525	225	4,507	100	$ 5,008	100	426,825	189	522,886	185
1978	1,708,455	239	91,911	213	18,880	410	24,596	443	4,980	110	5,976	119	515,622	229	709,950	251
1979	2,018,028	283	121,426	281	36,490	792	48,069	865	8,249	183	10,009	200	664,665	295	956,047	338
1980	2,211,629	310	140,300	325	54,868	1,191	69,979	1,259	11,234	249	13,197	264	910,406	404	1,192,295	421
1981	2,388,949	335	180,092	417	53,908	1,170	62,746	1,129	14,119	313	15,136	302	1,237,026	548	1,342,384	474
1982	2,774,667	389	193,375	448	53,575	1,163	59,099	1,064	16,750	372	17,018	340	1,628,761	722	1,576,099	557
1983	3,480,456	488	213,727	495	61,054	1,325	63,921	1,150	18,079	401	17,434	348	2,087,253	925	1,726,931	610
1984	4,054,483	568	249,225	577	63,944	1,388	62,678	1,128	22,236	493	20,075	401	2,580,216	1,144	1,829,233	646
1985	4,391,625	615	273,180	633												
Compound Average Annual Growth Rate																
1975/84	18.5%		20.2%		38.8%		35.7%		N.A.		N.A.		27.1%		20.2%	
1980/84	16.4%		15.4%		3.9%		Negative		18.6%		11.1%		29.7%		11.3%	
1980/85	14.7%		14.3%													

	Expenses: Funded Debt		Expenses: Funded Debt		Expenses: Funded Debt		Expenses: Funded Debt		Expenses: Financial Charges		Expenses: Financial Charges		Expenses: Funded Debt		Expenses: Funded Debt	
	$	Index			U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$ 614,710	100			N.A.	–	N.A.	–	N.A.	–	N.A.	–	197,798	100	$ 248,229	100
1975	764,988	124			340	100	$ 410	100	N.A.	–	N.A.	–	274,821	139	320,243	129
1976	977,298	159			1,653	486	1,994	486	N.A.	–	N.A.	–	349,008	176	394,376	159
1977	1,251,922	204			6,491	1,909	7,885	1,923	258	100	$286	100	391,292	198	479,356	193
1978	1,541,529	251	None		12,068	3,549	15,722	3,835	3	1	4	1	473,756	240	652,305	263
1979	1,817,395	296			22,275	6,551	29,344	7,157	16	6	20	7	618,260	313	889,299	358
1980	1,975,469	321			41,138	12,099	52,468	12,797	67	26	79	28	859,138	434	1,125,153	453
1981	2,104,068	342			37,011	10,886	43,079	10,507	38	15	40	14	1,174,916	594	1,274,984	514
1982	2,456,074	400			33,873	9,963	37,366	9,114	42	16	43	15	1,552,969	785	1,502,757	605
1983	3,128,256	509			38,948	11,455	40,777	9,946	21	8	20	7	2,002,460	1,012	1,656,775	667
1984	3,686,985	600			45,518	13,388	44,617	10,882	20	8	18	6	2,478,617	1,253	1,757,206	708
1985	3,992,770	650														
Compound Average Annual Growth Rate																
1975/84	19.1%		–		72.3%		68.4%		N.A.		N.A.		27.7%		20.8%	
1980/84	16.9%		–		2.6%		Negative		Negative		Negative		30.3%		11.8%	
1980/85	15.1%		–													

	Expenses: Administrative		Expenses: Administrative (Management Fee to Int'l Bank Recon. & Dev.)		Expenses: Administrative		Expenses: Administrative		Expenses: Administrative (Management Fee to African Dev. Bank)		Expenses: Administrative (Management Fee to African Dev. Bank)		Expenses: Administrative		Expenses: Administrative	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$ 91,020	100	$ 43,180	100	3,341	100	$ 4,030	100	N.A.	–	N.A.	–	13,339	100	$16,740	100
1975	109,937	121	47,602	110	3,342	100	4,032	100	N.A.	–	N.A.	–	14,175	106	16,518	99
1976	122,282	134	62,770	145	3,626	109	4,374	109	N.A.	–	N.A.	–	18,594	139	21,011	126
1977	140,802	155	72,296	167	4,727	141	5,741	142	3,800	100	$ 4,222	100	22,561	169	27,639	165
1978	148,126	163	91,911	213	6,613	198	8,616	214	4,637	122	5,564	132	25,691	193	35,373	211
1979	172,027	189	121,426	281	14,338	429	18,888	469	7,039	185	8,541	202	27,544	206	39,619	237
1980	197,967	217	140,300	325	10,743	322	13,702	340	9,799	258	11,511	273	29,727	223	38,931	233
1981	254,824	280	180,092	417	13,297	398	15,477	384	12,583	331	13,490	320	34,507	259	37,446	224
1982	290,060	319	193,375	448	15,482	463	17,078	424	14,992	395	15,232	361	39,072	293	37,809	226
1983	321,919	354	213,727	495	17,977	538	18,821	467	16,465	433	15,877	376	42,875	321	35,474	212
1984	329,959	363	249,225	577	17,571	526	17,223	427	20,970	552	18,932	448	49,395	370	35,018	209
1985	354,820	390	273,180	633												
Compound Average Annual Growth Rate																
1975/84	13.0%		20.2%		20.3%		17.5%		N.A.		N.A.		14.9%		8.7%	
1980/84	13.6%		15.4%		13.1%		5.9%		20.9%		13.2%		13.5%		Negative	
1980/85	12.4%		14.3%													

N.A. = Not Available
1. Financial information, including adjustments, presented as reported.
2. Sources: Annual Reports and various prospectuses.
3. For the European Investment Bank, 1979 and 1980 financial information, including adjustments, was taken from June 1981 Yen prospectus.
*Financial statistics for the African Development Bank were converted, by the Bank's accountants, from Units of Account to U.S. dollars at year-end prevailing rates provided by the Bank.

AAA/Aaa/AAA
ASIAN DEVELOPMENT BANK

(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

Ordinary Capital Resources		*Technical Assistance Special Fund Resources*		*Asian Development Fund*	
Total Operating Expenses		*Total Operating Expenses*		*Total Operating Expenses*	
$	*Index*	*$*	*Index*	*$*	*Index*
$ 28,228	100	$ 2,037	100	$ 197	100
51,698	183	3,326	163	1,727	877
80,053	284	3,300	162	5,423	2,753
86,173	305	2,752	135	5,262	2,671
93,048	330	4,011	197	6,477	3,288
160,942	570	6,474	318	17,256	8,759
158,448	561	7,837	385	18,566	9,424
186,088	659	7,637	375	25,141	12,762
238,834	846	7,603	373	27,423	13,920
298,427	1,057	8,171	401	35,701	18,122
362,084	1,283	11,854	582	34,383	17,453
24.1%		15.2%		39.4%	
23.0%		10.9%		16.7%	
Expenses: Funded Debt		*Expenses: Funded Debt*		*Expenses: Funded Debt*	
$	*Index*				
$ 19,077	100				
31,546	165				
72,611	381				
90,885	476				
111,629	585				
126,258	662	None		None	
142,408	746				
157,676	827				
202,731	1,063				
262,934	1,378				
318,881	1,672				
29.3%		–		–	
22.3%		–		–	
Expenses: Administrative		*Expenses: Administrative*		*Expenses: Administrative*	
$	*Index*	*$*	*Index*	*$*	*Index*
$ 8,665	100	$ 514	100	$ 238	100
12,014	139	610	119	1,575	662
12,783	148	843	164	5,824	2,447
14,055	162	920	179	6,903	2,900
14,524	168	1,382	269	10,190	4,282
15,423	178	1,324	258	15,376	6,461
19,592	226	2,759	537	20,277	8,520
27,910	322	2,094	407	25,141	10,563
35,086	405	1,711	333	27,423	11,522
34,458	398	1,694	330	35,701	15,000
40,350	466	676	132	34,383	14,447
14.4%		1.1%		40.9%	
19.8%		Negative		14.1%	

AAA/Aaa/AAA
INTER-AMERICAN DEVELOPMENT BANK

(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

Capital Resources							
Ordinary Capital		*Inter-Regional Capital*		*Total Ordinary & Inter-Regional Capital*		*Fund for Special Operations*	
Total Operating Expenses		*Total Operating Expenses*		*Total Operating Expenses*		*Total Operating Expenses*	
$	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*
$107,675	100	–	–	$107,675	100	$ 27,634	100
135,960	126	–	–	135,960	126	30,552	111
161,328	150	$ 223	(6 mos.)	161,551	150	34,403	124
178,376	166	841	100	179,217	166	47,135	171
197,442	183	8,532	1,015	205,974	191	50,633	183
201,560	187	33,573	3,992	235,133	218	57,154	207
217,825	202	66,863	7,950	284,688	264	76,940	278
193,481	180	103,370	12,291	296,851	276	94,061	340
185,290	172	194,103	23,080	379,393	352	100,150	362
202,699	188	274,647	32,657	477,346	443	103,858	376
255,020	237	315,232	37,483	570,252	530	118,346**	428
7.2%		–		17.3%		16.2%	
4.0%		47.4%		19.0%		11.4%	
Expenses: Funded Debt		*Expenses: Funded Debt*		*Expenses: Funded Debt*		*Expenses: Funded Debt*	
$	*Index*	*$*	*Index*	*$*	*Index*		
$ 86,573	100	–	–	$ 86,573	100		
108,926	126	–	–	108,926	126		
134,260	155	–	–	134,260	155		
160,412	185	$ 70	100	160,482	185		
183,518	212	4,544	6,491	188,062	217		
184,865	214	25,802	36,860	210,667	243	None	
179,394	207	54,346	77,637	233,740	270		
159,986	185	84,586	120,837	244,572	283		
149,582	173	172,786	246,837	322,368	372		
167,442	193	246,051	351,501	413,493	478		
217,265	251	286,190	408,843	503,455	582		
8.0%		–		18.5%		–	
4.9%		51.5%		21.1%		–	
Expenses: Administrative		*Expenses: Administrative*		*Expenses: Administrative*		*Expenses: Administrative*	
$	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*
$19,896	100	–	–	$19,896	100	$25,033	100
24,122	121	–	–	24,122	121	26,740	107
26,045	131	$ 223	(6 mos.)	26,268	132	28,026	112
19,848	100	767	100	20,615	104	38,505	154
20,241	102	3,971	518	24,212	122	42,126	168
20,522	103	7,900	1,030	28,422	143	46,973	188
27,721	139	12,957	1,689	40,678	204	61,265	245
33,495	168	18,784	2,449	52,279	263	75,227	301
35,708	179	21,317	2,779	57,025	287	79,331	317
35,257	177	28,596	3,728	63,853	321	74,422	297
37,755	190	29,042	3,786	66,797	336	74,964	299
5.1%		–		12.0%		12.1%	
8.0%		22.4%		13.2%		5.2%	

**As of 1/1/84 the Bank began charging to the income of the Fund amounts approved, for technical advice and cooperation, under all non-reimbursable technical cooperation projects, as well as certain reimbursable financings which may not be fully recovered, showing a liability for the corresponding undisbursed amounts in the Balance Sheet. In previous years income was charged only for actual expenditures made. This change in accounting method has had the effect of decreasing net income in 1984 by $17,053,000.

MULTILATERAL DEVELOPMENT BANKS COMPARATIVE STATISTICS (continued) 1974-1985 (Table 4 of 15)

Latest Rating Fitch/Moody's/Standard & Poor's

- THE WORLD BANK (AAA/Aaa/AAA), *(Year Ended 6/30)*: *International Bank for Reconstruction & Development*; *International Development Association* — *(Expressed in thousands of U.S. dollars)*
- AFRICAN DEVELOPMENT BANK (AAA/Aaa/AA), *(Year Ended 12/31)*: *Ordinary Capital Resources*; *African Development Fund* — *(Expressed in thousands of U.A. and U.S. dollars)**
- EUROPEAN INVESTMENT BANK (–/Aaa/AAA), *(Year Ended 12/31)*: *As Stated (Expressed in Thousands of European U.A.)*; *As Restated (Year-End Conversion Rates) (Expressed in Thousands of United States Dollars)*

	(Unadjusted) Expenses: All Other (Bond issuance & discount on loan sales)		Expenses: All Other (Translation Adjustment)		Expenses: All Other		Expenses: All Other		Expenses: All Other		Expenses: All Other		Expenses: All Other (Including Exchange Diff.)		Expenses: All Other (Including Exchange Diff.)	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$ 7,795	100	$ 2,499	100	–	–	–	–	N.A.	–	N.A.	–	14,429	100	$18,108	100
1975	7,562	97	12,612	505	–	–	–	–	N.A.	–	N.A.	–	9,797	68	11,416	63
1976	10,214	131	4,269	171	–	–	–	–	N.A.	–	N.A.	–	11,236	78	12,697	70
1977	15,202	195	804	32	–	–	–	–	450	100	$ 500	100	12,971	90	15,890	88
1978	18,800	241	23,279	932	–	–	–	–	340	76	408	82	16,175	112	22,271	123
1979	28,606	367	8,025	321	–	–	–	–	1,194	265	1,449	290	18,861	131	27,129	150
1980	38,193	490	2,693	108	2,561	100	$3,267	100	1,368	304	1,607	321	21,541	149	28,211	156
1981	30,057	386	(11,531)	Neg.	2,578	101	3,001	92	1,498	333	1,606	321	27,603	191	29,954	165
1982	28,533	366	17,014	681	2,810	110	3,100	95	1,716	381	1,743	349	36,720	254	35,533	196
1983	30,281	388	22,066	883	2,811	110	2,943	90	1,593	354	1,536	307	41,918	291	34,682	192
1984	37,539	482	(1,556)†	Neg.	2,811	110	2,755	84	1,245	277	1,124	225	52,204	362	37,010	204
1985	44,035	565	(692)†	Neg.												
Compound Average Annual Growth Rate																
1975/84	19.5%		Negative		–		–		N.A.		N.A.		20.4%		14.0%	
1980/84	Negative		Negative		2.4%		Negative		Negative		Negative		24.8%		7.0%	
1980/85	2.9%		Negative													

	Exchange Adjustments (To Supplemental (Reserves) (Gain)/Loss	Exchange Adjustments	Exchange Adjustments (Gain)/Loss	Exchange Adjustments (Gain)/Loss	Translation Adjustments		Translation Adjustments		Net Increase (Decrease) in Value of Assets from Current Mkt. Rates for Currency Translation	Net Increase (Decrease) in Value of Assets from Current Mkt. Rates for Currency Translation
	$		U.A.	$	F.U.A.	Index	$	Index	E.C.U.	$
1974	$ 53,776		1,266	$1,527	N.A.	–	N.A.	–	(2,358)	$(2,959)
1975	(13,909)		(347)	(419)	N.A.	–	N.A.	–	4,476	5,216
1976	150,780		(524)	(632)	N.A.	–	N.A.	–	4,957	5,601
1977	10,266	Included in	(907)	(1,102)	–	–	–	–	(1,048)	(1,284)
1978	(110,199)	"Expenses:	199	259	10,762	100	$12,914	100	(5,718)	(7,873)
1979	(114,715)	All Other	(123)	(163)	7,110	66	8,627	67	542	780
1980	(88,090)	Above"	425	542	3,915	36	4,599	36	713	934
1981	503,379		1,021	1,189	10,255	95	10,994	85	(2,639)	(2,864)
1982	244,798		1,410	1,555	–	–	–	–	3,087	2,987
1983	169,585		1,319	1,380	–	–	–	–	5,245	4,340
1984	236,580		(1,956)	(1,917)	–	–	–	–	(5,162)	(3,660)
1985	222,361									
Compound Average Annual Growth Rate										
1975/84	N.M.	–	N.M.	N.M.	–		–		Negative	Negative
1980/84	N.M.	–	Negative	Negative	–		–		Negative	Negative
1980/85	N.M.	–								

	Net Income		Net Income (Loss)		Net Income		Net Income		Net Income		Net Income		Net Income		Net Income	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$ 215,818	100	$11,842	100	7,418	100	$ 8,948	100	N.A.	–	N.A.	–	36,296	100	$ 45,550	100
1975	274,980	127	8,020	68	10,304	139	12,430	139	N.A.	–	N.A.	–	59,395	164	69,212	152
1976	219,853	102	(6,387)	Neg.	10,166	137	12,264	137	N.A.	–	N.A.	–	75,731	209	85,575	188
1977	209,450	97	(8,108)	Neg.	11,494	155	13,962	156	5,606	100	$ 6,229	100	93,409	257	114,432	251
1978	238,111	110	(42,941)	Neg.	9,863	133	12,850	144	6,147	110	7,376	118	105,508	291	145,272	319
1979	406,542	188	(45,895)	Neg.	6,763	91	8,909	100	12,531	224	15,205	244	141,992	391	204,240	448
1980	587,901	272	(52,543)	Neg.	9,792	132	12,489	140	22,523	402	26,458	425	208,710	575	273,333	600
1981	610,103	283	(63,010)	Neg.	9,407	127	10,949	122	25,410	453	27,241	437	251,813	694	273,260	600
1982	597,652	277	(82,207)	Neg.	11,046	149	12,185	136	28,535	509	28,992	465	366,340	1,009	354,495	778
1983	752,001	348	(90,645)	Neg.	14,823	200	15,519	173	15,578	278	15,022	241	392,937	1,083	325,104	714
1984	600,039	278	(70,858)	Neg.	32,650	440	32,004	358	14,370	256	12,973	208	434,819	1,198	308,263	677
1985	1,137,127	527	(64,583)	Neg.												
Compound Average Annual Growth Rate																
1975/84	9.1%		Negative		13.7%		11.1%		N.A.		N.A.		24.8%		18.1%	
1980/84	0.5%		N.M.		35.1%		26.5%		Negative		Negative		20.1%		3.1%	
1980/85	14.1%		N.M.													

N.M. = Not Meaningful   N.A. = Not Available

**In 1981, the Asian Development Bank changed its method of accounting for translation adjustments. The Bank now charges or credits "Accumulated Translation Adjustments"

1. Financial information, including adjustments, presented as reported.
2. Sources: Annual Reports and various prospectuses.
3. For the European Investment Bank, 1979 and 1980 financial information, including adjustments, was taken from June 1981 Yen prospectus.

*Financial statistics for the African Development Bank were converted, by the Bank's accountants, from Units of Account to U.S. dollars at year-end prevailing rates provided by the Bank.

AAA/Aaa/AAA ASIAN DEVELOPMENT BANK (Year Ended 12/31)						AAA/Aaa/AAA INTER-AMERICAN DEVELOPMENT BANK (Year Ended 12/31)							
						Capital Resources							
Ordinary Capital Resources		Technical Assistance Special Fund Resources		Asian Development Fund		Ordinary Capital		Inter-Regional Capital		Total Ordinary & Inter-Regional Capital		Fund for Special Operations	
(Expressed in thousands of U.S. dollars)						(Expressed in thousands of U.S. dollars)							
Expenses: All Other (Technical Assist.)		Expenses: All Other (Technical Assist.)		Expenses: All Other (Depositing Bank Charges)		Expenses: All Other (Exchange Adj.) (Gain)/Loss		Expenses: All Other (Exchange Adj.) (Gain)/Loss		Expenses: All Other (Exchange Adj.) (Gain)/Loss		Expenses: All Other (Technical Coop.)	
$	Index	$	Index	$	Index	$	Index	$	Index	$	Index	$	Index
$ 171	100	$ 1,523	100	N.M.	–	$ 1,206	100	–	–	$ 1,206	100	$ 2,601	100
714	418	2,695	177	$ 1	100	2,912	241	–	–	2,912	241	3,812	147
641	375	2,470	162	3	300	1,023	85	–	–	1,023	85	6,377	245
1,170	684	1,847	121	5	500	(1,884)	Neg.	$ 4	100	(1,880)	Neg.	8,630	332
1,087	636	2,654	174	13	1,300	(6,317)	Neg.	17	425	(6,300)	Neg.	8,507	327
735	430	5,020	330	18	1,800	(3,827)	Neg.	(129)	Neg.	(3,956)	Neg.	10,181	391
1,205	705	5,128	337	0	–	10,710	888	(440)	Neg.	10,270	852	15,675	603
502	294	5,543	364	0	–	++	–	++	–	++	–	18,834	724
1,017	595	5,892	387	0	–	++	–	++	–	++	–	20,819	800
1,035	605	6,477	425	0	–	++	–	++	–	++	–	29,436	1,132
2,853	1,668	11,178	734	0	–	++	–	++	–	++	–	43,382++	1,668
16.6%		17.1%		Negative		–		–		–		31.0%	
24.0%		21.5%		N.M.		–		–		–		29.0%	

Exchange Adjustments (Gain)/Loss $	Exchange Adjustments (Gain)/Loss $	Exchange Adjustments (Gain)/Loss $	Exchange Adjustments	Exchange Adjustments	Exchange Adjustments	Exchange Adjustments
$ 314	–	$ (42)	Included in "Expenses: All Other" Above	Included in "Expenses: All Other" Above	Included in "Expenses: All Other" Above	None
7,424	$ 21	151				
(5,981)	(13)	(404)				
(19,936)	(15)	(1,646)				
(34,192)	(25)	(3,726)				
18,526	130	1,862				
(4,757)	(50)	(1,711)				
**	1,919	**				
**	1,516	**				
**	753	**				
**	1,106	**				
–	55.3%	–	–	–	–	–
–	N.M.	–	–	–	–	–

Net Income		Net Income (Loss)		Net Income		Net Income		Net Income		Net Income		Net Income	
$	Index	$	Index	$	Index	$	Index	$	Index	$	Index	$	Index
$ 29,283	100	$(1,597)		$ 193	100	$ 66,338	100	–	–	$ 66,338	100	$38,493	100
29,287	100	(2,858)		2,461	1,275	72,013	109	–	–	72,013	109	43,402	113
48,251	165	(2,886)		8,936	4,630	73,784	111	$ 34	(6 mos.)	73,818	111	48,502	126
82,444	282	(2,195)		17,295	8,961	93,049	140	3,431	100	96,480	145	48,247	125
120,127	410	(3,330)		23,364	12,106	115,743	174	11,094	323	126,847	191	54,493	142
99,831	341	(5,484)		20,743	10,748	146,746	221	23,444	683	170,190	257	62,936	163
151,132	516	(6,144)		31,370	16,254	161,517	243	36,930	1,076	198,447	299	58,752	153
160,967	550	(545)		25,868	13,403	185,948	280	52,972	1,544	238,920	360	50,909	132
174,838	597	2,402		28,721	14,881	196,302	296	46,607	1,358	242,909	366	51,239	133
179,556	613	(1,478)		18,396	9,532	188,866	285	30,417	887	219,283	331	45,151	117
206,468	705	(4,178)		17,673	9,157	190,243	287	61,645	1,797	251,888	380	27,746	72
24.2%		N.M.		24.5%		11.4%		–		14.9%		Negative	
8.1%		N.M.		Negative		4.2%		13.7%		6.1%		Negative	

†In 1984, the International Development Association changed its method of accounting for translation adjustments. Translation Adjustments relating to revaluation of development credits denominated in Special Drawing Rights are now charged or credited to Cumulative Translation Adjustments, previously they had been charged or credited to Income. The effect of the change was to reduce the net loss for the years ended June 30, 1985 and 1984 by $71,319,000 and $72,230,000 respectively. Other translation adjustments are still included in the determination of net income.

++In accordance with new accounting standards adopted in 1981, the adjustment resulting from the translation into United States dollars of assets and liabilities denominated in borrowed currencies are shown in the 1981 Statement of Income and General Reserve for the first time as translation adjustments affecting the General Reserve directly; in prior years such adjustments were required to be included in the determination of net income. In 1981, this accounting change increased net income by $19,531,000 for Ordinary Capital and decreased net income by $810,000 for Inter-Regional Capital.

MULTILATERAL DEVELOPMENT BANKS COMPARATIVE STATISTICS (continued) 1974-1985 (Table 5 of 15)

Latest Rating Fitch/Moody's/Standard & Poor's

	AAA/Aaa/AAA THE WORLD BANK (Year Ended 6/30)				AAA/Aaa/AAA AFRICAN DEVELOPMENT BANK (Year Ended 12/31)								–/Aaa/AAA EUROPEAN INVESTMENT BANK			
	International Bank for Reconstruction & Development		International Development Association		Ordinary Capital Resources				African Development Fund				As Stated (Expressed in Thousands of European U.A.)		As Restated (Year-End Conversion Rates) (Expressed in Thousands of United States Dollars)	
	(Expressed in thousands of U.S. dollars)				(Expressed in thousands of U.A. and U.S. dollars)*								(Year Ended 12/31)			
	Total Assets (Adj)		Total Assets (Adj)		Total Assets		Total Assets		Total Assets		Total Assets		Total Assets (Adj)		Total Assets (Adj)	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$15,676,228	100	$ 7,529,102	100	187,453	100	$ 226,134	100	N.A.	–	N.A.	–	4,142,300	100	$ 5,198,421	100
1975	18,326,632	117	8,513,782	113	241,039	129	290,777	129	N.A.	–	N.A.	–	5,204,673	126	6,064,901	117
1976	21,071,770	134	9,723,531	129	376,513	201	454,207	201	N.A.	–	N.A.	–	6,151,676	149	6,951,332	134
1977	25,053,373	160	11,116,222	148	518,937	277	630,357	279	312,792	100	$ 347,546	100	7,011,368	169	8,589,346	165
1978	29,929,482	191	14,267,714	190	609,893	325	794,563	351	450,895	144	541,045	156	8,866,687	214	12,208,364	235
1979	35,108,288	224	17,888,006	238	875,665	467	1,153,540	510	670,777	214	813,873	234	11,156,464	269	16,047,346	309
1980	39,072,081	249	20,964,870	278	849,008	453	1,082,834	479	944,493	302	1,109,514	319	13,807,922	333	18,083,269	348
1981	36,707,362	234	22,304,929	296	989,507	528	1,151,746	509	1,243,314	397	1,332,916	384	18,084,079	437	19,624,300	378
1982	44,834,206	286	25,381,453	337	1,163,734	621	1,283,726	568	1,415,160	452	1,437,833	414	21,990,124	531	21,279,117	409
1983	55,090,383	351	27,746,475	369	1,451,084	774	1,519,212	672	1,862,127	595	1,795,640	517	27,453,580	663	22,714,268	437
1984	60,340,036	385	30,452,074	404	2,150,643	1,147	2,108,081	932	2,284,138	730	2,062,175	593	32,463,663	784	23,014,984	443
1985	75,987,511	485	32,817,141	436												
Compound Average Annual Growth Rate																
1975/84	14.2%		15.2%		27.2%		24.6%		N.A.		N.A.		22.6%		16.0%	
1980/84	11.5%		9.8%		26.2%		18.1%		24.7%		16.8%		23.8%		6.2%	
1980/85	14.2%		9.4%													

	Funded Debt (Net)		Funded Debt (Net)		Funded Debt (Net)		Funded Debt (Net)		Funded Debt (Net)	Funded Debt (Net)	Funded Debt (Net)		Funded Debt (Net)	
	$	Index	$	Index	U.A.	Index	$	Index			E.C.U.	Index	$	Index
1974	$ 9,635,946	100	$ 60,667	100	N.A.	–	N.A.	–			3,123,844	100	$ 3,920,299	100
1975	12,275,021	127	72,727	120	19,383	100	$ 23,382	100			3,926,009	126	4,574,900	117
1976	14,635,720	152	73,595	121	86,958	449	104,901	449			4,731,808	151	5,346,896	136
1977	18,459,475	192	73,957	122	133,279	688	161,896	692			5,420,520	174	6,640,462	169
1978	22,581,437	234	98,140	162	153,242	791	199,642	854			6,715,147	215	9,245,952	236
1979	26,252,803	272	109,428	180	386,907	1,996	509,685	2,180	None	None	8,547,060	274	12,294,006	314
1980	29,635,317	308	112,129	185	323,600	1,670	412,723	1,765			10,604,161	339	13,887,527	354
1981	27,756,697	288	0	–	322,192	1,662	375,019	1,604			13,481,821	432	14,630,068	373
1982	31,760,918	330	0	–	369,318	1,905	407,398	1,742			16,570,153	530	16,034,390	409
1983	37,827,009	393	0	–	405,706	2,093	424,754	1,817			20,749,133	664	17,167,210	438
1984	42,209,309	438	0	–	811,490	4,187	795,431	3,402			25,007,033	801	17,728,636	452
1985	46,791,482	486	0	–										
Compound Average Annual Growth Rate														
1975/84	14.7%		N.M.		51.4%		48.0%		–	–	22.8%		16.2%	
1980/84	9.2%		N.M.		25.8%		17.8%		–	–	23.9%		6.3%	
1980/85	9.6%		N.M.											

	All Other Liabilities		All Other Liabilities		All Other Liabilities		All Other Liabilities		All Other Liabilities		All Other Liabilities		All Other Liabilities		All Other Liabilities	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$ 990,696	100	$ 5,940	100	21,683	100	$ 26,158	100	N.A.	–	N.A.	–	304,347	100	$ 381,943	100
1975	792,466	80	9,542	161	18,840	87	22,727	87	N.A.	–	N.A.	–	353,284	116	411,675	108
1976	1,214,052	123	1,723	29	56,393	260	68,030	260	N.A.	–	N.A.	–	418,758	138	473,192	124
1977	1,271,883	128	6,365	107	96,980	447	117,802	450	4,497	100	$ 4,996	100	496,328	163	608,032	159
1978	1,513,184	153	10,550	178	101,358	467	132,048	505	20,806	463	24,966	500	597,136	196	822,183	215
1979	2,189,080	221	36,165	609	117,089	540	154,244	590	11,676	260	14,166	284	913,009	300	1,313,263	344
1980	1,953,933	197	73,489	1,237	129,064	595	164,609	629	16,239	361	19,076	382	1,298,655	427	1,700,758	445
1981	1,812,871	183	152,154	2,562	213,942	987	249,020	952	14,644	326	15,670	314	1,875,369	616	2,035,094	533
1982	5,159,441	521	134,886	2,271	261,415	1,206	288,369	1,102	9,290	207	9,439	189	2,326,744	765	2,251,513	589
1983	8,025,108	810	93,001	1,566	298,618	1,377	312,638	1,195	10,570	235	10,193	204	3,218,282	1,057	2,662,710	697
1984	8,677,324	876	58,116	978	366,878	1,692	359,618	1,375	16,234	361	14,656	293	3,535,646	1,162	2,506,582	656
1985	18,835,482	1,901	41,453	698												
Compound Average Annual Growth Rate																
1975/84	30.5%		22.2%		39.1%		35.9%		N.A.		N.A.		29.2%		22.2%	
1980/84	45.2%		Negative		29.8%		21.6%		0.0%		Negative		28.5%		10.2%	
1980/85	57.3%		Negative													

N.M. = Not Meaningful N.A. = Not Available
1. Financial information, including adjustments, presented as reported.
2. Sources: Annual Reports and various prospectuses.
3. For the European Investment Bank, 1979 and 1980 financial information, including adjustments, was taken from June 1981 Yen prospectus.
*Financial statistics for the African Development Bank were converted, by the Bank's accountants, from Units of Account to U.S. dollars at year-end prevailing rates provided by the Bank.

AAA/Aaa/AAA
ASIAN DEVELOPMENT BANK

(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

Ordinary Capital Resources		Technical Assistance Special Fund Resources		Asian Development Fund	
Total Assets (Adj)		*Total Assets (Adj)*		*Total Assets (Adj)*	
$	*Index*	*$*	*Index*	*$*	*Index*
$1,123,647	100	$ 9,741	100	$ 219,423	100
1,556,413	139	10,139	104	656,828	299
2,312,139	206	12,043	124	902,486	411
2,638,359	235	17,319	178	1,267,132	577
3,369,371	300	23,735	244	1,840,320	839
3,777,849	336	20,389	209	2,233,459	1,018
4,128,615	367	21,979	226	3,068,149	1,398
4,682,425	417	19,312	198	3,252,072	1,482
5,331,985	475	20,850	214	3,621,791	1,651
6,127,582	545	18,896	194	4,223,299	1,925
6,770,783	603	19,736	203	4,627,354	2,109
17.7%		7.7%		24.2%	
13.2%		Negative		10.8%	
Funded Debt (Net)		*Funded Debt (Net)*		*Funded Debt (Net)*	
$	*Index*				
$ 281,235	100				
528,305	188				
1,082,160	385				
1,203,096	428				
1,608,016	572				
1,774,766	631	None		None	
1,869,790	665				
2,265,209	805				
2,800,713	996				
3,417,590	1,215				
3,868,364	1,375				
24.8%		–		–	
19.9%		–		–	
All Other Liabilities		*All Other Liabilities*		*All Other Liabilities*	
$	*Index*	*$*	*Index*	*$*	*Index*
$ 13,540	100	$ 693	100	$ 1,656	100
13,352	99	1,071	155	8,014	484
49,563	366	1,076	155	4,302	260
79,771	589	1,214	175	6,870	415
78,599	580	2,246	324	7,001	423
70,238	519	3,096	447	9,523	575
85,326	630	3,839	554	11,247	679
115,968	856	3,636	525	5,481	331
156,263	1,154	4,288	619	4,853	293
208,083	1,537	4,565	659	15,715	949
237,647	1,755	10,689	1,542	11,761	710
37.7%		29.1%		4.4%	
29.2%		29.2%		1.1%	

AAA/Aaa/AAA
INTER-AMERICAN DEVELOPMENT BANK

(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

Capital Resources							
Ordinary Capital		Inter-Regional Capital		Total Ordinary & Inter-Regional Capital		Fund for Special Operations	
Total Assets		*Total Assets*		*Total Assets*		*Total Assets*	
$	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*
$2,658,215	100	–	–	$ 2,658,215	100	$4,543,583	100
2,980,792	112	–	–	2,980,792	112	4,591,409	101
3,617,997	136	$ 85,352	100	3,703,349	139	5,979,126	132
4,081,752	154	193,132	226	4,274,884	161	6,188,732	136
4,462,805	168	378,887	444	4,841,692	182	6,244,126	137
4,501,294	169	732,288	858	5,233,582	197	6,316,414	139
4,517,215	170	1,344,302	1,575	5,861,517	221	8,130,298	179
4,473,464	168	2,085,485	2,443	6,558,949	247	8,181,956	180
4,658,845	175	3,225,678	3,779	7,884,523	297	8,231,417	181
5,328,561	200	3,825,368	4,482	9,153,929	344	8,753,902	193
5,498,535	207	4,987,299	5,843	10,485,834	394	8,873,214	195
7.0%		–		15.0%		7.6%	
5.0%		38.8%		15.7%		2.2%	
Funded Debt (Net)		*Funded Debt (Net)*		*Funded Debt (Net)*		*Funded Debt (Net)*	
$	*Index*	*$*	*Index*	*$*	*Index*		
$1,340,207	100	–	–	$1,340,207	100		
1,573,097	117	–	–	1,573,097	117		
2,062,549	154	–	–	2,062,549	154		
2,371,142	177	$ 4,762	100	2,375,904	177		
2,575,224	192	119,533	2,510	2,694,757	201		
2,465,341	184	435,081	9,137	2,900,422	216	None	
2,264,321	169	765,391	16,073	3,029,712	226		
2,042,671	152	1,424,356	29,911	3,467,027	259		
2,002,033	149	2,239,466	47,028	4,241,499	316		
2,476,108	185	2,689,491	56,478	5,165,599	385		
2,484,991	185	3,627,354	76,173	6,112,345	456		
5.2%		–		16.3%		–	
2.4%		47.5%		19.2%		–	
All Other Liabilities		*All Other Liabilities*		*All Other Liabilities*		*All Other Liabilities*	
$	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*
$ 38,124	100	–	–	$ 38,124	100	$15,338	100
45,139	118	–	–	45,139	118	19,010	124
60,866	160	$ 223	100	61,089	160	10,440	68
66,691	175	57	26	66,748	175	10,375	68
72,152	189	2,899	1,300	75,051	197	9,950	65
72,330	190	16,427	7,366	87,957	231	17,874	117
84,410	221	36,798	16,501	121,208	318	11,089	72
90,966	239	60,602	27,176	151,568	398	10,187	66
95,091	249	87,540	39,256	182,631	479	6,380	42
114,711	301	97,489	43,717	212,200	557	6,368	42
108,772	285	116,563	52,270	225,335	591	2,641**	17
10.3%		–		19.6%		Negative	
6.5%		33.4%		16.8%		Negative	

**As of 1/1/84 the Bank began charging to the income of the Fund amounts approved, for technical advice and cooperation, under all non-reimbursable technical cooperation projects, as well as certain reimbursable financings which may not be fully recovered, showing a liability for the corresponding undisbursed amounts in the Balance Sheet. In previous years income was charged only for actual expenditures made. This change in accounting method has had the effect of decreasing net income in 1984 by $17,053,000.

MULTILATERAL DEVELOPMENT BANKS COMPARATIVE STATISTICS 1974-1985 (Table 6 of 15)

Latest Rating Fitch/Moody's/Standard & Poor's

	AAA/Aaa/AAA THE WORLD BANK (Year Ended 6/30)				AAA/Aaa/AA AFRICAN DEVELOPMENT BANK (Year Ended 12/31)								–/Aaa/AAA EUROPEAN INVESTMENT BANK			
	International Bank for Reconstruction & Development		International Development Association		Ordinary Capital Resources				African Development Fund				As Stated (Expressed in Thousands of European U.A.)		As Restated (Year-End Conversion Rates) (Expressed in Thousands of United States Dollars)	
	(Expressed in thousands of U.S. dollars)				(Expressed in thousands of U.A. and U.S. dollars)								(Year Ended 12/31)			
	Capital Stock Subscribed (Paid-in plus Callable)		Capital Stock Subscribed (Paid-In plus Callable)		Capital Stock Subscribed (Paid-Up plus Callable)		Capital Stock Subscribed (Paid-Up plus Callable)		Capital Stock Subscribed (Paid-In plus Callable)		Capital Stock Subscribed (Paid-In plus Callable)		Capital Stock Subscribed (Paid-In plus Callable)		Capital Stock Subscribed (Paid-In plus Callable)	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$30,430,867	100	$ 6,732,512	100	371,160	100	$ 447,749	100	N.A.	–	N.A.	–	2,025,000	100	$ 2,541,294	100
1975	30,820,879	101	10,773,777	160	387,860	104	467,895	104	N.A.	–	N.A.	–	3,543,750	175	4,129,461	162
1976	30,860,568	101	10,562,049	157	619,134	167	746,887	167	N.A.	–	N.A.	–	3,543,750	175	4,004,402	158
1977	30,869,253	101	10,730,548	159	709,840	191	862,250	193	398,929	100	$ 443,254	100	3,543,750	175	4,341,306	171
1978	33,045,498	109	16,898,063	251	790,460	213	1,029,803	230	407,929	102	489,490	110	7,087,500	350	9,758,637	384
1979	37,429,247	123	18,425,544	274	1,200,920	324	1,582,008	353	950,018	238	1,152,684	260	7,087,500	350	10,194,589	401
1980	39,958,929	131	19,481,922	289	1,270,000	342	1,619,771	362	1,134,018	284	1,332,153	301	7,087,500	350	9,282,003	365
1981	36,614,508	120	20,959,602	311	2,188,920	590	2,547,815	569	1,167,018	293	1,251,122	282	14,400,000	711	15,626,448	615
1982	43,164,670	142	28,611,405	425	3,865,560	1,041	4,264,138	952	1,761,538	442	1,789,762	404	14,400,000	711	13,934,405	548
1983	52,088,580	171	28,288,987	420	5,048,120	1,360	5,285,129	1,180	2,219,891	556	2,140,630	483	14,400,000	711	11,914,128	469
1984	56,010,584	184	29,186,461	434	5,107,320	1,376	5,006,246	1,118	2,274,911	570	2,053,844	463	14,400,000	711	10,208,822	402
1985	58,846,269	193	36,114,911	536												
Compound Average Annual Growth Rate																
1975/84	6.9%		11.7%		33.2%		30.1%		N.A.		N.A.		16.9%		10.6%	
1980/84	8.8%		10.6%		41.6%		32.6%		19.0%		11.4%		19.4%		2.4%	
1980/85	8.0%		13.1%													

	Capital Stock Paid-In		Capital Stock Paid-In		Capital Stock Paid-Up**		Capital Stock Paid-Up**		Capital Stock Paid-In		Capital Stock Paid-In		Capital Stock Paid-In		Capital Stock Paid-In	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$3,043,087	100	$ 6,562,579	100	185,580	100	$ 223,874	100	N.A.	–	N.A.	–	405,000	100	$ 508,259	100
1975	3,082,088	101	7,434,182	113	193,930	104	233,947	104	N.A.	–	N.A.	–	556,875	138	648,915	128
1976	3,086,057	101	8,553,148	130	256,898	138	309,908	138	N.A.	–	N.A.	–	556,875	138	629,263	124
1977	3,086,925	101	9,858,869	150	279,825	151	339,906	152	298,582	100	$ 331,757	100	556,875	138	682,205	134
1978	3,304,550	109	12,914,038	197	300,230	162	391,137	175	413,014	138	495,591	149	911,250	225	1,254,682	247
1979	3,742,925	123	16,460,320	251	300,230	162	395,502	177	629,518	211	763,813	230	911,250	225	1,310,733	258
1980	3,995,893	131	19,459,702	297	317,500	171	404,943	181	876,694	294	1,029,870	310	911,250	225	1,193,400	235
1981	3,661,451	120	20,712,734	316	547,230	295	636,954	285	1,152,018	386	1,235,041	372	1,465,715	362	1,590,550	313
1982	4,105,299	135	23,798,985	363	966,390	521	1,066,034	476	1,319,939	442	1,341,087	404	1,465,715	362	1,418,324	279
1983	4,719,439	155	26,171,537	399	1,262,030	680	1,321,282	590	1,754,712	588	1,692,060	510	1,465,715	362	1,212,689	239
1984	4,968,424	163	28,855,109	440	1,276,830	688	1,251,562	559	2,189,248	733	1,976,505	596	1,465,715	362	1,039,113	204
1985	5,142,968	169	31,272,741	477												
Compound Average Annual Growth Rate																
1975/84	5.4%		16.3%		23.2%		20.5%		N.A.		N.A.		11.4%		5.4%	
1980/84	5.6%		10.3%		41.6%		32.6%		25.7%		17.7%		12.6%		Negative	
1980/85	5.2%		10.0%													

	Capital Stock Callable		Capital Stock Callable		Capital Stock Callable		Capital Stock Callable		Capital Stock Callable		Capital Stock Callable		Capital Stock Callable		Capital Stock Callable	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$27,387,780	100	$ 169,933	100	185,580	100	$ 223,874	100	N.A.	–	N.A.	–	1,620,000	100	$ 2,033,035	100
1975	27,738,791	101	3,339,595	1,965	193,930	104	233,947	104	N.A.	–	N.A.	–	2,986,875	184	3,480,546	171
1976	27,774,511	101	2,008,901	1,182	362,232	195	436,979	195	N.A.	–	N.A.	–	2,986,875	184	3,375,139	166
1977	27,782,328	101	871,679	513	430,015	232	522,344	233	100,348	100	$111,497	100	2,986,875	184	3,659,101	180
1978	29,740,948	109	3,984,025	2,344	490,230	264	638,667	285	3,915	4	4,698	4	6,176,250	381	8,503,955	418
1979	33,686,322	123	1,965,224	1,156	900,690	485	1,186,506	530	320,500	319	388,871	349	6,176,250	381	8,883,856	437
1980	35,963,036	131	22,220	13	952,500	513	1,214,828	543	257,324	256	302,283	271	6,176,250	381	8,088,602	398
1981	32,953,057	120	246,868	145	1,641,690	885	1,910,861	854	15,000	15	16,081	14	12,934,285	798	14,035,898	690
1982	39,059,371	143	4,812,420	2,832	2,899,170	1,562	3,198,103	1,429	441,599	440	448,674	402	12,934,285	798	12,516,081	616
1983	47,369,141	173	2,117,450	1,246	3,786,090	2,040	3,963,847	1,771	450,724	449	434,631	390	12,934,285	798	10,701,439	526
1984	51,042,160	186	331,352	195	3,830,490	2,064	3,754,685	1,677	25,032	25	22,599	20	12,934,285	798	9,169,710	451
1985	53,703,301	196	4,841,481	2,849												
Compound Average Annual Growth Rate																
1975/84	7.0%		Negative		39.3%		36.1%		N.A.		N.A.		17.7%		11.4%	
1980/84	9.1%		96.5%		41.6%		32.6%		Negative		Negative		20.3%		3.2%	
1980/85	8.4%		193.5%													

N.A. = Not Available
+Pursuant to the Asian Development Bank's Articles, 10% of the Bank's unimpaired "paid-in" capital is set aside to be used as a part of the Special Funds of the Bank. See Note H to the 1984 Financial Statements.
1. Financial information, including adjustments, presented as reported.
2. Sources: Annual Reports and various prospectuses.
3. For the European Investment Bank, 1979 and 1980 financial information, including adjustments, was taken from June 1981 Yen prospectus.
*Financial statistics for the African Development Bank were converted, by the Bank's accountants, from Units of Account to U.S. dollars at year-end prevailing rates provided by the Bank.

AAA/Aaa/AAA ASIAN DEVELOPMENT BANK (Year Ended 12/31)				AAA/Aaa/AAA INTER-AMERICAN DEVELOPMENT BANK (Year Ended 12/31)							
				Capital Resources							
Ordinary Capital Resources		Technical Assistance Special Fund Resources	Asian Development Fund	Ordinary Capital		Inter-Regional Capital		Total Ordinary & Inter-Regional Capital		Fund for Special Operations	
(Expressed in thousands of U.S. dollars)				(Expressed in thousands of U.S. dollars)							
Capital Stock Subscribed (Paid-In plus Callable)		Capital Stock Subscribed (Paid-In plus Callable)	Capital Stock Subscribed (Paid-In plus Callable)	Capital Stock Subscribed (Paid-In plus Callable)		Capital Stock Subscribed (Paid-In plus Callable)		Capital Stock Subscribed (Paid-In plus Callable)		Capital Stock Subscribed (Paid-In plus Callable)	
$	Index			$	Index	$	Index	$	Index	$	Index
$ 2,770,274	100			$ 5,954,298	100	–	–	$ 5,954,298	100	$4,393,898	100
3,201,544	116			5,964,957	100	–	–	5,964,957	100	4,394,674	100
3,688,391	133			6,905,724	116	$ 558,211	100	7,463,935	125	5,743,202	131
6,960,941	251			7,860,653	132	1,162,674	208	9,023,327	152	5,904,626	134
8,740,757	316			9,651,120	162	1,915,661	343	11,566,781	194	5,905,952	134
8,861,139	320	None	None	9,652,568	162	1,932,562	346	11,585,130	195	5,907,380	134
8,828,056	319			11,773,186	198	3,371,030	604	15,144,216	254	7,669,297	175
8,296,788	299			11,782,656	198	3,395,313	608	15,177,969	255	7,670,948	175
7,898,676	285			13,353,508	224	5,876,182	1,053	19,229,690	323	7,672,977	175
11,509,959	415			13,605,742	229	7,820,542	1,401	21,426,284	360	8,211,323	187
14,058,061	507			13,609,639	229	10,926,599	1,957	24,536,238	412	8,305,063	189
17.9%		–	–	9.6%		–		17.0%		7.3%	
12.3%		–	–	3.7%		34.2%		12.8%		2.0%	

Capital Stock Paid-In+		Capital Stock Paid-In	Capital Stock Paid-In	Capital Stock Paid-In		Capital Stock Paid-In		Capital Stock Paid-In		Capital Stock Paid-In
$	Index			$	Index	$	Index	$	Index	
$ 932,110	100			$ 972,378	100	–	–	$ 972,378	100	
1,055,641	113			983,037	101	–	–	983,037	101	
1,182,476	127			1,041,279	107	$ 85,095	100	1,126,374	116	
1,509,771	162			1,097,567	113	184,848	217	1,282,415	132	
1,754,154	188			1,153,324	119	241,896	284	1,395,220	143	
1,776,011	191	None	None	1,154,772	119	242,777	285	1,397,549	144	Not Available
1,744,403	187			1,198,116	123	467,181	549	1,665,297	171	
1,616,053	173			1,200,456	123	473,019	556	1,673,475	172	
1,535,232	165			1,242,908	128	725,000	852	1,967,908	202	
1,657,730	178			1,250,411	129	833,812	980	2,084,223	214	
1,716,153	184			1,251,304	129	973,579	1,144	2,224,883	229	
5.5%		–	–	2.7%		–		9.5%		–
Negative		–	–	1.1%		20.1%		7.5%		–

Capital Stock Callable		Capital Stock Callable	Capital Stock Callable	Capital Stock Callable		Capital Stock Callable		Capital Stock Callable		Capital Stock Callable
$	Index			$	Index	$	Index	$	Index	
$ 1,838,164	100			$ 4,981,920	100	–	–	$ 4,981,920	100	
2,145,904	117			4,981,920	100	–	–	4,981,920	100	
2,505,915	136			5,864,445	118	$ 473,116	100	6,337,561	127	
5,451,170	297			6,763,086	136	977,826	207	7,740,912	155	
6,986,603	380			8,497,796	171	1,673,765	354	10,171,561	204	
7,085,128	385	None	None	8,497,796	171	1,689,785	357	10,187,581	204	Not Available
7,083,653	385			10,575,070	212	2,903,849	614	13,478,919	271	
6,680,735	363			10,582,200	212	2,922,294	618	13,504,494	271	
6,363,444	346			12,110,600	243	5,151,182	1,089	17,261,782	346	
9,852,229	536			12,355,331	248	6,986,730	1,477	19,342,061	388	
12,341,908	671			12,358,335	248	9,953,020	2,104	22,311,355	448	
21.5%		–	–	10.6%		–		18.1%		–
14.9%		–	–	4.0%		36.1%		13.4%		–

**From 1974 to 1984, the amount due ("paid-in") of the African Development Bank's paid-up capital stock was the following in each respective year (presented in U.A. and U.S. dollars): (UA141,838; $171,106), (UA169,334; $204,276), (UA189,515; $228,621), (UA227,787; $276,695), (UA279,416; $364,020), (UA290,092; $382,147), (UA299,763; $382,320), (UA340,802; $396,679), (UA406,092; $447,964), (UA604,048; $632,408), and (UA782,848; $767,355).

Kidder, Peabody & Co.
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MULTILATERAL DEVELOPMENT BANKS COMPARATIVE STATISTICS (continued) 1974-1985 (Table 7 of 15)

Latest Rating Fitch/Moody's/Standard & Poor's

	AAA/Aaa/AAA THE WORLD BANK (Year Ended 6/30)				AAA/Aaa/AA AFRICAN DEVELOPMENT BANK (Year Ended 12/31)								–/Aaa/AAA EUROPEAN INVESTMENT BANK			
	International Bank for Reconstruction & Development		International Development Association		Ordinary Capital Resources				African Development Fund				As Stated (Expressed in Thousands of European U.A.)		As Restated (Year-End Conversion Rates) (Expressed in Thousands of United States Dollars)	
	(Expressed in thousands of U.S. dollars)				(Expressed in thousands of U.A. and U.S. dollars)*								(Year Ended 12/31)			
	(Cum. Earnings) Capital: Total Reserves		(Cum. Earnings) Capital: Total Reserves		(Cum. Earnings) Capital: Total Reserves		(Cum. Earnings) Capital: Total Reserves		(Cum. Earnings) Capital: Total Reserves		(Cum. Earnings) Capital: Total Reserves		(Cum. Earnings) Capital: Total Reserves		(Cum. Earnings) Capital: Total Reserves	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$1,896,499	100	$ 899,916	100	23,856	100	$ 28,778	100	N.A.	–	N.A.	–	309,110	100	$ 387,921	100
1975	2,077,057	110	997,331	111	33,482	140	40,391	140	N.A.	–	N.A.	–	368,505	119	429,412	111
1976	2,035,941	107	1,095,065	122	43,648	183	52,654	183	N.A.	–	N.A.	–	444,236	144	501,982	129
1977	2,135,090	113	1,177,031	131	60,891	255	73,965	257	9,713	100	$10,792	100	537,645	174	658,647	170
1978	2,430,311	128	1,224,965	136	75,878	318	98,853	344	17,074	176	20,488	190	643,154	208	885,546	228
1979	2,823,480	149	1,266,861	141	81,577	342	107,464	373	29,582	305	35,893	333	785,146	254	1,129,346	291
1980	3,368,938	178	1,306,538	145	96,581	405	123,181	428	51,560	531	60,568	561	993,856	322	1,301,584	336
1981	3,375,343	178	1,440,041	160	112,571	472	131,028	455	76,651	789	82,175	761	1,261,173	408	1,368,587	353
1982	3,683,548	194	1,447,582	161	123,967	520	136,749	475	85,931	885	87,308	809	1,627,513	527	1,574,891	406
1983	4,081,241	215	1,481,937	165	129,773	544	135,866	472	96,845	997	93,387	865	2,020,450	654	1,671,660	431
1984	4,300,768	227	1,538,849	171	163,909	687	160,665	558	78,657	810	71,013	658	2,455,269	794	1,740,653	449
1985	4,917,579	259	1,502,947	167												
Compound Average Annual Growth Rate																
1975/84	8.4%		4.9%		19.3%		16.6%		N.A.		N.A.		23.5%		16.8%	
1980/84	6.3%		4.2%		14.1%		6.9%		11.1%		4.1%		25.4%		7.5%	
1980/85	7.9%		2.8%													

	Paid-In Capital & Reserves (Stockholder's Equity)		Paid-In Capital & Reserves (Stockholder's Equity)		Paid-Up Capital & Reserves (Stockholder's Equity)		Paid-Up Capital & Reserves (Stockholder's Equity)		Paid-In Capital & Reserves (Stockholder's Equity)		Paid-In Capital & Reserves (Stockholder's Equity)		Paid-In Capital & Reserves (Stockholder's Equity)		Paid-In Capital & Reserves (Stockholder's Equity)	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$ 4,939,586	100	$ 7,462,495	100	209,436	100	$ 252,653	100	N.A.	–	N.A.	–	714,110	100	$ 896,179	100
1975	5,159,145	104	8,431,513	113	227,412	109	274,338	109	N.A.	–	N.A.	–	925,380	130	1,078,327	120
1976	5,121,998	104	9,648,213	129	300,546	144	362,562	144	N.A.	–	N.A.	–	1,001,111	140	1,131,245	126
1977	5,222,015	106	11,035,900	148	340,716	163	413,871	164	308,295	100	$ 342,550	100	1,094,520	153	1,340,853	150
1978	5,734,861	116	14,139,003	189	376,108	180	489,990	194	430,088	140	516,079	151	1,554,404	218	2,140,228	239
1979	6,566,405+	133	17,727,181	238	381,807	182	502,966	199	659,100	214	799,706	233	1,696,396	238	2,440,079	272
1980	7,364,831	149	20,766,240	278	414,081	198	528,124	209	928,254	301	1,090,438	318	1,905,106	267	2,494,984	278
1981	7,036,794	142	22,152,775	297	659,801	315	767,982	304	1,228,669	399	1,317,216	385	2,726,888	382	2,959,137	330
1982	7,788,847	158	25,246,567	338	1,090,357	521	1,202,783	476	1,405,870	456	1,428,395	417	3,093,228	433	2,993,215	334
1983	8,800,680	178	27,653,474	371	1,391,803	665	1,457,148	577	1,851,557	601	1,785,447	521	3,486,165	488	2,884,349	322
1984	9,269,192	188	30,393,958	407	1,440,739	688	1,412,226	559	2,267,904	736	2,047,518	598	3,920,984	549	2,779,766	310
1985	10,060,547	204	32,775,688	439												
Compound Average Annual Growth Rate																
1975/84	6.7%		15.3%		22.8%		20.0%		N.A.		N.A.		17.4%		11.1%	
1980/84	5.9%		10.0%		36.6%		27.9%		25.0%		17.1%		19.8%		2.7%	
1980/85	6.4%		9.6%													

	Total Equity Capital: Subscribed & Reserves		Total Equity Capital: Subscribed & Reserves		Total Equity Capital: Subscribed & Reserves		Total Equity Capital: Subscribed & Reserves		Total Equity Capital: Subscribed & Reserves		Total Equity Capital: Subscribed & Reserves		Total Equity Capital: Subscribed & Reserves		Total Equity Capital: Subscribed & Reserves	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$32,327,366	100	$ 7,632,428	100	395,016	100	$ 476,527	100	N.A.	–	N.A.	–	2,334,110	100	$ 2,929,215	100
1975	32,897,936	102	11,771,108	154	421,342	107	508,286	107	N.A.	–	N.A.	–	3,912,255	168	4,558,873	156
1976	32,896,509	102	11,657,114	153	662,778	168	799,541	168	N.A.	–	N.A.	–	3,987,986	171	4,506,384	154
1977	33,004,343	102	11,907,579	156	770,731	195	936,215	196	408,642	100	$ 454,046	100	4,081,395	175	4,999,954	171
1978	35,475,809	110	18,123,028	237	866,338	219	1,128,656	237	425,003	104	509,978	112	7,730,654	331	10,644,183	363
1979	40,252,727	125	19,692,405	258	1,282,497	325	1,689,472	355	979,600	240	1,188,577	262	7,872,646	337	11,323,935	387
1980	43,327,867	134	20,788,460	272	1,366,581	346	1,742,952	366	1,185,578	290	1,392,721	307	8,081,356	346	10,583,586	361
1981	39,989,851	124	22,399,643	293	2,301,491	583	2,678,843	562	1,243,669	304	1,333,297	294	15,661,173	671	16,995,035	580
1982	46,848,218	145	30,058,987	394	3,989,527	1,010	4,400,887	924	1,847,469	452	1,877,069	413	16,027,513	687	15,509,295	529
1983	56,169,821	174	29,770,924	390	5,177,893	1,311	5,420,995	1,138	2,316,736	567	2,234,017	492	16,420,450	703	13,585,788	464
1984	60,311,352	187	30,725,310	403	5,271,229	1,334	5,166,911	1,084	2,353,568	576	2,124,857	468	16,855,269	722	11,949,476	408
1985	63,763,848	197	37,617,858	493												
Compound Average Annual Growth Rate																
1975/84	7.0%		11.2%		32.4%		29.4%		N.A.		N.A.		17.6%		11.3%	
1980/84	8.6%		10.3%		40.1%		31.2%		18.7%		11.1%		20.2%		3.1%	
1980/85	8.0%		12.6%													

N.A. = Not Available

+Pursuant to the Asian Development Bank's Articles, 10% of the Bank's unimpaired "paid-in" capital is set aside to be used as part of the Special Funds of the Bank. See Note H to the 1984 Financial Statements.

1. Financial information, including adjustments, presented as reported.
2. Sources: Annual Reports and various prospectuses.
3. For the European Investment Bank, 1979 and 1980 financial information, including adjustments, was taken from June 1981 Yen prospectus.

*Financial statistics for the African Development Bank were converted, by the Bank's accountants, from Units of Account to U.S. dollars at year-end prevailing rates provided by the Bank.

AAA/Aaa/AAA ASIAN DEVELOPMENT BANK

(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

Ordinary Capital Resources		Technical Assistance Special Fund Resources	Asian Development Fund
(Cum. Earnings) Capital: Total Reserves		*(Cum. Earnings) Capital: Total Reserves*	*(Cum. Earnings) Capital: Total Reserves*
$	Index		
$ 25,845	100	None	None
55,132	213		
110,535	428		
237,141	918		
299,306	1,158		
380,526	1,472		
546,551	2,115		
692,190	2,678		
844,438	3,267		
1,006,609	3,895		
1,187,651	4,595		
40.7%			
21.4%			

Ordinary Capital Resources		Technical Assistance Special Fund Resources		Asian Development Fund	
Paid-In Capital & Reserves (Stockholder's Equity)+		*Paid-In Capital & Reserves (Stockholder's Equity)*		*Paid-In Capital & Reserves (Stockholder's Equity)*	
$	Index	$	Index	$	Index
$ 957,955	100	$ 9,047	100	$ 217,767	100
1,110,773	116	9,068	100	648,815	298
1,293,011	135	10,967	121	898,184	412
1,746,912	182	16,105	178	1,260,262	579
2,053,460	214	21,489	238	1,833,319	842
2,156,537	225	17,293	191	2,223,936	1,021
2,290,954	239	18,140	201	3,056,902	1,404
2,308,243	241	15,676	173	3,247,481	1,491
2,379,670	248	16,562	183	3,616,938	1,661
2,664,339	278	14,331	158	4,207,584	1,932
2,903,804	303	9,047	100	4,615,593	2,120
11.3%		0.0%		24.4%	
6.1%		Negative		10.9	

Ordinary Capital Resources		Technical Assistance Special Fund Resources	Asian Development Fund
Total Equity Capital Subscribed & Reserves		*Total Equity Capital Subscribed & Reserves*	*Total Equity Capital Subscribed & Reserves*
$	Index		
$ 2,796,119	100	None	None
3,256,676	116		
3,798,926	136		
7,198,082	257		
9,040,063	323		
9,241,665	331		
9,374,607	335		
8,988,978	321		
8,743,114	313		
12,516,568	448		
15,245,712	545		
18.7%			
12.9%			

AAA/Aaa/AAA INTER-AMERICAN DEVELOPMENT BANK

(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

Capital Resources: Ordinary Capital		Inter-Regional Capital		Total Ordinary & Inter-Regional Capital			
(Cum. Earnings) Capital: Total Reserves		*(Cum. Earnings) Capital: Total Reserves*		*(Cum. Earnings) Capital: Total Reserves*		*(Cum. Earnings) Capital: Total Reserves*	
$	Index	$	Index	$	Index	$	Index
$ 307,506	100	–	–	$ 307,506	100	$134,347	100
379,519	123	–	–	379,519	123	177,725	132
453,303	147	$ 34	100	453,337	147	225,484	168
546,352	178	3,465	10,191	549,817	179	273,731	204
662,105	215	14,559	42,821	676,664	220	328,224	244
808,851	263	38,003	111,774	846,854	275	391,160	291
970,368	316	74,932	220,388	1,045,300	340	449,912	335
1,139,371	371	127,508	375,024	1,266,879	412	500,821	373
1,318,813	429	173,672	510,800	1,492,485	485	552,060	411
1,487,331	484	204,576	601,694	1,691,907	550	536,211	399
1,653,468	538	269,803	793,538	1,923,271	625	457,503	341
17.8%		–		19.8%		11.1%	
14.3%		37.8%		16.5%		0.4%	

Ordinary Capital		Inter-Regional Capital		Total Ordinary & Inter-Regional Capital			
Paid-In Capital & Reserves (Stockholder's Equity)		*Paid-In Capital & Reserves (Stockholder's Equity)*		*Paid-In Capital & Reserves (Stockholder's Equity)*		*Paid-In Capital & Reserves (Stockholder's Equity)*	
$	Index	$	Index	$	Index	$	Index
$1,279,884	100	–	–	$1,279,884	100	$134,347	100
1,362,556	106	–	–	1,362,556	106	177,725	132
1,494,582	117	$ 85,129	100	1,579,711	123	225,484	168
1,643,919	128	188,313	221	1,832,232	143	273,731	204
1,815,429	142	256,455	301	2,071,884	162	328,224	244
1,963,623	153	280,780	330	2,244,403	175	391,160	291
2,168,484	169	542,113	637	2,710,597	212	449,912	335
2,339,827	183	600,527	705	2,940,354	230	500,821	373
2,561,721	200	898,672	1,056	3,460,393	270	552,060	411
2,737,742	214	1,038,388	1,220	3,776,130	295	536,211	399
2,904,772	227	1,243,382	1,461	4,148,154	324	457,503	341
8.8%		–		13.2%		11.1%	
7.6%		23.1%		11.2%		0.4%	

Ordinary Capital		Inter-Regional Capital		Total Ordinary & Inter-Regional Capital			
Total Equity Capital Subscribed & Reserves		*Total Equity Capital Subscribed & Reserves*		*Total Equiy Capital Subscribed & Reserves*		*Total Equity Capital Subscribed & Reserves*	
$	Index	$	Index	$	Index	$	Index
$ 6,261,804	100	–	–	$ 6,261,804	100	$4,528,245	100
6,344,476	101	–	–	6,344,476	101	4,572,399	101
7,359,027	118	$ 558,245	100	7,917,272	126	5,968,686	132
8,407,005	134	1,166,139	209	9,573,144	153	6,178,357	136
10,313,225	165	1,930,220	346	12,243,445	196	6,234,176	138
10,461,419	167	1,970,565	353	12,431,984	199	6,298,540	139
12,743,554	204	3,445,962	617	16,189,516	259	8,119,209	179
12,922,027	206	3,522,821	631	16,444,848	263	8,171,769	180
14,672,321	234	6,049,854	1,084	20,722,175	331	8,225,037	182
15,093,073	241	8,025,118	1,438	23,118,191	369	8,747,534	193
15,263,107	244	11,196,402	2,006	26,459,509	423	8,762,566	194
10.2%		–		17.2%		7.5%	
4.6%		34.3%		13.1%		1.9%	

Kidder, Peabody & Co.
Incorporated

MULTILATERAL DEVELOPMENT BANKS
COMPARATIVE STATISTICS (continued)
1974-1985 (Table 8 of 15)

Latest Rating Fitch/Moody's/Standard & Poor's	AAA/Aaa/AAA THE WORLD BANK				AAA/Aaa/AA AFRICAN DEVELOPMENT BANK								–/Aaa/AAA EUROPEAN INVESTMENT BANK			
	(Year Ended 6/30)				*(Year Ended 12/31)*											
	International Bank for Reconstruction & Development		*International Development Association*		*Ordinary Capital Resources*				*African Development Fund*				*As Stated (Expressed in Thousands of European U.A.)*		*As Restated (Year-End Conversion Rates) (Expressed in Thousands of United States Dollars)*	
	(Expressed in thousands of U.S. dollars)				*(Expressed in thousands of U.A. and U.S. dollars)**								*(Year Ended 12/31)*			
	Paid-In + Reserves + Funded Debt (Net) Total Capitalization		*Paid-In + Reserves + Funded Debt (Net) Total Capitalization*		*Paid-Up + Reserves + Funded Debt (Net) Total Capitalization*		*Paid-Up + Reserves + Funded Debt (Net) Total Capitalization*		*Paid-In + Reserves + Funded Debt (Net) Total Capitalization*		*Paid-In + Reserves + Funded Debt (Net) Total Capitalization*		*Paid-In + Reserves + Funded Debt (Net) Total Capitalization*		*Paid-In + Reserves + Funded Debt (Net) Total Capitalization*	
	$	*Index*	*$*	*Index*	*U.A.*	*Index*	*$*	*Index*	*F.U.A.*	*Index*	*$*	*Index*	*E.C.U.*	*Index*	*$*	*Index*
1974	$14,575,532	100	$ 7,523,162	100	209,436	100	$ 252,653	100	N.A.	–	N.A.	–	3,837,954	100	$ 4,816,479	100
1975	17,434,166	120	8,504,240	113	246,795	118	297,720	118	N.A.	–	N.A.	–	4,851,389	126	5,653,227	117
1976	19,757,718	136	9,721,808	129	387,504	185	467,463	185	N.A.	–	N.A.	–	5,732,919	149	6,478,141	134
1977	23,681,490	162	11,109,857	148	473,995	226	575,767	228	308,295	100	$ 342,549	100	6,515,040	170	7,981,315	166
1978	28,316,298	194	14,237,143	189	529,350	253	689,632	273	430,088	140	516,079	151	8,269,551	215	11,386,179	236
1979	32,819,208	225	17,836,609	237	768,714	367	1,012,651	401	659,100	214	799,706	233	10,243,456	267	14,734,085	306
1980	37,000,148	254	20,878,369	278	737,681	352	940,847	372	928,254	301	1,090,438	318	12,509,267	326	16,382,511	340
1981	34,793,491	239	22,152,775	294	981,993	469	1,143,001	452	1,228,669	399	1,317,216	385	16,208,709	422	17,589,205	365
1982	39,549,765	271	25,246,567	336	1,459,675	697	1,610,181	637	1,405,807	456	1,428,395	417	19,663,381	512	19,027,605	395
1983	46,627,689	320	27,653,474	368	1,797,509	858	1,881,902	745	1,851,557	601	1,785,447	521	24,235,298	631	20,051,559	416
1984	51,478,501	353	30,393,958	404	2,252,229	1,075	2,207,657	874	2,267,904	736	2,047,518	598	28,928,017	754	20,508,402	426
1985	56,852,029	390	32,775,688	436												
Compound Average Annual Growth Rate																
1975/84	12.8%		15.2%		27.8%		24.9%		N.A.		N.A.		21.9%		15.4%	
1980/84	8.6%		9.8%		32.2%		23.8%		25.0%		17.1%		23.3%		5.8%	
1980/85	9.0%		9.4%													
	Investment Assets		*Investment Assets*		*Investment Assets*		*Investment Assets*		*Investment Assets*		*Investment Assets*		*Investment Assets*		*Investment Assets*	
	$	*Index*	*$*	*Index*	*U.A.*	*Index*	*$*	*Index*	*F.U.A.*	*Index*	*$*	*Index*	*E.C.U.*	*Index*	*$*	*Index*
1974	$ 3,698,529	100	$464,080	100	79,308	100	$ 95,673	100	N.A.	–	N.A.	–	114,005	100	$143,072	100
1975	4,790,612	130	272,283	59	80,786	102	97,456	102	N.A.	–	N.A.	–	152,236	134	177,398	124
1976	6,271,831	170	212,469	46	132,969	168	160,408	168	N.A.	–	N.A.	–	202,619	178	228,957	160
1977	7,794,442	211	165,354	36	158,738	200	192,821	202	187,922	100	$208,802	100	241,703	212	296,101	207
1978	8,705,757	235	205,386	44	139,827	176	182,165	190	247,990	132	297,572	143	251,831	221	346,741	242
1979	9,707,221	262	160,685	35	304,653	384	401,329	419	282,308	150	342,532	164	326,444	286	469,554	328
1980	9,676,840	262	96,116	21	195,076	246	248,802	260	325,464	173	382,329	183	279,459	245	365,988	256
1981	8,107,771	219	82,942	18	164,092	207	190,996	200	329,739	175	353,502	169	317,898	279	344,973	241
1982	8,690,256	235	113,726	25	126,198	159	139,210	146	291,542	155	296,213	142	422,867	371	409,194	286
1983	12,842,111	347	63,110	14	138,656	175	145,166	152	288,271	153	277,978	133	546,356	479	452,039	316
1984	15,574,434	421	164,427	35	576,445	727	565,038	591	331,918	177	299,663	144	625,183	548	443,221	310
1985	19,776,795	535	233,162	50												
Compound Average Annual Growth Rate																
1975/84	14.0%		Negative		24.4%		21.6%		N.A.		N.A.		17.0%		10.7%	
1980/84	12.6%		14.4%		31.1%		22.8%		0.5%		Negative		22.3%		4.9%	
1980/85	15.4%		19.4%													
	Cash Assets		*Cash Assets*		*Cash Assets*		*Cash Assets*		*Cash Assets*		*Cash Assets*		*Cash Assets*		*Cash Assets*	
	$	*Index*	*$*	*Index*	*U.A.*	*Index*	*$*	*Index*	*F.U.A.*	*Index*	*$*	*Index*	*E.C.U.*	*Index*	*$*	*Index*
1974	$154,041	100	$181,854	100	4,447	100	$ 5,365	100	N.A.	–	N.A.	–	440,910	100	$ 553,324	100
1975	153,206	99	376,028	207	11,273	253	13,599	253	N.A.	–	N.A.	–	337,457	77	393,232	71
1976	190,853	124	487,920	268	13,062	294	15,758	294	N.A.	–	N.A.	–	337,305	77	381,151	69
1977	221,219	144	507,429	279	11,146	251	13,539	252	17,716	100	$19,684	100	336,765	76	412,557	75
1978	275,115	179	575,782	317	15,369	346	20,022	373	22,303	126	26,762	136	416,018	94	572,807	104
1979	299,665	195	683,253	376	22,671	510	29,865	557	34,955	197	42,412	215	793,129	180	1,140,829	206
1980	534,090	347	390,106	215	19,069	429	24,321	453	47,349	267	55,622	283	737,649	167	966,047	175
1981	556,620	361	459,278	253	35,852	806	41,730	778	56,336	318	60,396	307	1,117,190	253	1,212,341	219
1982	577,483	375	397,327	218	38,196	859	42,135	785	91,914	519	93,386	474	1,286,038	292	1,244,457	225
1983	652,685	424	345,833	190	68,410	1,538	71,621	1,335	58,027	328	55,955	284	1,974,439	448	1,633,592	295
1984	460,998	299	544,858	300	82,835	1,863	81,195	1,513	97,995	553	88,472	449	1,516,491	344	1,075,110	194
1985	356,325	231	452,666	249												
Compound Average Annual Growth Rate																
1975/84	13.0%		4.2%		24.8%		22.0%		N.A.		N.A.		18.2%		11.8%	
1980/84	Negative		8.7%		44.4%		35.2%		19.9%		12.3%		19.7%		2.7%	
1980/85	Negative		3.0%													

N.A. = Not Available
1. Financial information, including adjustments, presented as reported.
2. Sources: Annual Reports and various prospectuses.
3. For the European Investment Bank, 1979 and 1980 financial information, including adjustments, was taken from June 1981 Yen prospectus.
*Financial statistics for the African Development Bank were converted, by the Bank's accountants, from Units of Account to U.S. dollars at year-end prevailing rates provided by the Bank.

AAA/Aaa/AAA
ASIAN DEVELOPMENT BANK
(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

Ordinary Capital Resources		*Technical Assistance Special Fund Resources*		*Asian Development Fund*	
Paid-In + Reserves + Funded Debt (Net) Total Capitalization		*Paid-In + Reserves + Funded Debt (Net) Total Capitalization*		*Paid-In + Reserves + Funded Debt (Net) Total Capitalization*	
$	*Index*	*$*	*Index*	*$*	*Index*
$1,239,190	100	$ 9,047	100	$ 217,767	100
1,639,078	132	9,068	100	648,815	298
2,375,171	192	10,967	121	898,184	412
2,950,008	238	16,105	178	1,260,262	579
3,661,476	295	21,489	238	1,833,319	842
3,931,303	317	17,293	191	2,223,936	1,021
4,160,744	336	18,140	201	3,056,902	1,404
4,573,452	369	15,676	173	3,247,481	1,491
5,180,383	418	16,562	183	3,616,938	1,661
6,081,929	491	14,331	158	4,207,584	1,932
6,772,168	546	9,047	100	4,615,593	2,120
17.1%		0.0%		24.4%	
13.0%		Negative		10.9%	
Investment Assets		*Investment Assets*		*Investment Assets*	
$	*Index*	*$*	*Index*	*$*	*Index*
$ 372,090	100	$ 7,749	100	$ 14,888	100
517,052	139	7,534	97	104,302	701
1,025,191	276	9,700	125	145,512	977
1,037,282	279	15,373	198	244,918	1,645
1,261,000	339	19,846	256	289,656	1,946
1,373,467	369	16,766	216	350,204	2,352
1,393,144	374	17,959	232	384,012	2,579
1,670,140	449	15,643	202	396,562	2,664
1,957,283	526	15,090	195	441,980	2,969
2,282,579	613	14,894	192	398,855	2,679
2,655,533	714	13,419	173	320,387	2,152
19.9%		6.6%		13.3%	
17.5%		Negative		Negative	
Cash Assets		*Cash Assets*		*Cash Assets*	
$	*Index*	*$*	*Index*	*$*	*Index*
$21,491	100	$ 830	100	$ 2,592	100
34,147	159	1,099	132	7,437	287
48,913	228	969	117	32,314	1,247
59,514	277	315	38	11,452	442
57,023	265	575	69	9,570	369
62,139	289	922	111	4,142	160
64,422	300	1,201	145	4,674	180
58,776	273	1,266	153	4,855	187
53,044	247	1,627	196	4,174	161
55,898	260	766	92	7,564	292
83,829	390	1,680	202	7,722	298
10.5%		4.8%		0.4%	
6.8%		8.8%		13.4%	

AAA/Aaa/AAA
INTER-AMERICAN DEVELOPMENT BANK
(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

Capital Resources							
Ordinary Capital		*Inter-Regional Capital*		*Total Ordinary & Inter-Regional Capital*		*Fund for Special Operations*	
Paid-In + Reserves + Funded Debt (Net) Total Capitalization		*Paid-In + Reserves + Funded Debt (Net) Total Capitalization*		*Paid-In + Reserves + Funded Debt (Net) Total Capitalization*		*Paid-In + Reserves + Funded Debt (Net) Total Capitalization*	
$	*Index*	*$*	*Index*	*$*	*Index*		
$2,620,091	100	–	–	$ 2,620,091	100		
2,935,653	112	–	–	2,935,653	112		
3,557,131	136	$ 85,129	100	3,642,260	139		
4,015,061	153	193,075	227	4,208,136	161		
4,390,653	168	375,988	442	4,766,641	182		
4,428,964	169	715,861	841	5,144,825	196	None	
4,432,805	169	1,307,504	1,536	5,740,309	219		
4,382,498	167	2,024,883	2,379	6,407,381	245		
4,563,754	174	3,138,138	3,686	7,701,892	294		
5,213,850	199	3,727,879	4,379	8,941,729	341		
5,389,763	206	4,870,736	5,722	10,260,499	392		
7.0%		–		14.9%		–	
5.0%		38.9%		15.6%		–	
Investment Assets		*Investment Assets*		*Investment Assets*		*Investment Assets*	
$	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*
$ 758,330	100	–	–	$ 758,330	100	$ 99,353	100
921,434	122	–	–	921,434	122	114,042	115
1,370,658	181	$ 16,171	100	1,386,829	183	186,072	187
1,477,955	195	57,371	355	1,535,326	202	252,025	254
1,330,518	175	120,541	745	1,451,059	191	342,988	345
1,193,751	157	286,440	1,771	1,480,191	195	388,881	391
1,040,024	137	481,599	2,978	1,521,623	201	393,442	396
901,339	119	846,706	5,236	1,748,045	231	430,707	434
937,546	124	1,244,346	7,695	2,181,892	288	396,672	399
1,486,439	196	1,193,088	7,378	2,679,527	353	295,900	298
1,571,346	207	1,280,234	7,917	2,851,580	376	372,920	375
6.1%		–		13.4%		14.1%	
10.9%		27.7%		17.0%		Negative	
Cash Assets		*Cash Assets*		*Cash Assets*		*Cash Assets*	
$	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*
$128,251	100	–	–	$128,251	100	$534,370	100
126,856	99	–	–	126,856	99	522,701	98
106,885	83	$ 4,059	100	110,944	87	606,915	114
117,422	92	1,215	30	118,637	93	627,016	117
130,451	102	409	10	130,860	102	719,939	135
137,265	107	2,963	73	140,228	109	728,339	136
176,348	138	14,932	368	191,280	149	795,366	149
193,918	151	31,032	765	224,950	175	812,884	152
207,919	162	47,272	1,165	255,191	199	853,926	160
208,579	163	7,769	191	216,348	169	843,764	158
219,464	171	6,950	171	226,414	177	831,544	156
6.3%		–		6.6%		5.3%	
5.6%		Negative		4.3%		1.1%	

MULTILATERAL DEVELOPMENT BANKS COMPARATIVE STATISTICS (continued)
1974-1985 (Table 9 of 15)

Latest Rating
Fitch/Moody's/Standard & Poor's

	AAA/Aaa/AAA THE WORLD BANK *(Year Ended 6/30)*				AAA/Aaa/AA AFRICAN DEVELOPMENT BANK *(Year Ended 12/31)*								–/Aaa/AAA EUROPEAN INVESTMENT BANK			
	International Bank for Reconstruction & Development		*International Development Association*		*Ordinary Capital Resources*				*African Development Fund*				*As Stated (Expressed in Thousands of European U.A.)*		*As Restated (Year-End Conversion Rates) (Expressed in Thousands of United States Dollars)*	
	(Expressed in thousands of U.S. dollars)				*(Expressed in thousands of U.A. and U.S. dollars)**								*(Year Ended 12/31)*			
	Assets: Cash & Investments		*Assets: Cash & Investments*		*Assets: Cash & Investments*		*Assets Cash & Investments*		*Assets: Cash & Investments*		*Assets: Cash & Investments*		*Assets: Cash & Investments*		*Assets: Cash & Investments*	
	$	*Index*	*$*	*Index*	*U.A.*	*Index*	*$*	*Index*	*F.U.A.*	*Index*	*$*	*Index*	*E.C.U.*	*Index*	*$*	*Index*
1974	$ 3,852,570	100	$645,934	100	83,755	100	$101,038	100	N.A.	–	N.A.	–	554,915	100	$ 696,396	100
1975	4,943,818	128	648,311	100	92,059	110	111,055	110	N.A.	–	N.A.	–	489,693	88	570,629	82
1976	6,462,684	168	700,389	108	146,031	174	176,166	174	N.A.	–	N.A.	–	539,924	97	610,109	88
1977	8,015,661	208	672,783	104	169,884	203	206,360	204	205,638	100	$228,486	100	578,468	104	708,658	102
1978	8,980,872	233	781,168	121	155,196	185	202,187	200	270,293	131	324,334	142	667,849	120	919,548	132
1979	10,006,886	260	843,938	131	327,324	391	431,194	427	317,263	154	384,944	168	1,119,573	202	1,610,383	231
1980	10,210,930	265	486,222	75	214,145	256	273,123	270	372,813	181	437,951	192	1,017,108	183	1,332,035	191
1981	8,664,391	225	542,220	84	199,944	239	232,726	230	386,075	188	413,898	181	1,435,088	259	1,557,314	224
1982	9,267,739	241	511,053	79	164,394	196	181,345	179	383,455	186	389,599	171	1,708,905	308	1,653,651	237
1983	13,494,769	350	408,943	63	207,066	247	216,787	215	346,298	168	333,933	146	2,520,795	454	2,085,631	299
1984	16,035,432	416	709,285	110	659,280	787	646,233	640	429,913	209	388,135	170	2,141,674	386	1,518,331	218
1985	20,133,120	523	685,828	106												
Compound Average Annual Growth Rate																
1975/84	14.0%		1.0%		24.5%		21.6%		N.A.		N.A.		17.8%		11.5%	
1980/84	11.9%		9.9%		32.5%		24.0%		3.6%		Negative		20.5%		3.3%	
1980/85	14.5%		7.1%													
	(Disbursed) Total Loans Outstanding		*(Disbursed) Total Loans Outstanding*		*(Disbursed) Total Loans Outstanding*		*(Disbursed) Total Loans Outstanding*		*(Disbursed) Total Loans Outstanding*		*(Disbursed) Total Loans Outstanding*		*(Disbursed) Total Loans Outstanding*		*(Disbursed) Total Loans Outstanding*	
	$	*Index*	*$*	*Index*	*U.A.*	*Index*	*$*	*Index*	*F.U.A.*	*Index*	*$*	*Index*	*E.C.U.*	*Index*	*$*	*Index*
1974	$10,443,953	100	$ 3,913,129	100	57,421	100	$ 69,269	100	N.A.	–	N.A.	–	3,239,857	100	$ 4,065,891	100
1975	12,164,089	116	4,916,639	126	94,859	165	114,433	165	N.A.	–	N.A.	–	4,178,745	129	4,869,408	120
1976	13,503,005	129	6,150,548	157	131,095	228	158,146	228	N.A.	–	N.A.	–	5,072,121	157	5,731,446	141
1977	15,695,359	150	7,427,334	190	185,327	323	225,118	325	36,741	100	$ 40,823	100	5,840,661	180	7,155,160	176
1978	19,303,665	185	8,468,460	216	249,286	434	324,767	469	69,396	189	83,271	204	7,088,024	219	9,759,358	240
1979	22,833,346	219	9,664,951	247	319,232	556	420,534	607	114,746	312	139,225	341	8,830,497	273	12,701,699	312
1980	26,693,595+	256	11,038,732	282	395,549	689	504,487	728	196,288	534	230,583	565	11,413,366	352	14,947,287	368
1981	25,957,811	249	12,876,410	329	455,804	794	530,537	766	280,643	764	300,869	737	14,653,185	452	15,901,197	391
1982	29,167,535	279	14,876,634	380	560,127	975	617,882	892	400,871	1,091	407,294	998	18,181,885	561	17,594,010	433
1983	33,747,403	323	17,368,395	444	698,859	1,217	731,671	1,056	564,370	1,536	544,219	1,333	22,558,003	696	18,663,815	459
1984	37,840,388	362	19,723,210	504	811,327	1,413	795,271	1,148	688,174	1,873	621,300	1,522	27,695,742	855	19,634,786	483
1985	41,382,078	396	21.995,397	562												
Compound Average Annual Growth Rate																
1975/84	13.4%		16.7%		26.9%		24.0%		N.A.		N.A.		23.4%		16.8%	
1980/84	9.1%		15.6%		19.7%		12.1%		36.8%		28.1%		24.8%		7.1%	
1980/85	9.2%		14.8%													
	*Loans: Undisbursed Balance***		*Loans: Undisbursed Balance*		*Loans: Undisbursed Balance*		*Loans: Undisbursed Balance*		*Loans: Undisbursed Balance*		*Loans: Undisbursed Balance*		*Loans: Undisbursed Balance*		*Loans: Undisbursed Balance*	
	$	*Index*	*$*	*Index*	*U.A.*	*Index*	*$*	*Index*	*F.U.A.*	*Index*	*$*	*Index*	*E.C.U.*	*Index*	*$*	*Index*
1974	$ 8,023,497	100	$ 3,336,630	100	118,127	100	$ 142,502	100	N.A.	–	N.A.	–	361,045	100	$ 453,097	100
1975	10,158,402	127	3,878,100	116	165,414	140	199,547	140	N.A.	–	N.A.	–	264,809	73	308,577	68
1976	12,588,209	157	4,273,400	128	197,894	168	238,729	168	N.A.	–	N.A.	–	413,302	114	467,027	103
1977	15,390,063	192	4,279,893	128	263,755	223	320,386	225	288,317	100	$ 320,352	100	685,612	190	839,916	185
1978	18,492,563	230	5,490,118	165	350,123	296	456,137	320	406,578	141	487,868	152	778,367	216	1,071,718	237
1979	21,826,778	272	7,272,327	218	476,313	403	627,461	440	547,792	190	664,652	207	1,058,353	293	1,522,324	336
1980	24,853,145+	310	9,683,008	290	616,951	522	786,865	552	696,078	241	817,696	255	1,312,773	364	1,719,247	379
1981	28,132,677	351	10,965,303	329	803,902	681	935,710	657	886,912	308	950,830	297	1,486,910	412	1,613,550	356
1982	31,984,211	399	11,242,812	337	1,012,680	857	1,117,097	784	1,109,068	385	1,126,837	352	1,712,340	474	1,656,975	366
1983	36,072,944	450	11,695,241	351	1,363,011	1,154	1,427,004	1,001	1,282,519	445	1,236,727	386	2,090,156	579	1,729,332	382
1984	38,525,100	480	11,833,752	355	1,637,485	1,386	1,605,080	1,126	1,521,595	528	1,373,733	429	2,496,299	691	1,769,741	391
1985	40,200,964	501	12,001,904	360												
Compound Average Annual Growth Rate																
1975/84	16.0%		13.2%		29.0%		26.1%		N.A.		N.A.		28.3%		21.4%	
1980/84	11.6%		5.1%		27.6%		19.5%		21.6%		13.8%		17.4%		0.7%	
1980/85	10.1%		4.4%													

N.M. = Not Meaningful N.A. = Not Available
1. Financial information, including adjustments, presented as reported.
2. Sources: Annual Reports and various prospectuses.
3. For the European Investment Bank, 1979 and 1980 financial information, including adjustments, was taken from June 1981 Yen prospectus.
*Financial statistics for the African Development Bank were converted, by the Bank's accountants, from Units of Account to U.S. dollars at year-end prevailing rates provided by the Bank.
**Includes loans undisbursed and agreed to be sold.
+Figures reported in 1981 annual report. Figure was restated in order to reflect addition of receivables on account of effective loans agreed to be sold.

AAA/Aaa/AAA
ASIAN DEVELOPMENT BANK
(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

Ordinary Capital Resources: Assets: Cash & Investments $	Index	Technical Assistance Special Fund Resources: Assets: Cash & Investments $	Index	Asian Development Fund: Assets: Cash & Investments $	Index
$ 393,581	100	$ 8,579	100	$ 17,480	100
551,199	140	8,633	101	111,739	639
1,074,104	273	10,669	124	177,826	1,017
1,096,796	279	15,688	183	256,370	1,467
1,318,023	335	20,421	238	299,226	1,712
1,435,606	365	17,688	206	354,346	2,027
1,457,566	370	19,160	223	388,686	2,224
1,728,916	439	16,909	197	401,417	2,296
2,010,327	511	16,717	195	446,154	2,552
2,338,477	594	15,660	183	406,419	2,325
2,739,362	695	15,099	176	328,109	1,877
19.5%		6.4%		12.7%	
17.1%		Negative		Negative	

Ordinary Capital Resources: (Disbursed) Total Loans Outstanding $	Index	Technical Assistance Special Fund Resources: (Disbursed) Total Loans Outstanding	Asian Development Fund: (Disbursed) Total Loans Outstanding $	Index
$ 373,798	100		N.M.	–
617,339	165		$ 132,894	100
876,220	234		197,665	149
1,199,424	321		325,046	245
1,602,885	429		554,368	417
1,795,731	480	None	606,072	456
2,095,341	561		798,818	601
2,332,337	624		872,235	656
2,684,629	718		985,531	742
3,105,670	831		1,176,217	885
3,286,683	879		1,366,199	1,028
20.4%		–	29.6%	
11.9%		–	14.4%	

Ordinary Capital Resources: Loans: Undisbursed Balance $	Index	Technical Assistance Special Fund Resources: Loans: Undisbursed Balance	Asian Development Fund: Loans: Undisbursed Balance $	Index
$ 994,021	100		$ 177,673	100
1,200,003	121		510,246	287
1,434,542	144		682,749	384
1,744,838	176		866,627	488
2,210,391	222		1,069,874	602
2,659,228	268	None	1,352,068	761
3,141,756	316		1,677,660	944
3,734,880	376		2,055,373	1,157
4,279,195	430		2,418,344	1,361
4,701,405	473		2,871,905	1,616
5,299,221	533		3,174,047	1,786
17.9%		–	22.5%	
14.0%		–	17.3%	

AAA/Aaa/AAA
INTER-AMERICAN DEVELOPMENT BANK
(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

Capital Resources						Fund for Special Operations	
Ordinary Capital: Assets: Cash & Investments $	Index	Inter-Regional Capital: Assets: Cash & Investments $	Index	Total Ordinary & Inter-Regional Capital: Assets: Cash & Investments $	Index	Assets: Cash & Investments $	Index
$ 886,581	100	–	–	$ 886,581	100	$ 633,723	100
1,048,290	118	–	–	1,048,290	118	636,743	100
1,477,543	167	$ 20,230	100	1,497,773	169	792,987	125
1,595,377	180	58,586	290	1,653,963	187	879,041	139
1,460,969	165	120,950	598	1,581,919	178	1,062,927	168
1,331,016	150	289,403	1,431	1,620,419	183	1,117,220	176
1,216,372	137	496,531	2,454	1,712,903	193	1,188,808	188
1,095,257	124	877,738	4,339	1,972,995	223	1,243,591	196
1,145,465	129	1,291,618	6,385	2,437,083	275	1,250,598	197
1,695,018	191	1,200,857	5,936	2,895,875	327	1,139,664	180
1,790,810	202	1,287,184	6,363	3,077,994	347	1,204,464	190
6.1%		–		12.7%		7.3%	
10.2%		26.9%		15.8%		0.3%	

Ordinary Capital: (Disbursed) Total Loans Outstanding $	Index	Inter-Regional Capital: (Disbursed) Total Loans Outstanding $	Index	Total Ordinary & Inter-Regional Capital: (Disbursed) Total Loans Outstanding $	Index	Fund for Special Operations: (Disbursed) Total Loans Outstanding $	Index
$1,288,095	100	–	–	$1,288,095	100	$1,470,799	100
1,496,167	116	–	–	1,496,167	116	1,754,909	119
1,731,238	134	–	–	1,731,238	134	1,992,596	135
2,091,811	162	$ 5,065	100	2,096,876	163	2,265,889	154
2,613,196	203	115,364	2,278	2,728,560	212	2,577,541	175
2,828,670	220	330,437	6,524	3,159,107	245	2,896,972	197
2,934,531	228	559,528	11,047	3,494,059	271	3,231,317	220
3,037,431	236	919,302	18,150	3,956,733	307	3,638,788	247
3,176,188	247	1,417,590	27,988	4,593,778	357	3,979,283	271
3,287,985	255	1,961,872	38,734	5,249,857	408	4,305,937	293
3,347,435	260	2,910,474	57,462	6,257,909	486	4,709,348	320
9.4%		–		17.2%		11.6%	
3.3%		51.0%		15.7%		9.9%	

Ordinary Capital: Loans: Undisbursed Balance $	Index	Inter-Regional Capital: Loans: Undisbursed Balance $	Index	Total Ordinary & Inter-Regional Capital: Loans: Undisbursed Balance $	Index	Fund for Special Operations: Loans: Undisbursed Balance $	Index
$1,458,164	100	–	–	$1,458,164	100	$1,582,875	100
1,726,267	118	–	–	1,726,267	118	1,767,577	112
1,877,555	129	$ 236,070	100	2,113,625	145	2,078,026	131
1,768,538	121	817,143	346	2,585,681	177	2,200,054	139
1,635,734	112	1,335,266	566	2,971,000	204	2,428,071	153
1,865,211	128	1,596,626	676	3,461,837	237	2,516,840	159
1,774,618	122	2,246,134	951	4,020,752	276	2,808,791	177
1,857,076	127	2,467,359	1,045	4,324,435	297	2,704,124	171
1,672,209	115	4,034,686	1,709	5,706,895	391	3,028,685	191
2,051,216	141	4,960,358	2,101	7,011,574	481	2,897,569	183
3,521,575	242	4,706,503	1,994	8,228,078	564	2,504,108	158
8.2%		–		18.9%		3.9%	
18.7%		20.3%		19.6%		Negative	

MULTILATERAL DEVELOPMENT BANKS COMPARATIVE STATISTICS (continued) 1974-1985 (Table 10 of 15)

Latest Rating Fitch/Moody's/Standard & Poor's	AAA/Aaa/AAA				AAA/Aaa/AA								–/Aaa/AAA			
	THE WORLD BANK *(Year Ended 6/30)*				AFRICAN DEVELOPMENT BANK *(Year Ended 12/31)*								EUROPEAN INVESTMENT BANK			
	International Bank for Reconstruction & Development		*International Development Association*		*Ordinary Capital Resources*				*African Development Fund*				*As Stated (Expressed in Thousands of European U.A.)*		*As Restated (Year-End Conversion Rates) (Expressed in Thousands of United States Dollars)*	
	(Expressed in thousands of U.S. dollars				*(Expressed in thousands of U.A. and U.S. dollars)**								*(Year Ended 12/31)*			
	Participations		*Participations*		*Participations*		*Participations*		*Participations*		*Participations*		*Participations*		*Participations*	
	$	*Index*	*$*	*Index*	*U.A.*	*Index*	*$*	*Index*					*E.C.U.*	*Index*	*$*	*Index*
1974	$11,000	100	N.A.	–	4,374	100	$ 5,276	100					26,188	100	$ 32,865	100
1975	10,093	92	N.A.	–	6,058	139	7,308	139					42,398	162	49,406	150
1976	12,623	115	$ 8,438	100	7,088	162	8,551	162					48,572	185	54,886	167
1977	8,668	79	7,709	91	10,781	246	13,095	248					164,085	627	201,014	612
1978	24,916	227	20,021	237	13,043	298	16,992	322					209,630	800	288,635	878
1979	15,368	140	15,232	181	16,000	366	21,077	399	None		None		191,688	732	275,722	839
1980	8,552	78	13,012	154	19,241	440	24,540	465					226,223	864	296,268	901
1981	3,736	34	25,512	302	22,477	514	26,162	496					299,299	1,143	324,790	988
1982	10,757	98	41,585	493	35,318	807	38,960	738					317,119	1,211	306,865	934
1983	8,152	74	28,614	339	43,849	1,002	45,908	870					401,327	1,532	332,046	1,010
1984	6,608	60	24,069	285	53,138	1,215	52,087	987					379,366	1,449	268,950	818
1985	5,550	50	21,753	258												
Compound Average Annual Growth Rate																
1975/84	Negative		N.A.		27.3%		24.4%						27.6%		20.7%	
1980/84	Negative		16.6%		28.9%		20.7%						13.8%		Negative	
1980/85	Negative		10.8%													
	Total Loans Approved Less Cancellations		*Total Loans Approved Less Cancellations*		*Total Loans Approved Less Cancellations*		*Total Loans Approved Less Cancellations*		*Total Loans Approved Less Cancellations*		*Total Loans Approved Less Cancellations*		*Total Loans Approved Less Cancellations*		*Total Loans Approved Less Cancellations*	
	$	*Index*	*$*	*Index*	*U.A.*	*Index*	*$*	*Index*	*F.U.A.*	*Index*	*$*	*Index*	*E.C.U.*	*Index*	*$*	*Index*
1974	$18,467,450	100	$ 7,249,759	100	176,667	100	$ 213,122	100	N.A.	–	N.A.	–	3,600,902	100	$ 4,518,988	100
1975	22,322,491	121	8,794,739	121	263,742	149	318,166	149	N.A.	–	N.A.	–	4,443,554	123	5,177,985	115
1976	26,091,214	141	10,423,948	144	338,760	192	408,663	192	N.A.	–	N.A.	–	5,485,423	152	6,198,473	137
1977	31,085,422	168	11,707,227	161	464,765	263	564,555	265	325,145	100	$ 361,272	100	6,526,273	181	7,995,076	177
1978	37,796,228	205	13,958,578	193	622,364	352	810,810	380	479,834	148	575,771	159	7,866,391	218	10,831,076	240
1979	44,660,124	242	16,937,278	234	830,247	470	1,093,709	513	667,986	205	810,486	224	9,888,850	275	14,224,023	315
1980	51,546,740†	279	20,721,740	286	1,062,582	601	1,355,228	636	898,369	276	1,055,331	292	12,726,139	353	16,666,533	369
1981	54,090,488	293	23,841,713	329	1,334,997	756	1,553,883	729	1,175,660	362	1,260,387	349	16,140,095	448	17,514,747	388
1982	61,151,746	331	26,119,446	360	1,676,593	949	1,849,467	868	1,520,232	468	1,544,590	428	19,894,225	552	19,250,985	426
1983	69,820,347	378	29,063,636	401	2,207,979	1,250	2,311,643	1,085	1,858,141	571	1,791,796	496	24,648,159	684	20,393,147	451
1984	76,365,488	414	31,556,962	435	2,653,568	1,502	2,601,054	1,220	2,222,056	683	2,006,125	555	30,192,041	838	21,404,527	474
1985	81,583,042	442	33,997,301	469												
Compound Average Annual Growth Rate																
1975/84	14.6%		15.3%		29.2%		26.3%		N.A.		N.A.		23.7%		17.1%	
1980/84	10.3%		11.1%		25.7%		17.7%		25.4%		17.4%		24.1%		6.5%	
1980/85	9.6%		10.4%													
	Accrued Interest		*Accrued Interest*		*Accrued Interest*		*Accrued Interest*		*Accrued Interest*		*Accrued Interest*		*Accrued Interest*		*Accrued Interest*	
	$	*Index*	*$*	*Index*	*U.A.*	*Index*	*$*	*Index*					*E.C.U.*	*Index*	*$*	*Index*
1974	$ 255,923	100	$17,194	100	3,135	100	$ 3,781	100					58,484	100	$ 73,395	100
1975	287,074	112	14,589	85	3,372	108	4,068	108					78,719	135	91,730	125
1976	297,253	116	15,201	88	4,122	131	4,972	131					100,242	171	113,272	154
1977	355,465	139	16,614	97	6,404	204	7,780	206					112,711	193	138,078	188
1978	474,617	185	17,449	101	11,562	369	15,062	398					140,058	239	192,843	263
1979	561,909	220	22,022	128	16,578	529	21,839	578	Included in "Investment Assets"		Included in "Investment Assets"		182,390	312	262,348	357
1980	682,228	267	23,938	139	20,037	639	25,555	676					250,609	429	328,205	447
1981	717,441	280	29,849	174	23,931	763	27,855	737					348,634	596	378,327	515
1982	863,131	337	35,344	206	26,675	851	29,426	778					479,794	820	464,281	633
1983	987,569	386	43,749	254	29,801	951	31,200	825					631,473	1,080	522,464	712
1984	1,181,863	462	55,357	322	41,525	1,325	40,703	1,077					767,105	1,312	543,836	741
1985	1,294,735	506	65,722	382												
Compound Average Annual Growth Rate																
1975/84	17.0%		16.0%		32.2%		29.2%						28.8%		21.9%	
1980/84	14.7%		23.3%		20.0%		12.3%						32.3%		13.5%	
1980/85	13.7%		22.4%													

N.A. = Not Available †As restated in 1981 Annual Report.
1. Financial information, including adjustments, presented as reported.
2. Sources: Annual Reports and various prospectuses.
3. For the European Investment Bank, 1979 and 1980 financial information, including adjustments, was taken from June 1981 Yen prospectus.
*Financial statistics for the African Development Bank were converted, by the Bank's accountants, from Units of Account to U.S. dollars at year-end prevailing rates provided by the Bank.

AAA/Aaa/AAA ASIAN DEVELOPMENT BANK (Year Ended 12/31)			AAA/Aaa/AAA INTER-AMERICAN DEVELOPMENT BANK (Year Ended 12/31)			
			Capital Resources			
Ordinary Capital Resources	*Technical Assistance Special Fund Resources*	*Asian Development Fund*	*Ordinary Capital*	*Inter-Regional Capital*	*Total Ordinary & Inter-Regional Capital*	*Fund for Special Operations*
(Expressed in thousands of U.S. dollars)			*(Expressed in thousands of U.S. dollars)*			
Participations	*Participations*	*Participations*	*Participations*	*Participations*	*Participations*	*Participations*
None	None	None	None	None	None	None

Total Loans Approved Less Cancellations		*Total Loans Approved Less Cancellations*		*Total Loans Approved Less Cancellations*		*Total Loans Approved Less Cancellations*		*Total Loans Approved Less Cancellations*		*Total Loans Approved Less Cancellations*		*Total Loans Approved Less Cancellations*	
$	*Index*			*$*	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*
$1,367,819	100			$ 177,689	100	$3,325,494	100	–	–	$ 3,325,494	100	$3,497,259	100
1,817,342	133			643,140	362	3,923,518	118	–	–	3,923,518	118	4,076,499	117
2,310,762	169			880,414	495	4,488,936	135	$ 236,070	100	4,725,006	142	4,720,297	135
2,944,262	215			1,191,673	671	4,932,619	148	890,208	377	5,822,827	175	5,227,561	149
3,813,276	279			1,624,242	914	5,495,092	165	1,651,630	700	7,146,722	215	5,891,879	168
4,454,959	326			1,958,140	1,102	6,095,122	183	2,213,063	937	8,308,185	250	6,435,631	184
5,237,097	383	None		2,476,478	1,394	6,381,851	192	3,091,662	1,310	9,473,513	285	7,204,590	206
6,067,217	444			2,927,608	1,648	6,750,251	203	3,721,187	1,576	10,471,438	315	7,642,615	219
6,963,824	509			3,403,875	1,916	6,897,585	207	5,872,477	2,488	12,770,062	384	8,451,889	242
7,807,075	571			4,048,122	2,278	7,560,781	227	7,369,174	3,122	14,929,955	449	8,806,770	252
8,585,904	628			4,540,246	2,555	9,265,395	279	8,095,232	3,429	17,360,627	522	8,981,302	257
18.8%				24.3%		10.0%		–		18.0%		9.2%	
13.2%				16.4%		9.8%		27.2%		16.3%		5.7%	

Accrued Interest		*Accrued Interest*		*Accrued Interest*		*Accrued Interest*		*Accrued Interest*		*Accrued Interest*		*Accrued Interest*	
$	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*
$ 23,661	100	–	–	$ 284	100	$ 60,950	100	–	–	$ 60,950	100	$20,028	100
28,056	119	–	–	4,103	1,445	57,077	94	–	–	57,077	94	21,899	109
46,780	198	–	–	5,770	2,032	68,156	112	$ 84	100	68,240	112	22,658	113
55,644	235	$ 33	100	7,591	2,673	77,437	127	1,418	1,688	78,855	129	26,446	132
72,321	306	25	76	10,917	3,844	91,981	151	8,659	10,308	100,640	165	29,535	147
89,487	378	202	612	10,679	3,760	89,155	146	19,750	23,512	108,905	179	30,568	153
96,106	406	338	1,024	13,229	4,658	107,853	177	31,192	37,133	139,045	228	34,447	172
109,249	462	188	570	12,762	4,494	104,252	171	54,351	64,704	158,603	260	34,359	172
120,029	507	111	336	11,361	4,000	96,701	159	77,924	92,767	174,625	287	35,164	176
116,927	494	50	152	8,139	2,866	105,958	174	90,744	108,029	196,702	323	37,628	188
141,380	598	142	430	8,078	2,844	119,037	195	116,046	138,150	235,083	386	37,688	188
19.7%		–		7.8%		8.5%		–		17.0%		6.2%	
10.1%		Negative		Negative		2.5%		38.9%		14.0%		2.3%	

MULTILATERAL DEVELOPMENT BANKS COMPARATIVE STATISTICS (continued) 1974-1985 (Table 11 of 15)

Latest Rating Fitch/Moody's/Standard & Poor's

	AAA/Aaa/AAA THE WORLD BANK (Year Ended 6/30)				AAA/Aaa/AA AFRICAN DEVELOPMENT BANK (Year Ended 12/31)								–/Aaa/AAA EUROPEAN INVESTMENT BANK (Year Ended 12/31)			
	International Bank for Reconstruction & Development (Expressed in thousands of U.S. dollars)		International Development Association (Expressed in thousands of U.S. dollars)		Ordinary Capital Resources (Expressed in thousands of U.A. and U.S. dollars)*				African Development Fund (Expressed in thousands of U.A. and U.S. dollars)*				As Stated (Expressed in Thousands of European U.A.)		As Restated (Year-End Conversion Rates) (Expressed in Thousands of United States Dollars)	
	Due From Members		Due From Members		Due From Members		Due From Members		Due From Members		Due From Members		Due From Members		Due From Members	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$ 415,215	100	$2,518,744	100	18,730	100	$ 22,595	100	N.A.	–	N.A.	–	34,147	100	$ 42,853	100
1975	393,473	95	2,419,448	96	22,900	122	27,626	122	N.A.	–	N.A.	–	189,938	556	221,331	516
1976	355,400	86	2,162,808	86	23,933	128	28,872	128	N.A.	–	N.A.	–	171,102	501	193,344	451
1977	454,472	109	2,240,522	89	26,444	141	32,122	142	70,283	100	$ 78,092	100	136,244	399	166,907	389
1978	490,481	118	4,156,022	165	38,093	203	49,627	220	110,908	158	133,083	170	428,838	1,256	590,458	1,378
1979	544,007	131	6,444,589	256	29,619	158	39,018	173	238,263	339	289,091	370	356,409	1,044	512,655	1,196
1980	580,650	140	8,488,240	337	22,401	120	28,571	126	374,207	532	439,588	563	271,416	795	355,455	829
1981	490,985	118	7,914,788	314	39,262	210	45,699	202	570,944	812	612,090	784	739,687	2,166	802,686	1,873
1982	828,189	199	8,983,225	357	83,692	447	92,321	409	628,556	894	638,627	818	648,003	1,898	627,051	1,463
1983	1,090,888	263	8,939,401	355	154,642	826	161,903	717	948,451	1,349	914,587	1,171	542,229	1,588	448,624	1,047
1984	1,088,851	262	8,795,422	349	213,690	1,141	209,461	927	1,162,196	1,654	1,049,258	1,344	411,519	1,205	291,745	681
1985	1,174,531	283	8,803,607	350												
Compound Average Annual Growth Rate																
1975/84	12.0%		15.4%		28.2%		25.2%		N.A.		N.A.		9.0%		3.1%	
1980/84	17.0%		0.9%		75.7%		64.6%		32.8%		24.3%		11.0%		Negative	
1980/85	15.1%		0.7%													

	Other Assets		Other Assets		Other Assets		Other Assets		Other Assets		Other Assets		Other Assets		Other Assets	
	$	Index	$	Index	U.A.	Index	$	Index	F.U.A.	Index	$	Index	E.C.U.	Index	$	Index
1974	$ 708,567**	100	$ 434,101	100	20,039	100	$ 24,175	100	N.A.	–	N.A.	–	254,896	100	$ 319,884	100
1975	538,178**	76	514,795	119	21,790	109	26,286	109	N.A.	–	N.A.	–	267,579	105	311,804	97
1976	453,428**	64	694,585	160	64,244	321	77,500	321	N.A.	–	N.A.	–	268,287	105	303,162	95
1977	532,416**	75	758,969	175	120,096	599	145,882	603	129	100	$ 143	100	343,284	135	420,543	131
1978	679,847**	96	844,615	195	142,714	712	185,926	769	297	230	356	249	541,917	213	746,153	233
1979	1,162,140**	164	912,506	210	166,911	833	219,877	910	504	391	612	427	667,595	262	960,262	300
1980	938,813	132	927,738	214	177,635	886	226,557	937	1,185	919	1,392	971	855,423	336	1,120,288	350
1981	876,734	124	941,662	217	248,089	1,238	288,766	1,194	5,651	4,381	6,058	4,227	907,486	356	984,777	308
1982	4,707,612	664	975,197	225	293,527	1,465	323,793	1,339	2,277	1,765	2,313	1,614	971,538	381	940,125	294
1983	5,769,727	814	985,987	227	316,867	1,581	331,745	1,372	3,009	2,333	2,902	2,024	1,201,078	471	993,736	311
1984	4,193,502	592	1,168,800	269	371,682	1,855	364,326	1,507	3,856	2,989	3,481	2,429	1,447,623	568	1,026,286	321
1985	12,003,047	1,694	1,266,587	292												
Compound Average Annual Growth Rate																
1975/84	25.6%		9.5%		37.1%		33.9%		N.A.		N.A.		20.6%		14.2%	
1980/84	45.4%		5.9%		20.3%		12.6%		34.3%		25.8%		14.1%		Negative	
1980/85	66.5%		6.4%													

**These amounts do not include effective loans which the Bank has agreed to sell in the amount listed below:

(Year)	(Thousands)
1974	$35,545
1975	14,122
1976	11,135
1977	20,214
1978	30,328
1979	25,333
1980	6,663

N.A. = Not Available
1. Financial information, including adjustments, presented as reported.
2. Sources: Annual Reports and various prospectuses.
3. For the European Investment Bank, 1979 and 1980 financial information, including adjustments, was taken from June 1981 Yen prospectus.
*Financial statistics for the African Development Bank were converted, by the Bank's accountants, from Units of Account to U.S. dollars at year-end prevailing rates provided by the Bank.

AAA/Aaa/AAA
ASIAN DEVELOPMENT BANK
(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

Ordinary Capital Resources		*Technical Assistance Special Fund Resources*		*Asian Development Fund*	
Due From Members		*Due From Members*		*Due From Members*	
$	*Index*	*$*	*Index*	*$*	*Index*
$323,111	100	$1,098	100	$ 200,822	100
349,674	108	1,068	97	405,338	202
298,631	92	970	88	519,486	259
267,029	83	1,123	102	637,394	317
283,516	88	2,407	219	971,445	484
306,078	95	1,421	129	1,256,564	626
357,643	111	1,061	97	1,865,227	929
405,143	125	1,010	92	1,965,015	978
378,907	117	2,599	237	2,171,113	1,081
362,823	112	1,537	140	2,628,715	1,309
354,786	110	2,727	248	2,920,319	1,454
0.2%		11.0%		24.5%	
Negative		26.6%		11.9%	
Other Assets		*Other Assets*		*Other Assets*	
$	*Index*	*$*	*Index*	*$*	*Index*
$ 15,724	100	$ 64	100	$ 820	100
21,117	134	438	684	2,754	336
35,066	223	405	633	1,739	212
48,220	307	475	742	731	89
135,108	859	882	1,378	4,364	532
210,246	1,337	1,078	1,684	5,798	707
200,557	1,275	1,420	2,219	2,189	267
206,677	1,314	1,205	1,883	1,533	187
261,393	1,662	1,423	2,223	7,632	931
354,987	2,258	1,649	2,577	3,809	465
415,015	2,639	1,768	2,763	4,649	567
39.2%		16.8%		6.0%	
19.9%		5.6%		20.7%	

AAA/Aaa/AAA
INTER-AMERICAN DEVELOPMENT BANK
(Year Ended 12/31)

(Expressed in thousands of U.S. dollars)

Ordinary Capital		*Inter-Regional Capital*		*Total Ordinary & Inter-Regional Capital*		*Fund for Special Operations*	
Due From Members		*Due From Members*		*Due From Members*		*Due From Members*	
$	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*
$388,605	100	–	–	$388,605	100	$2,418,677	100
345,273	89	–	–	345,273	89	2,177,370	90
306,735	79	$ 65,038	100	371,773	96	3,170,374	131
282,626	73	128,046	197	410,672	106	3,016,875	125
262,202	67	133,824	206	396,026	102	2,573,705	106
218,624	56	87,970	135	306,594	79	2,271,183	94
212,121	55	245,728	378	457,849	118	3,675,590	152
176,007	45	213,699	329	389,706	100	3,263,302	135
181,584	47	404,516	622	586,100	151	2,964,306	123
168,783	43	526,846	810	695,629	179	3,263,557	135
152,385	39	595,804	916	748,189	193	2,919,388	121
Negative		–		9.0%		3.3%	
Negative		24.8%		13.1%		Negative	
Other Assets		*Other Assets*		*Other Assets*		*Other Assets*	
$	*Index*	*$*	*Index*	*$*	*Index*	*$*	*Index*
$103,703	100	–	–	$103,703	100	$ 356	100
117,451	113	–	–	117,451	113	488	137
133,455	129	–	–	133,455	129	511	144
152,070	147	$ 17	100	152,087	147	481	135
175,087	169	90	529	175,177	169	418	117
201,850	195	14,229	83,700	216,079	208	471	132
232,114	224	30,056	176,800	262,170	253	136	38
274,982	265	52,371	308,065	327,353	316	1,916	538
303,625	293	77,658	456,812	381,283	368	2,066	580
346,422	334	96,281	566,359	442,703	427	7,116	1,999
398,638	384	144,434	849,612	543,072	524	2,326	653
14.5%		–		18.5%		18.9%	
14.5%		48.1%		20.0%		103.4%	

MULTILATERAL DEVELOPMENT BANKS
COMPARATIVE STATISTICS (continued)
1974-1985 (Table 12 of 15)

Latest Rating Fitch/Moody's/Standard & Poor's

	AAA/Aaa/AAA THE WORLD BANK (Year Ended 6/30)		AAA/Aaa/AA AFRICAN DEVELOPMENT BANK (Year Ended 12/31)				–/Aaa/AAA EUROPEAN INVESTMENT BANK (Year Ended 12/31)	
	International Bank for Reconstruction & Development	International Development Association	Ordinary Capital Resources		African Development Fund		As Stated	As Restated
			As Stated	Restated	As Stated	Restated		
	Funded Debt (Net) % Total Capitalization Paid-In + Reserves + Funded Debt (Net)	Funded Debt (Net) % Total Capitalization Paid-In + Reserves + Funded Debt (Net)	Funded Debt (Net) % Total Capitalization Paid-Up + Reserves + Funded Debt (Net)	Funded Debt (Net) % Total Capitalization Paid-Up + Reserves + Funded Debt (Net)	Funded Debt (Net) % Total Capitalization Paid-In + Reserves + Funded Debt (Net)	Funded Debt (Net) % Total Capitalization Paid-In + Reserves + Funded Debt (Net)	Funded Debt (Net) % Total Capitalization Paid-In + Reserves + Funded Debt (Net)	Funded Debt (Net) % Total Capitalization Paid-In + Reserves + Funded Debt (Net)
1974	66.1%	0.8%	–	–			81.4%	81.4%
1975	70.4	0.9	7.9%	7.9%			80.9	80.9
1976	74.1	0.8	22.4	22.4			82.5	82.5
1977	77.9	0.7	28.1	28.1			83.2	83.2
1978	79.8	0.7	28.9	28.9	Not Applicable	Not Applicable	81.2	81.2
1979	80.0	0.6	50.3	50.3			83.4	83.4
1980	80.1	0.5	43.9	43.9			84.8	84.8
1981	79.8	0.0	32.8	32.8			83.2	83.2
1982	80.3	0.0	25.3	25.3			84.3	84.3
1983	81.1	0.0	22.6	22.6			85.6	85.6
1984	82.0	0.0	36.0	36.0			86.4	86.4
1985	82.3	0.0						

	Capitalization Ratios		Capitalization Ratios		Capitalization Ratios		Capitalization Ratios		Capitalization Ratios		Capitalization Ratios		Capitalization Ratios		Capitalization Ratios	
	% Funded Debt (Net)	% Total Equity Capital	% Funded Debt (Net)	% Total Equity Capital	% Funded Debt (Net)	% Total Equity Capital	% Funded Debt (Net)	% Total Equity Capital	% Funded Debt (Net)	% Total Equity Capital	% Funded Debt (Net)	% Total Equity Capital	% Funded Debt (Net)	% Total Equity Capital	% Funded Debt (Net)	% Total Equity Capital
1974	23.0%	77.0%	0.8%	99.2%	–	–	–	–					57.2%	42.8%	57.2%	42.8%
1975	27.2	72.8	0.6	99.4	4.4%	95.6%	4.4%	95.6%					50.1	49.9	50.1	49.9
1976	30.8	69.2	0.6	99.4	11.6	88.4	11.6	88.4					54.3	45.7	54.3	45.7
1977	35.9	64.1	0.6	99.4	14.7	85.3	14.7	85.3					57.0	43.0	57.0	43.0
1978	38.9	61.1	0.5	99.5	15.0	85.0	15.0	85.0	Not Applicable		Not Applicable		46.5	53.5	46.5	53.5
1979	39.5	60.5	0.6	99.4	23.2	76.8	23.2	76.8					52.1	47.9	52.1	47.9
1980	40.6	59.4	0.5	99.5	19.1	80.9	19.1	80.9					56.8	43.2	56.8	43.2
1981	41.0	59.0	0.0	100.0	12.3	87.7	12.3	87.7					46.3	53.7	46.3	53.7
1982	40.4	59.6	0.0	100.0	8.5	91.5	8.5	91.5					50.8	49.2	50.8	49.2
1983	40.2	59.8	0.0	100.0	7.3	92.7	7.3	92.7					55.8	44.2	55.8	44.2
1984	41.2	58.8	0.0	100.0	13.3	86.7	13.3	86.7					59.7	40.3	59.7	40.3
1985	42.3	57.7	0.0	100.0												

	Net Interest Coverage	Net Interest Coverage	Net Interest Coverage	Net Interest Coverage	Net Interest Coverage	Net Interest Coverage	Net Interest Coverage	Net Interest Coverage
1974	1.35x		–	–			1.18x	1.18x
1975	1.36		31.32x	31.32x			1.22	1.22
1976	1.22		7.15	7.15			1.22	1.22
1977	1.17		2.77	2.77			1.24	1.24
1978	1.15	Not Applicable	1.82	1.82	Not Applicable	Not Applicable	1.22	1.22
1979	1.22		1.30	1.30			1.23	1.23
1980	1.30		1.24	1.24			1.24	1.24
1981	1.29		1.25	1.25			1.21	1.21
1982	1.24		1.33	1.33			1.24	1.24
1983	1.24		1.38	1.38			1.20	1.20
1984	1.16		1.72	1.72			1.18	1.18
1985	1.28							

	Net Income % Total Income	Net Income (Loss) % Total Income	Net Income % Total Income	Net Income % Total Income	Net Income % Total Income	Net Income % Total Income	Net Income % Total Income	Net Income % Total Income
1974	23.2%	20.6%	61.7%	61.7%	–	–	13.6%	13.6%
1975	23.8	11.8	75.5	75.5	–	–	16.8	16.8
1976	16.5	(10.5)	68.1	68.1	–	–	16.8	16.8
1977	12.9	(12.5)	52.7	52.7	55.4%	55.4%	17.9	17.9
1978	12.2	(59.4)	34.3	34.3	28.1	28.1	16.8	16.8
1979	16.8	(54.9)	15.6	15.6	44.9	44.9	17.7	17.7
1980	21.0	(58.1)	15.1	15.1	59.8	59.8	18.7	18.7
1981	20.3	(59.7)	14.9	14.9	51.0	51.0	16.7	16.7
1982	17.7	(64.1)	17.1	17.1	63.0	63.0	18.4	18.4
1983	17.8	(62.5)	19.5	19.5	46.3	46.3	15.8	15.8
1984	12.9	(40.1)	33.8	33.8	39.3	39.3	14.4	14.4
1985	20.6	(30.9)						

	Net Income % Total Assets	Net Income (Loss) % Total Assets	Net Income % Total Assets	Net Income % Total Assets	Net Income % Total Assets	Net Income % Total Assets	Net Income % Total Assets	Net Income % Total Assets
1974	1.4%	0.2%	4.0%	4.0%	–	–	0.9%	0.9%
1975	1.5	0.1	4.3	4.3	–	–	1.1	1.1
1976	1.0	(0.1)	2.7	2.7	–	–	1.2	1.2
1977	0.8	(0.1)	2.2	2.2	1.8%	1.8%	1.3	1.3
1978	0.8	(0.3)	1.6	1.6	1.4	1.4	1.2	1.2
1979	1.2	(0.3)	0.8	0.8	1.9	1.9	1.3	1.3
1980	1.5	(0.3)	1.2	1.2	2.4	2.4	1.5	1.5
1981	1.7	(0.3)	1.0	1.0	2.0	2.0	1.4	1.4
1982	1.3	(0.3)	0.9	0.9	2.0	2.0	1.7	1.7
1983	1.4	(0.3)	1.0	1.0	0.8	0.8	1.4	1.4
1984	1.0	(0.2)	1.5	1.5	0.6	0.6	1.3	1.3
1985	1.5	(0.2)						

AAA/Aaa/AAA ASIAN DEVELOPMENT BANK *(Year Ended 12/31)* — Ordinary Capital Resources; Technical Assistance Special Fund Resources; Asian Development Fund

AAA/Aaa/AAA INTER-AMERICAN DEVELOPMENT BANK *(Year Ended 12/31)* — Capital Resources: Ordinary Capital; Inter-Regional Capital; Total Ordinary & Inter-Regional Capital; Fund for Special Operations

Funded Debt (Net) % Total Capitalization Paid-In + Reserves + Funded Debt (Net)

ADB Ordinary Capital Resources	ADB Technical Assistance Special Fund Resources	ADB Asian Development Fund	IDB Ordinary Capital	IDB Inter-Regional Capital	IDB Total Ordinary & Inter-Regional Capital	IDB Fund for Special Operations
22.7%			51.2%	–	51.2%	
32.2			53.6	–	53.6	
45.6			58.0	–	56.6	
40.8			59.1	2.5%	56.5	
43.9	Not Applicable	Not Applicable	58.7	31.8	56.5	Not Applicable
45.1			55.7	60.8	56.4	
44.9			51.1	58.5	52.8	
49.5			46.6	70.3	54.1	
54.1			43.9	71.4	55.1	
56.2			47.5	72.1	57.8	
57.1			46.1	74.5	59.6	

Capitalization Ratios

ADB Ordinary Capital Resources: % Funded Debt (Net)	ADB Ordinary Capital Resources: % Total Equity Capital	ADB Technical Assistance Special Fund Resources	ADB Asian Development Fund	IDB Ordinary Capital: % Funded Debt (Net)	IDB Ordinary Capital: % Total Equity Capital	IDB Inter-Regional Capital: % Funded Debt (Net)	IDB Inter-Regional Capital: % Total Equity Capital	IDB Total Ordinary & Inter-Regional Capital: % Funded Debt (Net)	IDB Total Ordinary & Inter-Regional Capital: % Total Equity Captial	IDB Fund for Special Operations: % Funded Debt (Net)	IDB Fund for Special Operations: % Total Equity Capital
9.1%	90.9%			17.6%	82.4%	–	–	17.6%	82.4%	0.0%	100.0%
14.0	86.0			19.9	80.1	–	–	19.9	80.1	0.0	100.0
22.2	77.8			21.9	78.1	0.0%	100.0%	20.7	79.3	0.0	100.0
14.3	85.7			22.0	78.0	0.4	99.6	19.9	80.1	0.0	100.0
15.1	84.9	Not Applicable	Not Applicable	20.0	80.0	5.8	94.2	18.0	82.0	0.0	100.0
16.1	83.9			19.1	80.9	18.1	81.9	18.9	81.1	0.0	100.0
16.6	83.4			15.1	84.9	18.2	81.8	15.8	84.2	0.0	100.0
20.1	79.9			13.6	86.4	28.8	71.2	17.4	82.6	0.0	100.0
24.3	75.7			12.0	88.0	27.0	73.0	17.0	83.0	0.0	100.0
21.4	78.6			14.1	85.9	25.1	74.9	18.3	81.7	0.0	100.0
20.2	79.8			14.0	86.0	24.5	75.5	18.8	81.2	0.0	100.0

Net Interest Coverage

ADB Ordinary Capital Resources	ADB Technical Assistance Special Fund Resources	ADB Asian Development Fund	IDB Ordinary Capital	IDB Inter-Regional Capital	IDB Total Ordinary & Inter-Regional Capital	IDB Fund for Special Operations
2.53x			1.77x	–	1.77x	
1.93			1.66	–	1.66	
1.66			1.55	–	1.55	
1.91			1.58	50.01x	1.60	
2.08	Not Applicable	Not Applicable	1.63	3.44	1.67	Not Applicable
1.79			1.79	1.91	1.81	
2.06			1.90	1.68	1.85	
2.02			2.16	1.63	1.98	
1.86			2.31	1.27	1.75	
1.68			2.13	1.12	1.53	
1.65			1.88	1.22	1.50	

ADB Ordinary Capital Resources: Net Income % Total Income	ADB Technical Assistance Special Fund Resources: Net Income (Loss) % Total Income	ADB Asian Development Fund: Net Income % Total Income	IDB Ordinary Capital: Net Income % Total Income	IDB Inter-Regional Capital: Net Income % Total Income	IDB Total Ordinary & Inter-Regional Capital: Net Income % Total Income	IDB Fund for Special Operations: Net Income % Total Income
50.9%	(363.8)%	49.5%	38.1%	–	38.1%	58.2%
36.2	(610.7)	58.8	34.6	–	34.6	58.7
37.6	(697.1)	62.2	31.4	13.2%	31.4	58.5
48.9	(394.1)	76.7	34.3	80.3	35.0	50.6
56.4	(489.0)	78.3	37.0	56.5	38.1	51.8
38.3	(553.9)	54.6	42.1	41.1	42.0	52.4
48.8	(362.9)	62.8	42.6	35.6	41.1	43.3
46.4	(7.7)	50.7	49.0	33.9	44.6	35.1
42.3	24.0	51.2	51.4	19.4	39.0	33.8
37.6	(22.1)	34.0	48.2	10.0	31.5	30.3
36.3	(54.4)	34.0	42.7	16.4	30.6	19.0

ADB Ordinary Capital Resources: Net Income % Total Assets	ADB Technical Assistance Special Fund Resources: Net Income (Loss) % Total Assets	ADB Asian Development Fund: Net Income % Total Assets	IDB Ordinary Capital: Net Income % Total Assets	IDB Inter-Regional Capital: Net Income % Total Assets	IDB Total Ordinary & Inter-Regional Capital: Net Income % Total Assets	IDB Fund for Special Operations: Net Income % Total Assets
2.6%	(16.4)%	0.1%	2.5%	–	2.5%	0.8%
1.9	(28.2)	0.4	2.4	–	2.4	0.9
2.1	(24.0)	1.0	2.0	0.004%	2.0	0.8
3.1	(12.7)	1.4	2.3	1.8	2.3	0.8
3.6	(14.0)	1.3	2.6	2.9	2.6	0.9
2.6	(26.9)	0.9	3.3	3.2	3.3	1.0
3.7	(28.0)	1.0	3.6	2.7	3.4	0.7
3.4	(2.8)	0.8	4.2	2.5	3.6	0.6
3.3	11.5	0.8	4.2	1.4	3.1	0.6
2.9	(7.8)	0.4	3.5	0.8	2.4	0.5
3.0	(21.2)	0.4	3.5	1.2	2.4	0.3

Kidder, Peabody & Co.

Incorporated

MULTILATERAL DEVELOPMENT BANKS
COMPARATIVE STATISTICS (continued)
1974-1985 (Table 13 of 15)

Latest Rating
Fitch/Moody's/Standard & Poor's

	AAA/Aaa/AAA THE WORLD BANK (Year Ended 6/30)		AAA/Aaa/AA AFRICAN DEVELOPMENT BANK (Year Ended 12/31)				–/Aaa/AAA EUROPEAN INVESTMENT BANK (Year Ended 12/31)	
	International Bank for Reconstruction & Development	International Development Association	Ordinary Capital Resources		African Development Fund		As Stated	As Restated
			As Stated	Restated	As Stated	Restated		
	Net Income % Paid-In Capital + Reserves (Stockholder's Equity)	Net Income (Loss) % Paid-In Capital + Reserves (Stockholder's Equity)	Net Income % Paid-Up Capital + Reserves (Stockholder's Equity)	Net Income % Paid-Up Capital + Reserves (Stockholder's Equity)	Net Income % Paid-In Capital + Reserves (Stockholder's Equity)	Net Income % Paid-In Capital + Reserves (Stockholder's Equity)	Net Income % Paid-In Capital + Reserves (Stockholder's Equity)	Net Income % Paid-In Capital + Reserves (Stockholder's Equity)
1974	4.4%	0.2%	3.5%	3.5%	–	–	5.1%	5.1%
1975	5.3	0.1	4.5	4.5	–	–	6.4	6.4
1976	4.3	(0.1)	3.4	3.4	–	–	7.6	7.6
1977	4.0	(0.1)	3.4	3.4	1.8%	1.8%	8.5	8.5
1978	4.2	(0.3)	2.6	2.6	1.4	1.4	6.8	6.8
1979	6.2	(0.3)	1.8	1.8	1.9	1.9	8.4	8.4
1980	8.0	(0.3)	2.4	2.4	2.4	2.4	11.0	11.0
1981	8.7	(0.3)	1.4	1.4	2.1	2.1	9.2	9.2
1982	7.7	(0.3)	1.0	1.0	2.0	2.0	11.8	11.8
1983	8.5	(0.3)	1.1	1.1	0.8	0.8	11.3	11.3
1984	6.5	(0.2)	2.3	2.3	0.6	0.6	11.1	11.1
1985	11.3	(0.2)						
	Total Loans Outstanding % Total Assets	Total Loans Outstanding % Total Assets	Total Loans Outstanding % Total Assets	Total Loans Outstanding % Total Assets	Total Loans Outstanding % Total Assets	Total Loans Outstanding % Total Assets	Total Loans Outstanding % Total Assets	Total Loans Outstanding % Total Assets
1974	66.6%	52.0%	30.6%	30.6%	–	–	78.2%	78.2%
1975	66.4	57.7	39.4	39.4	–	–	80.3	80.3
1976	64.1	63.3	34.8	34.8	–	–	82.5	82.5
1977	62.6	66.8	35.7	35.7	11.7%	11.7%	83.3	83.3
1978	64.5	59.4	40.9	40.9	15.4	15.4	79.9	79.9
1979	65.0	54.0	36.5	36.5	17.1	17.1	79.2	79.2
1980	68.3	52.7	46.6	46.6	20.8	20.8	82.7	82.7
1981	70.7	57.7	46.1	46.1	22.6	22.6	81.0	81.0
1982	65.1	58.6	48.1	48.1	28.3	28.3	82.7	82.7
1983	61.3	62.6	48.2	48.2	30.3	30.3	82.2	82.2
1984	62.7	64.8	37.7	37.7	30.1	30.1	85.3	85.3
1985	54.5	67.0						
	Paid-In Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding	Paid-In Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding	Paid-Up Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding	Paid-Up Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding	Paid-In Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding	Paid-In Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding	Paid-In Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding	Paid-In Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding
1974	47.3%	190.7%	364.7%	364.7%	–	–	22.0%	22.0%
1975	42.4	171.5	239.7	239.7	–	–	22.1	22.1
1976	37.9	156.9	229.3	229.3	–	–	19.7	19.7
1977	33.3	148.6	183.8	183.8	839.1%	839.1%	18.7	18.7
1978	29.7	167.0	150.9	150.9	619.8	619.8	21.9	21.9
1979	28.8	183.4	119.6	119.6	574.4	574.4	19.2	19.2
1980	27.6	188.1	104.7	104.7	472.9	472.9	16.7	16.7
1981	27.1	172.0	144.8	144.8	437.8	437.8	18.6	18.6
1982	26.7	169.7	194.7	194.7	350.7	350.7	17.0	17.0
1983	26.1	159.2	199.2	199.2	328.1	328.1	15.5	15.5
1984	24.5	154.1	180.7	180.7	338.4	338.4	14.2	14.2
1985	24.3	149.0						
	Paid-In Capital + Reserves (Stockholder's Equity) % Total Assets	Paid-In Capital + Reserves (Stockholder's Equity) % Total Assets	Paid-Up Capital + Reserves (Stockholder's Equity) % Total Assets	Paid-Up Capital + Reserves (Stockholder's Equity) % Total Assets	Paid-In Capital + Reserves (Stockholder's Equity) % Total Assets	Paid-In Capital + Reserves (Stockholder's Equity) % Total Assets	Paid-In Capital + Reserves (Stockholder's Equity) % Total Assets	Paid-In Capital + Reserves (Stockholder's Equity) % Total Assets
1974	31.5%	99.1%	111.7%	111.7%	–	–	17.2%	17.2%
1975	28.2	99.0	94.3	94.3	–	–	17.8	17.8
1976	24.3	99.2	79.8	79.8	–	–	16.3	16.3
1977	20.8	99.3	65.7	65.7	98.6%	98.6%	15.6	15.6
1978	19.2	99.1	61.7	61.7	95.4	95.4	17.5	17.5
1979	18.7	99.1	43.6	43.6	98.3	98.3	15.2	15.2
1980	18.8	99.1	48.8	48.8	98.3	98.3	13.8	13.8
1981	19.2	99.3	66.7	66.7	98.8	98.8	15.1	15.1
1982	17.4	99.5	93.7	93.7	99.3	99.3	14.1	14.1
1983	16.0	99.7	95.9	95.9	99.4	99.4	12.7	12.7
1984	15.4	99.8	68.2	68.2	101.9	101.9	12.1	12.1
1985	13.2	99.9						
	Total Equity Capital (Subscribed + Reserves) % Total Debt	Total Equity Capital (Subscribed + Reserves) % Total Debt	Total Equity Capital (Subscribed + Reserves) % Total Debt	Total Equity Capital (Subscribed + Reserves) % Total Debt	Total Equity Capital (Subscribed + Reserves) % Total Debt	Total Equity Capital (Subscribed + Reserves) % Total Debt	Total Equity Capital (Subscribed + Reserves % Total Debt	Total Equity Capital (Subscribed + Reserves) % Total Debt
1974	304.2%	11,458.9%	1,821.7%	1,821.7%	–	–	68.1%	68.1%
1975	251.8	14,308.1	1,102.4	1,102.4	–	–	91.4	91.4
1976	207.6	15,477.2	462.3	462.3	–	–	77.4	77.4
1977	167.3	14,824.8	334.7	334.7	9,088.2%	9,088.2%	69.0	69.0
1978	147.2	16,674.1	340.3	340.3	2,042.7	2,042.7	105.7	105.7
1979	141.5	13,525.7	254.5	254.5	8,390.4	8,390.4	83.2	83.2
1980	137.2	11,199.6	301.9	301.9	7,300.9	7,300.9	67.9	67.9
1981	135.2	14,721.7	429.3	429.3	8,508.6	8,508.6	102.0	102.0
1982	126.9	22,284.7	632.5	632.5	19,886.3	19,886.3	84.8	84.8
1983	122.5	32,011.4	735.2	735.2	21,917.2	21,917.2	68.5	68.5
1984	118.5	52,868.9	447.3	447.3	14,497.8	14,497.8	59.1	59.1
1985	136.3	90,748.2						

N.M. = Not Meaningful

AAA/Aaa/AAA ASIAN DEVELOPMENT BANK (Year Ended 12/31)			AAA/Aaa/AAA INTER-AMERICAN DEVELOPMENT BANK (Year Ended 12/31)			
			Capital Resources			
Ordinary Capital Resources	*Technical Assistance Special Fund Resources*	*Asian Development Fund*	*Ordinary Capital*	*Inter-Regional Capital*	*Total Ordinary & Inter-Regional Capital*	*Fund for Special Operations*
Net Income % Paid-In Capital + Reserves (Stockholder's Equity)	*Net Income (Loss) % Paid-In Capital +Reserves (Stockholder's Equity)*	*Net Income % Paid-In Capital + Reserves (Stockholder's Equity)*	*Net Income % Paid-In Capital + Reserves (Stockholder's Equity)*	*Net Income % Paid-In Capital + Reserves (Stockholder's Equity)*	*Net Income % Paid-In Capital + Reserves (Stockholder's Equity)*	*Net Income % Paid-In Capital + Reserves (Stockholder's Equity)*
3.1%	(17.7)%	0.1%	5.2%	–	5.2%	
2.6	(31.5)	0.4	5.3		5.3	
3.7	(26.3)	1.0	4.9	0.004%	4.7	
4.7	(13.6)	1.4	5.7	1.8	5.3	
5.8	(15.5)	1.3	6.4	4.3	6.1	Not
4.6	(31.7)	0.9	7.5	8.3	7.6	Applicable
6.6	(33.9)	1.0	7.4	6.8	7.3	
7.0	(3.5)	0.8	7.9	8.8	8.1	
7.3	14.5	0.8	7.7	5.2	7.0	
6.7	(10.3)	0.4	6.9	2.9	5.8	
7.1	(46.2)	0.4	6.5	5.0	6.1	
Total Loans Outstanding % Total Assets	*Total Loans Outstanding % Total Assets*	*Total Loans Outstanding % Total Assets*	*Total Loans Outstanding % Total Assets*	*Total Loans Outstanding % Total Assets*	*Total Loans Outstanding % Total Assets*	*Total Loans Outstanding % Total Assets*
33.3%		N.M.	48.5%	–	48.5%	32.4%
39.7		20.2%	50.2	–	50.2	38.2
37.9		21.9	47.9	–	46.7	33.3
45.5		25.7	51.2	2.6%	49.1	36.6
47.6	Not	30.1	58.6	30.4	56.4	41.3
47.5	Applicable	27.1	62.8	45.1	60.4	45.9
50.8		26.0	65.0	41.6	59.6	39.7
49.8		26.8	67.9	44.1	60.3	44.5
50.3		27.2	68.2	43.9	58.3	48.3
50.7		27.9	61.7	51.3	57.4	49.2
48.5		29.5	60.9	58.4	59.7	53.1
Paid-In Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Loans Outstanding*
256.3%		N.M.	99.4%	–	99.4%	
179.9		488.2%	91.1	–	91.1	
147.6		454.4	86.3	–	91.2	
145.6		387.7	78.6	3,717.9%	87.4	
128.1	Not	330.7	69.5	222.3	75.9	Not
120.1	Applicable	366.9	69.4	85.0	71.0	Applicable
109.3		382.7	73.9	96.9	77.6	
99.0		372.3	77.0	65.3	74.3	
88.6		367.0	80.7	63.4	75.3	
85.8		357.7	83.3	52.9	71.9	
88.4		337.8	86.8	42.7	66.3	
Paid-In Capital + Reserves (Stockholder's Equity) % Total Assets	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Assets*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Assets*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Assets*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Assets*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Assets*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Assets*
85.3%	92.9%	99.2%	48.1%	–	48.1%	
71.4	89.4	98.8	45.7	–	45.7	
55.9	91.1	99.5	41.3	99.7%	42.7	
66.2	93.0	99.5	40.3	97.5	42.9	
60.9	90.5	99.6	40.7	67.7	42.8	Not
57.1	84.8	99.6	43.6	38.3	42.9	Applicable
55.5	82.5	99.6	48.0	40.3	46.2	
49.3	81.2	99.8	52.3	28.8	44.8	
44.6	79.4	99.9	55.0	27.9	43.9	
43.5	75.8	99.6	51.4	27.1	41.3	
42.9	45.8	99.7	52.8	24.9	39.6	
Total Equity Capital (Subscribed + Reserves) % Total Debt	*Total Equity Capital (Subscribed + Reserves) % Total Debt*	*Total Equity Capital (Subscribed + Reserves) % Total Debt*	*Total Equity Capital (Subscribed + Reserves) % Total Debt*	*Total Equity Capital (Subscribed + Reserves) % Total Debt*	*Total Equity Capital (Subscribed + Reserves) % Total Debt*	*Total Equity Capital (Subscribed + Reserves) % Total Debt*
948.6%			454.3%	–	454.3%	29,523.0%
601.2			392.1	–	392.1	24,052.6
335.7			346.6	250,334.1%	372.8	57,171.3
561.1			344.9	24,198.8	391.9	59,550.4
536.0	Not	Not	389.6	1,576.6	442.0	62,655.0
500.9	Applicable	Applicable	412.2	436.4	416.0	35,238.6
479.5			542.6	429.6	513.8	73,218.6
377.5			605.6	237.2	454.5	80,217.6
295.7			699.6	260.0	468.4	128,919.1
345.2			582.6	288.0	429.9	137,367.1
371.3			588.5	299.1	417.5	331,789.7

MULTILATERAL DEVELOPMENT BANKS
COMPARATIVE STATISTICS (continued)
1974-1985 (Table 14 of 15)

Latest Rating
Fitch/Moody's/Standard
& Poor's

	AAA/Aaa/AAA THE WORLD BANK (Year Ended 6/30)		AAA/Aaa/AA AFRICAN DEVELOPMENT BANK (Year Ended 12/31)				–/Aaa/AAA EUROPEAN INVESTMENT BANK (Year Ended 12/31)	
	International Bank for Reconstruction & Development	*International Development Association*	*Ordinary Capital Resources*		*African Development Fund*		*As Stated*	*As Restated*
			As Stated	*Restated*	*As Stated*	*Restated*		
	Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding	*Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding*	*Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding*	*Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding*	*Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding*	*Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding*	*Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding*	*Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding*
1974	309.5%	195.0%	687.9%	687.9%	–	–	72.0%	72.0%
1975	270.5	239.4	444.2	444.2	–	–	93.6	93.6
1976	243.6	189.5	505.6	505.6	–	–	78.6	78.6
1977	210.3	160.3	415.9	415.9	1,112.2%	1,112.2%	69.9	69.9
1978	183.8	214.0	347.5	347.5	612.4	612.4	109.1	109.1
1979	176.3	203.8	401.7	401.7	853.8	853.7	89.2	89.2
1980	162.3	188.3	345.5	345.5	604.0	604.0	70.8	70.8
1981	154.1	174.0	504.9	504.9	443.1	443.1	106.9	106.9
1982	160.6	202.1	712.3	712.3	460.9	460.9	88.2	88.2
1983	166.4	171.4	740.9	740.9	410.5	410.5	72.8	72.8
1984	159.4	155.8	649.7	649.7	342.0	342.0	60.9	60.9
1985	154.1	171.0						
	Paid-In Capital + Reserves (Stockholder's Equity) % Total Debt	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Debt*	*Paid-Up Capital + Reserves (Stockholder's Equity) % Total Debt*	*Paid-Up Capital + Reserves (Stockholder's Equity) % Total Debt*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Debt*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Debt*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Debt*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Debt*
1974	46.5%	11,203.8%	965.9%	965.9%	–	–	20.8%	20.8%
1975	39.5	10,248.7	595.0	595.0	–	–	21.6	21.6
1976	32.3	12,810.0	209.7	209.7	–	–	19.4	19.4
1977	26.5	13,739.6	148.0	148.0	6,856.5%	6,856.5%	18.5	18.5
1978	23.8	13,008.6	147.7	147.7	2,067.1	2,067.1	21.3	21.3
1979	23.1	12,175.8	75.8	75.8	5,645.2	5,645.2	17.9	17.9
1980	28.3	11,187.6	91.5	91.5	5,716.3	5,716.3	16.0	16.0
1981	23.8	14,559.4	123.1	123.1	8,406.0	8,406.0	17.8	17.8
1982	21.1	18,717.0	172.9	172.9	15,133.0	15,133.0	16.4	16.4
1983	19.2	29,734.6	197.6	197.6	17,516.4	17,516.4	14.5	14.5
1984	18.2	52,298.8	124.4	124.4	14,343.6	14,343.6	13.7	13.7
1985	21.5	79,067.1						
	Total Callable Capital % Funded Debt (Net)	*Total Callable Capital % Funded Debt (Net)*	*Total Callable Capital % Funded Debt (Net)*	*Total Callable Capital % Funded Debt (Net)*	*Total Callable Capital % Funded Debt (Net)*	*Total Callable Capital % Funded Debt (Net)*	*Total Callable Capital % Funded Debt (Net)*	*Total Callable Capital % Funded Debt (Net)*
1974	284.2%	280.1%	–	–			51.9%	51.9%
1975	226.0	4,592.0	1,000.5%	1,000.5%			76.1	76.1
1976	189.8	2,729.7	416.6	416.6			63.1	63.1
1977	150.5	1,178.6	322.6	322.6			55.1	55.1
1978	131.7	4,059.5	319.9	319.9	Not Applicable	Not Applicable	92.0	92.0
1979	128.3	1,795.9	232.8	232.8			72.3	72.3
1980	121.4	19.8	294.3	294.3			58.2	58.2
1981	118.7	N.M.	509.5	509.5			95.9	95.9
1982	123.0	N.M.	785.0	785.0			78.1	78.1
1983	125.2	N.M.	933.2	933.2			62.3	62.3
1984	120.9	N.M.	472.0	472.0			51.7	51.7
1985	114.8	N.M.						
	Total Debt % Total Assets	*Total Debt % Total Assets*	*Total Debt % Total Assets*	*Total Debt % Total Assets*	*Total Debt % Total Assets*	*Total Debt % Total Assets*	*Total Debt % Total Assets*	*Total Debt % Total Assets*
1974	67.8%	0.9%	11.6%	11.6%	–	–	82.8%	82.8%
1975	71.3	1.0	15.9	15.9	–	–	82.2	82.2
1976	75.2	0.8	38.1	38.1	–	–	83.7	83.7
1977	78.8	0.7	44.4	44.4	1.4%	1.4%	84.4	84.4
1978	80.5	0.8	41.7	41.7	4.6	4.6	82.5	82.5
1979	81.0	0.8	57.6	57.6	1.7	1.7	84.8	84.8
1980	80.8	0.9	53.3	53.3	1.7	1.7	86.2	86.2
1981	80.6	0.7	54.2	54.2	1.2	1.2	84.9	84.9
1982	82.3	0.5	54.2	54.2	0.7	0.7	85.9	85.9
1983	83.2	0.3	48.5	48.5	0.6	0.6	87.3	87.3
1984	84.3	0.2	54.8	54.8	0.7	0.7	87.9	87.9
1985	86.4	0.1						
	Cash & Investments % Total Debt	*Cash & Investments % Total Debt*	*Cash & Investments % Total Debt*	*Cash & Investments % Total Debt*	*Cash & Investments % Total Debt*	*Cash & Investments % Total Debt*	*Cash & Investments % Total Debt*	*Cash & Investments % Total Debt*
1974	36.3%	969.8%	386.3%	386.3%	–	–	16.2%	16.2%
1975	37.8	788.0	240.9	240.9	–	–	11.4	11.4
1976	40.8	929.9	101.9	101.9	–	–	10.5	10.5
1977	40.6	837.6	73.8	73.8	4,573.4%	4,573.4%	9.8	9.8
1978	37.3	718.7	61.0	61.0	1,299.1	1,299.1	9.1	9.1
1979	35.2	579.7	64.9	64.9	2,717.4	2,717.4	11.8	11.8
1980	32.3	261.9	47.3	47.3	2,295.8	2,295.8	8.5	8.5
1981	29.3	356.4	37.3	37.3	2,641.3	2,641.3	9.3	9.3
1982	25.1	378.9	26.1	26.1	4,127.5	4,127.5	9.0	9.0
1983	29.4	439.7	29.4	29.4	3,276.1	3,276.1	10.5	10.5
1984	31.5	1,220.5	55.9	55.9	2,648.3	2,648.3	7.5	7.5
1985	30.7	1,654.5						

N.M. = Not Meaningful

AAA/Aaa/AAA ASIAN DEVELOPMENT BANK (Year Ended 12/31)			AAA/Aaa/AAA INTER-AMERICAN DEVELOPMENT BANK (Year Ended 12/31)			
			Capital Resources			
Ordinary Capital Resources	*Technical Assistance Special Fund Resources*	*Asian Development Fund*	*Ordinary Capital*	*Inter-Regional Capital*	*Total Ordinary & Inter-Regional Capital*	*Fund for Special Operations*
Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding	*Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding*	*Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding*	*Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding*	*Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding*	*Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding*	*Total Equity Capital (Subscribed + Reserves) % Total Loans Outstanding*
748.0%			486.1%	–	486.1%	307.9%
527.5			424.0	–	424.0	260.5
433.6			425.1	–	457.3	299.5
600.1			401.9	23,023.5%	456.5	272.7
564.0	Not Applicable	Not Applicable	394.7	1,673.2	448.7	241.9
514.6			369.8	596.4	393.5	217.4
447.4			434.3	615.9	463.3	251.3
385.4			425.4	383.2	415.6	224.6
325.7			461.9	426.8	451.1	206.7
403.0			459.0	409.1	440.4	203.2
463.9			456.0	384.7	422.8	186.1
Paid-In Capital + Reserves (Stockholder's Equity) % Total Debt	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Debt*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Debt*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Debt*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Debt*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Debt*	*Paid-In Capital + Reserves (Stockholder's Equity) % Total Debt*
325.0%	1,305.5%	13,150.2%	92.9%	–	92.9%	
205.1	846.7	8,096.0	84.2	–	84.2	
114.3	1,019.2	20,878.3	70.4	38,174.4%	74.4	
136.2	1,326.6	18,344.4	67.4	3,907.7	75.0	
121.8	956.8	26,186.5	68.6	209.5	74.8	Not Applicable
116.9	558.6	23,353.3	77.4	62.2	75.1	
117.2	472.5	27,179.7	92.3	67.6	86.0	
96.9	431.1	59,249.8	109.7	40.4	81.3	
80.5	386.2	74,529.9	122.2	38.6	78.2	
73.5	313.9	26,774.3	105.7	37.3	70.2	
70.7	84.6	39,244.9	112.0	33.2	65.5	
Total Callable Capital % Funded Debt (Net)	*Total Callable Capital % Funded Debt (Net)*	*Total Callable Capital % Funded Debt (Net)*	*Total Callable Capital % Funded Debt (Net)*	*Total Callable Capital % Funded Debt (Net)*	*Total Callable Capital % Funded Debt (Net)*	*Total Callable Capital % Funded Debt (Net)*
653.6%			371.7%	–	317.7%	
406.2			316.7	–	316.7	
231.6			284.3	–	307.3	
453.1			285.2	20,533.9%	325.8	
434.5	Not Applicable	Not Applicable	330.0	1,400.3	377.5	Not Applicable
399.2			344.7	388.4	351.2	
378.8			467.0	379.4	444.9	
294.9			518.1	205.2	389.5	
227.2			604.9	230.0	407.0	
288.3			499.0	259.8	374.4	
319.0			497.3	274.4	365.0	
Total Debt % Total Assets	*Total Debt % Total Assets*	*Total Debt % Total Assets*	*Total Debt % Total Assets*	*Total Debt % Total Assets*	*Total Debt % Total Assets*	*Total Debt % Total Assets*
26.2%	7.1%	0.8%	51.9%	–	51.9%	0.3%
34.8	10.6	1.2	54.3	–	54.3	0.4
48.9	8.9	0.5	58.7	0.3%	57.3	0.2
48.6	7.0	0.5	59.7	2.5	57.1	0.2
50.1	9.5	0.4	59.3	32.3	57.2	0.2
48.8	15.2	0.4	56.4	61.7	57.1	0.3
47.4	17.5	0.4	52.0	59.7	53.8	0.1
50.9	18.8	0.2	47.7	71.2	55.2	0.1
55.5	20.6	0.1	45.0	72.1	56.1	0.1
59.2	24.2	0.4	48.6	72.9	58.7	0.1
60.6	54.2	0.3	47.2	75.1	60.4	0.03
Cash & Investments % Total Debt	*Cash & Investments % Total Debt*	*Cash & Investments % Total Debt*	*Cash & Investments % Total Debt*	*Cash & Investments % Total Debt*	*Cash & Investments % Total Debt*	*Cash & Investments % Total Debt*
133.5%	1,238.0%	1,055.6%	64.3%	–	64.3%	4,131.7%
101.8	806.1	1,394.3	64.8		64.8	3,349.5
94.9	991.5	4,133.6	69.6	9,071.7%	70.5	7,595.7
85.5	1,292.3	3,731.7	65.4	1,215.7	67.7	8,472.7
78.1	909.2	4,274.0	55.2	98.8	57.1	10,682.7
77.8	571.3	3,720.9	52.5	64.1	54.2	6,250.5
74.6	499.1	3,455.9	51.8	61.9	54.4	10,720.6
72.6	465.0	7,323.8	51.3	59.1	54.5	12,207.6
68.0	389.9	9,193.4	54.6	61.6	55.1	19,601.8
64.5	343.0	2,586.2	65.4	46.4	53.8	17,896.7
66.7	141.3	2,789.8	69.0	49.6	48.6	45,606.4

MULTILATERAL DEVELOPMENT BANKS COMPARATIVE STATISTICS (continued) 1974-1985 (Table 15 of 15)

Latest Rating Fitch/Moody's/Standard & Poor's

	AAA/Aaa/AAA THE WORLD BANK (Year Ended 6/30)		AAA/Aaa/AA AFRICAN DEVELOPMENT BANK (Year Ended 12/31)				–/Aaa/AAA EUROPEAN INVESTMENT BANK	
	International Bank for Reconstruction & Development	International Development Association	Ordinary Capital Resources		African Development Fund		As Stated	As Restated
			As Stated	Restated	As Stated	Restated		
	Cash & Investments % Undisbursed Loans	Cash & Investments % Undisbursed Loans	Cash & Investments % Undisbursed Loans	Cash & Investments % Undisbursed Loans	Cash & Investments % Undisbursed Loans	Cash & Investments % Undisbursed Loans	Cash & Investments % Undisbursed Loans	Cash & Investments % Undisbursed Loans
1974	44.4%	19.4%	69.7%	69.7%	–	–	153.7%	153.7%
1975	45.8	16.7	54.3	54.3	–	–	184.9	184.9
1976	49.0	16.4	72.1	72.1	–	–	130.6	130.6
1977	50.2	15.7	62.6	62.6	71.3%	71.3%	84.4	84.4
1978	47.0	14.2	42.3	42.3	66.5	66.5	85.8	85.8
1979	44.5	11.6	66.7	66.7	57.9	57.9	105.8	105.8
1980	39.9	5.0	32.6	32.6	53.6	53.6	77.5	77.5
1981	29.8	4.9	22.7	22.7	43.5	43.5	96.5	96.5
1982	28.1	4.5	14.0	14.0	34.6	34.6	99.8	99.8
1983	36.6	3.5	13.1	13.1	27.0	27.0	120.6	120.6
1984	40.9	6.0	38.0	38.0	28.3	28.3	85.8	85.8
1985	49.4	5.7						
	% Net Income Retained+	% Net Income Retained	% Net Income Retained	% Net Income Retaind	% Net Income Retained	% Net Income Retained	% Net Income Retained	% Net Income Retained
1974	49.0%	100.0%	100.0%	100.0%	–	–	100.0%	100.0%
1975	63.6	100.0	100.0	100.0	–	–	100.0	100.0
1976	54.5	Not Applicable	100.0	100.0	–	–	100.0	100.0
1977	52.3	Not Applicable	100.0	100.0	100.0%	100.0%	100.0	100.0
1978	58.0	Not Applicable	100.0	100.0	100.0	100.0	100.0	100.0
1979	75.4	Not Applicable	100.0	100.0	100.0	100.0	100.0	100.0
1980	79.9	Not Applicable	100.0	100.0	100.0	100.0	100.0	100.0
1981	83.4	Not Applicable	100.0	100.0	100.0	100.0	100.0	100.0
1982	79.1	Not Applicable	100.0	100.0	100.0	100.0	100.0	100.0
1983	73.4	Not Applicable	100.0	100.0	100.0	100.0	100.0	100.0
1984	83.3	Not Applicable	100.0	100.0	100.0	100.0	100.0	100.0
1985	73.6++	Not Applicable						

	Total U.S. Subscription (expressed in thousands of current U.S. Dollars adjusted from weight and fineness of 7-1-44 Dollar) to Capital Stock	% of Total Subscriptions to Capital Stock	Total U.S. Subscription and Supplementary Resources (expressed in thousands of current U.S. Dollars adjusted from weight and fineness of 1-1-60 Dollar)	% of Total Subscriptions to Supplementary Resources	Total U.S. Subscription to Capital Stock (expressed in thousands of U.A.)	Total U.S. Subscription to Capital Stock (expressed in thousands of U.S. dollars)	% of Total Subscriptions to Capital Stock	Total U.S. Subscription to Capital Stock (expressed in thousands of U.A.)	Total U.S. Subscription to Capital Stock (expressed in thousands of U.S. dollars)	% of Total Subscriptions to Capital Stock
1974	$ 7,808,694	25.7%	$2,499,904	38.1%	–	–	–	–	–	–
1975	7,808,694	25.3	3,999,904	37.1	–	–	–	–	–	–
1976	7,808,694	25.3	3,999,904	37.9	–	–	–	–	–	–
1977	7,808,694	25.3	3,999,904	37.3	–	–	–	N.A.	N.A.	N.A.
1978	8,413,930	25.5	4,802,673	28.4	–	–	–	$ 22,500	$ 26,999	5.5%
1979	8,938,414	23.9	5,606,515	30.4	–	–	–	45,000	54,600	4.7
1980	9,347,871	23.4	6,405,633	32.9	–	–	–	157,500	185,018	13.9
1981	8,434,013	23.0	6,405,109	30.6	–	–	–	157,500	168,851	13.5
1982	9,667,307	22.4	9,643,055	33.7	–	–	–	157,500	160,023	8.9
1983	10,922,703	21.0	9,642,646	34.1	298,200	$312,200	5.9%	300,289	289,567	13.5
1984	11,451,587	20.5	9,643,966	33.0	298,200	292,299	5.8	300,289	271,108	6.8
1985	12,296,526	20.9	11,893,836	32.9						

	Total U.S. Subscription to Capital Stock % Loans Outstanding	Total U.S. Subscription & Supplementary Resources % Loans Outstanding	Total U.S. Subscription to Capital Stock % Loans Outstanding	Total U.S. Subscription to Capital Stock % Loans Outstanding	Total U.S. Subscription to Capital Stock % Loans Outstanding	Total U.S. Subscription to Capital Stock % Loans Outstanding
1974	74.8%	63.9%	–	–	–	–
1975	64.2	81.4	–	–	–	–
1976	57.8	65.0	–	–	–	–
1977	49.8	53.9	–	–	N.A.	N.A.
1978	43.6	56.7	–	–	32.4%	32.4%
1979	39.1	58.0	–	–	39.2	39.2
1980	35.0	58.0	–	–	80.2	80.2
1981	32.5	49.7	–	–	56.1	56.1
1982	33.1	64.8	–	–	39.3	39.3
1983	32.4	55.5	42.7%	42.7%	53.2	53.2
1984	30.3	48.9	36.8	36.8	43.6	43.6
1985	29.7	54.1				

	Total U.S. Subscription to Capital Stock % Funded Debt (Net)	Total U.S. Subscription & Supplementary Resources % Funded Debt (Net)	Total U.S. Subscription to Capital Stock % Funded Debt (Net)	Total U.S. Subscription to Capital Stock % Funded Debt (Net)	Total U.S. Subscription to Capital Stock % Funded Debt (Net)	Total U.S. Subscription to Capital Stock % Funded Debt (Net)
1974	81.0%	4,120.7%	–	–	Not Applicable	Not Applicable
1975	63.6	5,499.9	–	–		
1976	53.4	5,435.0	–	–		
1977	42.3	5,408.4	–	–		
1978	37.3	4,893.7	–	–		
1979	34.0	5,122.6	–	–		
1980	31.5	5,712.7	–	–		
1981	30.4	N.M.	–	–		
1982	30.4	N.M.	–	–		
1983	28.9	N.M.	73.5%	73.5%		
1984	27.1	N.M.	36.7	36.7		
1985	26.3	N.M.				

N.M. = Not Meaningful

*Pursuant to the Asian Development Bank's Articles, 10% of the Bank's unimpaired "paid-in" capital is set aside as part of the Special Funds of the Bank. From 1980 to 1984, the following amounts (in thousands) of capital funds have been transferred away: $60,722; $55,416; $52,519; $49,845; and $46,667. See Note H to the 1984 Financial Statements.

AAA/Aaa/AAA ASIAN DEVELOPMENT BANK (Year Ended 12/31)			AAA/Aaa/AAA INTER-AMERICAN DEVELOPMENT BANK (Year Ended 12/31)			
			Capital Resources			
Ordinary Capital Resources	*Technical Assistance Special Fund Resources*	*Asian Development Fund*	*Ordinary Capital*	*Inter-Regional Capital*	*Total Ordinary & Inter-Regional Capital*	*Fund for Special Operations*
Cash & Investments % Undisbursed Loans	*Cash & Investments % Undisbursed Loans*	*Cash & Investments % Undisbursed Loans*	*Cash & Investments % Undisbursed Loans*	*Cash & Investments % Undisbursed Loans*	*Cash & Investments % Undisbursed Loans*	*Cash & Investments % Undisbursed Loans*
39.0%		57.0%	56.0%	–	56.0%	40.0%
45.0		28.9	55.9	–	55.9	36.0
73.6		34.9	73.4	8.6%	66.2	38.2
61.2		41.3	83.6	7.2	59.4	40.0
57.7	Not	40.4	80.7	9.1	48.5	43.8
51.8	Applicable	36.7	62.4	17.5	41.7	44.4
43.9		32.7	58.1	21.3	37.5	42.3
43.6		26.8	47.4	34.3	39.9	46.0
44.1		24.6	53.9	30.9	37.7	41.3
46.5		19.9	69.2	23.2	36.6	39.3
48.5		13.7	42.1	25.9	32.8	48.1

% Net Income Retained	*% Net Income Retained*	*% Net Income Retained*	*% Net Income Retained*	*% Net Income Retained*	*% Net Income Retained*	*% Net Income Retained*
100.0%		100.0%	100.0%	–	100.0%	100.0%
100.0		100.0	100.0	–	100.0	100.0
100.0		100.0	100.0	100.0%	100.0	100.0
100.0		100.0	100.0	100.0	100.0	100.0
100.0	Not	100.0	100.0	100.0	100.0	100.0
100.0	Applicable	100.0	100.0	100.0	100.0	100.0
100.0		100.0	100.0	100.0	100.0	100.0
100.0		100.0	100.0	100.0	100.0	100.0
100.0		100.0	100.0	100.0	100.0	100.0
100.0		100.0	100.0	100.0	100.0	100.0
100.0		100.0	100.0	100.0	100.0	100.0

Total U.S. Subscription (Par Value expressed in thousands of U.S. Dollars) to Capital Stock	*% of Total Subscriptions to Capital Stock*	*Total U.S. Subscription to Capital Stock (expressed in thousands of U.S. dollars)*	*% of Total Subscriptions to Capital Stock*	*Total U.S. Subscription to Capital Stock (expressed in thousands of U.S. dollars)*	*% of Total Subscriptions to Capital Stock*	*Total U.S. Subscription to Capital Stock (expressed in thousands of U.S. dollars)*	*% of Total Subscriptions to Capital Stock*	*Total U.S. Contribution Quota Authorized & Subscribed (expressed in thousands of U.S. Dollars)*	*% of Total Contribution Quotas*
$ 241,270	8.7%	$2,409,116	40.5%	–	–	$2,409,116	40.5%	$3,040,350	69.2%
361,905	11.3	2,409,116	40.4	–	–	2,409,116	40.4	3,040,350	69.2
603,175	16.4	2,609,115	37.8	$ 99,994	17.9%	2,709,109	36.3	3,640,350	63.4
603,175	8.7	2,809,115	35.7	399,999	34.4	3,209,114	35.6	3,640,356	61.7
1,042,857	11.9	3,234,122	33.5	824,994	43.1	4,059,116	34.9	3,640,356	61.6
1,054,496	11.9	3,234,122	33.5	824,994	42.7	4,059,116	35.0	3,640,356	61.6
1,183,491	13.4	3,778,677	32.1	1,476,287	43.8	5,254,964	34.7	4,340,356	56.6
1,319,558	15.9	3,778,677	32.1	1,481,450	43.6	5,260,127	34.7	4,340,356	56.6
1,296,154	16.4	3,778,677	28.3	3,007,245	51.2	6,785,922	35.3	4,340,356	56.6
2,521,841	21.9	3,778,677	27.8	3,744,369	47.9	7,523,046	35.1	4,633,200	56.4
2,361,069	13.9	3,778,677	27.8	4,718,576	43.2	8,497,253	34.6	4,633,200	55.8

Total U.S. Subscription to Capital Stock % Loans Outstanding	*Total U.S. Subscription to Capital Stock % Loans Outstanding*	*Total U.S. Subscription to Capital Stock % Loans Outstanding*	*Total U.S. Subscription to Capital Stock % Loans Outstanding*	*Total U.S. Contribution Quota to Capital Stock % Loans Outstanding*
64.5%	187.0%	–	187.0%	206.7%
58.6	161.0	–	161.0	173.2
68.8	150.7	–	156.5	182.7
50.3	134.3	7,897.3%	153.0	160.7
65.1	123.8	715.1	148.8	141.2
58.7	114.3	249.7	128.5	125.7
56.5	128.8	263.8	150.4	134.3
56.6	124.4	161.1	132.9	119.3
48.3	119.0	212.1	147.7	109.1
81.2	114.9	190.9	143.3	107.6
71.8	112.9	162.1	135.8	98.4

Total U.S. Subscription to Capital Stock % Funded Debt (Net)	*Total U.S. Subscription to Capital Stock % Funded Debt (Net)*	*Total U.S. Subscription to Capital Stock % Funded Debt (Net)*	*Total U.S. Subscription to Capital Stock % Funded Debt (Net)*	*Total U.S. Contribution Quota to Capital Stock % Funded Debt (Net)*
85.8%	179.8%	–	179.8%	
68.5	153.1	–	153.1	
55.7	126.5	–	131.3	
50.1	118.5	8,399.8%	135.1	
64.9	125.6	690.2	150.6	Not
59.4	131.2	189.6	139.9	Applicable
63.3	166.9	192.9	173.4	
58.3	185.0	104.0	151.7	
46.3	188.7	134.3	160.0	
73.8	152.6	139.2	145.6	
61.0	152.1	130.1	139.0	

+From 1974 to 1985, the International Bank for Reconstruction and Development has transferred part of its net income to its concessionary affiliate the International Development Association in the following amounts (in thousands): $110,000; $100,000; $100,000; $100,000; $100,000; $100,000; $118,000; $101,000; $125,000; $200,000; $100,000, and $300,000 (see footnote below).

++This figure is based upon the recommendation of the Executive Directors of the International Bank for Reconstruction and Development to the Board of Governors that the amount of $150,000,000 be transferred by way of grant to the International Development Association and $150,000,000 be transferred as a contribution to the Special Facility for Sub-Saharan Africa, which is administered by the International Development Association, from fiscal 1985 Net Income. Confirmation of the actual amount, and transfer of funds will take place in fiscal 1986.

FOOTNOTES

TABLES 1-15

FOOTNOTES
(Chart 1 of 5)

The following footnotes reflect the basis upon which statistical information appearing in the preceding tables was prepared for each of the banking institutions noted.

	THE WORLD BANK		AFRICAN DEVELOPMENT BANK		EUROPEAN INVESTMENT BANK
Table Heading	*International Bank for Reconstruction and Development*	*International Development Association*	*Ordinary Capital Resources†*	*African Development Fund†*	*Both Stated and Restated*
Total Income	Income from loans (interest and commitment charges), income from investments, other income, and front-end fees (starting in 1982).	Income from development credits, investments, income from investments exchange adjustments, and miscellaneous income	Gross Income	Gross income as reported (including income from loans, income from investments, and gain on exchange, if any.)	Income from interest and commission on loans and investments, management commission, financial and other income, other income, net of Financial Charges (for 1979 through 1984, in order to conform with the reporting methods of past years). Exchange differences are included in "Total Operating Expenses".
Total Loan Income	Loan Income (including interest, commitment charges and front-end fees)	Income from development credits	Loan income (including interest, commitment charges, and statutory commission)	Service charges on loans	Interest and commission on loans plus management commission
Loan Income Interest and Commissions	Interest	Not Stated	Interest and Statutory Commission	None	Interest and commission on Loans
Loan Income Special Commissions and/or Service Charges	Commitment Charges	Not Stated	Commitment Charges	Service charges on loans	Management commission
Investment Income	Income from investments	Income from investments	Income from investments	Interest on Investments	Interest and commission on investments
Other Income	Other Income as stated	None	Income from Other Sources	Gain on exchange (Net)	Financial and Other Income, net of Financial Charges (starting in 1979).
Total Operating Expenses	Includes interest on borrowings (1985 — Borrowing Expenses), administrative expenses, bond issuance and other financial expenses, discount on sales of loans, and Contributions to special programs. (Starting in 1982)	Management Fee to International Bank for Reconstruction and Development	Total Administrative Expenses less management fees for the A.D.F. paid to the Bank, plus depreciation, financial charges, and exchange adjustments	Total expenditure as reported	Total Operating Expenses (included administrative, interest and charges on borrowings, amortization, depreciation and exchange differences). Financial charges have been debited to Total Income
Expenses: Funded Debt	Interest on Borrowings (1985 — plus amortization of bond issuance costs)	None	Financial Charges	Financial Charges	Interest and charges on borrowings
Expenses: Administrative	Administrative Expenses	Management Fee to International Bank for Reconstruction and Development	Total Administrative Expenses less management fees paid to the Bank for the A.D.F. In 1980, General Administrative Expenses were restated to not include $2,707,784 which represented depreciation. From 1980 to present, depreciation is reported separately and can be found under Expenses: All Other.	Management fees paid to the African Development Bank	Administrative expenses and charges

†Stated and Restated

ASIAN DEVELOPMENT BANK			INTER-AMERICAN DEVELOPMENT BANK			
Ordinary Capital Resources	*Technical Assistance Special Fund Resources*	*Asian Development Fund*	*Ordinary Capital*	*Inter-Regional Capital*	*Total Ordinary & Inter-Regional Capital*	*Fund for Special Operations*
Gross Income (1981-84 figures incorporate exchange loss not previously included)	Gross Income (1981-84 figures include member contributions during each respective year)	Gross Income	Income from loans (interest, credit commissions, special commissions, and supervision and inspection fees), investments, and "other sources"	Income from loans (interest, credit commissions, special commissions, and supervision and inspection fees), investments, and "other sources"	Total columns 1 & 2	Income from loans (interest, credit commissions, service charges, and supervision and inspection fees), investments and other sources
Income from Loan Operations (including interest, commissions and commitment charge)	None	Loan Income	Loan Income (including interest, credit commissions, special commissions, and supervision and inspection fees)	Loan Income (including interest, credit commissions, and supervision and inspection fees)	Total columns 1 & 2	Loan Income (including interest, credit commissions, service charges, and supervision and inspection fees)
Interest and Commissions	None	Not Stated	Interest and credit commissions	Interest and credit commissions	Total columns 1 & 2	Interest and credit commissions
Commitment charges	None	Not Stated	Special Commissions	None	Total columns 1 & 2	Service Charges
Income from Investments	Income from Investments	Income from Investments	Investment Income	Investment Income	Total columns 1 & 2	Investment Income
From other sources (1981-84 figures incorporate exchange loss not previously included.)	From other sources	From other sources	From Other Sources (including gains on purchases of funded debt)	From Other Sources	Total columns 1 & 2	"Other" or from other sources as reported
Gross Expenses minus/(plus) net gain/(net loss) from changes in value of currencies (1981-84 only Gross Expense due to foreign exchange accounting change)	Gross Expenses minus/(plus) net gain/(net loss) from changes in value of currencies (1981-84: Total Expenses)	Gross Expenses minus/(plus) net gain/(net loss) from changes in value of currencies (1981-84: Total Expenses)*	Total Expenses (includes Funded Debt, Administration and Exchange Adjustments until 1981 — See Note A to 1981-1984 Financial Statements.)	Total Expenses (includes Funded Debt, Administrative and Exchange Adjustments until 1981 — See Note A to 1981-1984 Financial Statements.)	Total columns 1 & 2	Includes Administrative and Technical Cooperation Expenses
Interest and other financial expenses	None	None	Funded Debt Expenses	Funded Debt Expenses	Total columns 1 & 2	None
Administrative expenses	Administrative expenses	Administrative expense	Administrative Expenses	Administrative Expenses	Total columns 1 & 2	Administrative Expenses

*As of 1/1/84 the AsDB began charging to the income of the Fund amounts approved, for technical advice and cooperation, under all non-reimbursable technical cooperation projects, as well as certain reimbursable financings which may not be fully recovered, showing a liability for the corresponding undisbursed amounts in the Balance Sheet. In previous years income was charged only for actual expenditures made.

FOOTNOTES (continued)
(Chart 2 of 5)

	THE WORLD BANK		AFRICAN DEVELOPMENT BANK		EUROPEAN INVESTMENT BANK
Table Heading	*International Bank for Reconstruction and Development*	*International Development Association*	*Ordinary Capital Resources†*	*African Development Fund†*	*Both Stated and Restated*
Expenses: All Other	Bond issuance and other financial expenses (1985 — only other expenses) plus discount on sales of loans plus contributions to special programs (starting in 1982)	Translation Adjustments*	Depreciation (See Expenses: Administrative)	Direct Expenses plus loss on exchange, if any	Amortization, depreciation and exchange differences as reported
Net Income	Net Income (plus amount equivalent to commissions appropriated to Special Reserve in 1974 and 1975)	Net Income (Loss)	Net Income adding back debited Statutory Commission charge.	Net Income as reported	Net Profit as reported (Starting in 1981 — Balance)
Total Assets	As reported minus net undisbursed balance of loans until 1981. (1982-85 — Total Assets as reported.)	As reported minus net undisbursed balance of effective development credits until 1981 (1982-85 — Total Assets as reported.)	As Reported	As Reported	As reported minus undisbursed balance of loans
Funded Debt (Net)	Medium- and long-term borrowings as reported (1985 — principal outstanding at face value minus net unamortized discounts and premiums — to conform with prior years accounting (See Appendix E))	Borrowings from Swiss Confederation	Borrowings as reported	As Reported	Net Borrowing Figure as reported
All Other Liabilities	Accrued charges on borrowings, notional amounts to maintain currency, accounts payable and other liabilities, payable for investment securities purchased, due to International Development Association plus payable for cash collateral received plus short-term borrowings in 1985. (Notional amounts not included on balance sheet for World Bank prior to 1977)	Amounts required to maintain currency, accounts payable and other liabilities, notional amounts, payable for investment securities purchased and cash collateral received	Includes Accounts Payable and Sundries, Special and Trust Funds, Grants, and Shelter Afrique	Includes amounts Payable to Participants plus Other Liabilities as reported	Staff Pension Fund, Payable to Member States for adjustment of capital, sundry creditors, deferred income, guarantees, accrued interest, etc., interest subsidies received in advance, coupons & liabilities due & not yet paid, short-term borrowings, and miscellaneous
Capital Stock Subscribed (Paid-In plus Callable)	As Reported	Subscriptions & supplementary resources, advance contributions and portion which is not yet due	As Reported	Subscribed Resources as reported. For 1984 Total Subscriptions includes amounts allocated to projects and amounts allocated to technical assistance.	As Reported
Capital Stock Paid-In	Subscribed minus callable portion	Subscriptions and supplementary resources (including amounts past due)	Subscribed Capital less callable portion of total subscriptions (not including that amount attributable to uncalled paid-up plus subscriptions paid in advance, if any). Starting 1982 — Paid-Up capital as reported.	Installments paid plus subscriptions paid in advance where applicable. For 1984 Amount paid-in net of UA60,631,592 ($54,739,656) loss due to exchange adjustment.	Subscribed minus uncalled portion
Capital Stock Callable	As Reported	Portion for which payment is not yet due	Uncalled portion less amount of paid-up capital which is not yet due. Starting 1982 — Callable Capital as reported.	Installments not due	Uncalled Capital
(Cum. Earnings) Capital: Total Reserves	Payments on account of pending subscriptions plus General & Special Reserves plus unallocated net income less transfers to International Development Association** (Supplemental Reserve against losses on loans and from currency devaluation in 1974 and 1975 replaced by General Reserve on 1976-1985 financial statements)	Transfers from International Bank for Reconstruction and Development plus (minus) accumulated net income (net loss) plus payments on account of pending subscriptions plus contribution from non-member (1981-1985: plus contribution by Switzerland)	Total Reserves as reported (including Special Reserve, Sinking Fund (ADF), Reserve for Construction, Reserve for Revaluation of Currency values, Provision against fluctuation of Currency Values, General Reserve and Net Income for the period).	Includes Accumulated Net Income, Net Income for the Year, Other Resources, and Accumulated Translation Adjustment (1982-1985).	Statutory, Supplementary, Provisions, and balance of profit and loss account (when applic.) In 1982 — Statutory & Supplementary Reserves were merged into a General Reserve — plus additional Reserves.

†Stated and Restated

*In 1984, the IDA changed its method of accounting for translation adjustment. Translation Adjustments relating to revaluation of development credits denominated in Special Drawing Rights are now charged or credited to Cumulative Translation Adjustments, previously they had been charged or credited to Income. Other Translation Adjustments are still included in the determination of net income.

**Transfers to IDA are deducted from Net Income based on fiscal year-end proposals from the Executive Directors to the Board of Governors. The proposed amounts have historically always been approved.

ASIAN DEVELOPMENT BANK			INTER-AMERICAN DEVELOPMENT BANK			
Ordinary Capital Resources	*Technical Assistance Special Fund Resources*	*Asian Development Fund*	*Ordinary Capital*	*Inter-Regional Capital*	*Total Ordinary & Inter-Regional Capital*	*Fund for Special Operations*
Total Services to Member Countries plus other expenses	Total Services to Member Countries	Depository Bank charges	Exchange Adjustments+	Exchange Adjustments+	Total columns 1 & 2	Technical Cooperation Expense
Net Income (without deducting commissions allocated to Special Reserve) (1981-1984 figures do not reflect currency translation adjustments due to accounting change)	Net Income (Expense) for the Year (Starting in 1981 "Excess of expenses over contributions and income")	Net Income for the Year	As Reported (without deducting commissions allocated to Special Reserve)	As Reported (without deducting commissions allocated to Special Reserves)	Total columns 1 & 2	As Reported
As reported minus net undisbursed balance of effective loans (1984 — Total Assets)	As Reported	As reported minus undisbursed balance of effective loans (1984 — Total Assets)	As Reported	As Reported	Total columns 1 & 2	As Reported
Net Borrowing Figure as reported	None	None	Funded Debt less unamortized debt discount	Funded Debt less unamortized debt discount	Total columns 1 & 2	None
Accrued interest on borrowings plus amounts payable to members (discontinued in 1979), accounts payable and other liabilities	Administration charge payable to ordinary capital resources plus accounts payable	Administration charge payable to ordinary capital resources, accounts payable	Accrued interest on borrowings, accounts payable, accrued expenses, mortgage payable and deferred credits, advance payment of capital subscriptions	Accounts payable and accrued expenses plus Accrued interest on borrowing plus advance payment of capital subscriptions	Total columns 1 & 2	Accounts payable, accrued expenses and inter-fund payable plus special letters of credit
As Reported	None	None	As Reported	As Reported	Total columns 1 & 2	Contribution quotas authorized and subscribed
Paid-In shares subscribed++	None	None	Subscribed minus callable portion	Subscribed minus callable portion	Total columns 1 & 2	Not Available
Callable shares	None	None	As Stated: "Less Callable Portion"	As Stated: "Less Callable Portion"	Total columns 1 & 2	Not Available
Ordinary & Special Reserves plus advance payments on subscriptions plus net income after appropriations of commissions to Special Reserves (plus/(minus) accumulated translation adjustments starting in 1981) minus capital set aside & transferred to Special Funds	None	None	General Reserve and Special Reserve	Accumulated Earnings plus Special Reserve plus General Reserve (starting in 1979)	Total columns 1 & 2	General Reserve plus Special Funds held in Trust

+In accordance with new accounting standards adopted in 1981, the adjustments resulting from the translation into United States dollars of assets and liabilities denominated in borrowed currencies are shown in the 1981 Statement of Income and General Reserve for the first time as translation adjustments affecting the General Reserve directly; in prior years such adjustments were required to be included in the determination of net income.

++Pursuant to the AsDB's Articles, 10% of the Bank's unimpaired "paid-in" capital is set aside to be used as a part of the Special Funds of the Bank.

FOOTNOTES (continued)
(Chart 3 of 5)

	THE WORLD BANK		AFRICAN DEVELOPMENT BANK		EUROPEAN INVESTMENT BANK
Table Heading	*International Bank for Reconstruction and Development*	*International Development Association*	*Ordinary Capital Resources†*	*African Development Fund†*	*Both Stated and Restated*
Paid-In Capital & Reserves (Stockholders' Equity)	Capital Stock subscribed less callable portion plus payments on account of pending subscriptions plus Reserves as defined in Total Reserve section.	Subscriptions & supplementary resources (including portion which is not yet due) plus payments on account of pending subscriptions, plus transfer from International Bank for Reconstruction and Development plus/(minus) accumulated net income/(loss) plus contribution from non-members.	Capital Stock Subscribed less callable portion of total subscriptions (not including that amount attributable to uncalled paid-up) plus Subscriptions paid in advance plus Total Reserves as defined in Total Reserve section.	Installments paid plus Total Reserves as defined above, net exchange adjustment or subscriptions.	Capital Stock subscribed, less callable portion plus Reserves as defined in Total Reserve section.
Total Equity Capital: Subscribed & Reserves	Subscribed as defined above plus Reserves as defined in Total Reserve section.	Subscribed as defined above plus Reserves as defined in Total Reserve section.	Total Subscribed Capital plus Total Reserves as defined in Total Reserve section.	Subscribed resources plus Total Reserves as defined in Total Reserves section.	Subscribed as defined above plus Reserves as defined in Total Reserve section.
Total Capitalization	Paid-In Capital plus Reserves plus Funded Debt (Net) as defined above.	Paid-In Capital plus Reserves plus Funded Debt (Net) as defined above.	Paid-Up Capital plus Reserves plus Funded Debt (Net) as defined in previous sections.	Paid-In Capital plus Total Reserves as defined in previous sections.	Paid-In Capital plus Reserves plus Funded Debt (Net) as defined above.
Investment Assets	Obligations of gov'ts. & their instrumentalities plus time deposits and other obligations of banks and financial institutions (includes assets of the Special Reserve).	Obligations of gov'ts. & their instrumentalities plus time deposits.	Investments as reported (includes assets of the Special Reserve).	Investments as reported (including time deposits and other investments).	As Reported.
Cash Assets.	"Due From Banks" as reported.	"Due From Banks" as reported.	Due from Banks. For 1984 Cash Assets include Demand Obligations, listed separately.	Cash in Banks as reported.	As Reported.
Assets: Cash & Investments	Cash Assets plus Investment Assets as reported.	Cash Assets plus Investment Assets as reported.	Cash Assets plus Investment Assets as reported.	Cash Assets plus Investment Assets as defined above.	Cash Assets plus Investment Assets as reported.
(Disbursed) Total Loans Outstanding	Total Loans Approved as reported minus loans approved but not yet effective minus net undisbursed balance of effective loans held and agreed to be sold.	Total Development Credits Approved minus development credits approved but not yet effective minus undisbursed balance of effective Development Credits held and agreed to be sold.	Total loans held by the Bank less undisbursed balance, less repayments if any.	Total loans signed less undisbursed portion less repayments, if any.	Total Loans Approved as reported less terminations, cancellations, exchange adjustments, principal repayments and participations minus undisbursed balance of loans ("Disbursed" loans).
Loans: Undisbursed Balance	Undisbursed balance of approved loans (both held & agreed to be sold).	Undisbursed balance of approved development credits (both held & agreed to be sold and not including grant participation until 1981).	Undisbursed as reported until 1982, then restated to include Unsigned Loans plus Undisbursed portion of signed loans.	Undisbursed as reported until 1982, then restated to include Unsigned Loans plus Undisbursed portion of signed loans.	Undisbursed balance of loans.
Participations	As Reported (but not included on balance sheet as a separate entry).	As Reported (but not included on balance sheet as a separate entry).	Equity Participations as reported (including ADF, SIFIDA, and Development Banks).	None.	Third party participations as reported.
Total Loans Approved Less Cancellations	Loans (includes loans approved but not yet effective).	Department credits (includes development credits approved but not yet effective).	As Reported.	As Reported.	Loans Outstanding (includes terminations, cancellations, exchange adjustments, principal repayments and participations) ("Disbursed" and "Undisbursed" loans).

†Stated and Restated

ASIAN DEVELOPMENT BANK			INTER-AMERICAN DEVELOPMENT BANK			
Ordinary Capital Resources	*Technical Assistance Special Fund Resources*	*Asian Development Fund*	*Ordinary Capital*	*Inter-Regional Capital*	*Total Ordinary & Inter-Regional Capital*	*Fund for Special Operations*
Capital Stock subscribed, less callable portion plus advance payments on subscriptions plus ordinary & Special Reserves, plus net income after appropriation of commissions to Special Reserve (plus/(minus) accumulated translation adjustments starting in 1981) minus capital set aside and transferred to Special Funds	Unexpended Balances & Capital	Unexpended Balances and Capital plus advance payment on contributions plus accumulated net income plus accumulated translation adjustments	Capital Stock subscribed less callable portion plus General and Special Reserves	Capital Stock subscribed less callable portion plus accumulated earnings plus Special Reserves (Starting in 1979 — plus General Reserves)	Total columns 1 & 2	General Reserve plus Special Funds held in trust
Subscribed as defined above plus Reserves as defined in Total Reserve section	None	None	Subscribed plus General and Special Reserves	Subscribed plus accumulated earnings plus Special Reserve (Starting in 1979 — plus General Reserves)	Total columns 1 & 2	Fund Balance: Contribution quotas plus General Reserve plus Special Funds held in Trust
Paid-In Capital plus Reserves plus Funded Debt (Net) as defined above	Paid-In Capital plus Reserves plus Funded Debt (Net) as defined above	Paid-In Capital plus Reserves plus Funded Debt (Net) as defined above	Paid-In Capital plus Reserves plus Funded Debt (Net) as defined above	Paid-In Capital plus Reserves plus Funded Debt (Net) as defined above	Total columns 1 & 2	None
Gov't. and Gov't. guaranteed obligations plus time deposits and certificates of deposit plus assets of the Special Reserve	Gov't. and Gov't. guaranteed obligations plus time deposits	Gov't. and Gov't. guaranteed obligations plus time deposits and other Bank obligations	Obligations issued or guaranteed by governments plus time deposits plus investments of the Special Reserve	Obligations issued or guaranteed by governments plus time deposits plus the Special Reserve (starting in 1979)	Total columns 1 & 2	Obligations of governments & U.S. Agencies plus time deposits
As Reported	As Reported	As Reported	As Reported	As Reported	Total columns 1 & 2	As Reported
Cash Assets plus Investment Assets as reported	Cash Assets plus Investment Assets as reported	Cash Assets plus Investment Assets as reported	Cash Assets plus Investment Assets as reported	Cash Assets plus Investment Assets as reported	Total columns 1 & 2	Cash Assets and Investment Assets as reported
Effective Loans as reported (both held and agreed to be sold) minus undisbursed balance of effective loans held by bank and agreed to be sold	None	Effective Loans as reported minus undisbursed balance of effective loans	Total Loans approved less cancellations, less undisbursed balance of approved loans, less principal collected and loans sold or agreed to be sold	Total Loans approved less cancellations, less undisbursed balance of approved loans, less principal collected and loans sold or agreed to be sold	Total columns 1 & 2	Total Loans approved less cancellations, less undisbursed balance of approved loans less principal collected and loans sold or agreed to be sold
Undisbursed balance of effective loans (both held & agreed to be sold) plus loans not yet effective	None	Undisbursed balance of effective loans plus loans not yet effective	Undisbursed balance of approved loans	Undisbursed balance of approved loans	Total columns 1 & 2	Undisbursed balance of approved loans
None	None	None	None	None	None	None
Effective Loans (both held and agreed to be sold) plus loans not yet effective	None	Effective Loans as reported plus loans not yet effective	As Reported	As Reported	Total columns 1 & 2	As Reported

FOOTNOTES (continued)
(Chart 4 of 5)

	THE WORLD BANK		AFRICAN DEVELOPMENT BANK		EUROPEAN INVESTMENT BANK
Table Heading	*International Bank for Reconstruction and Development*	*International Development Association*	*Ordinary Capital Resources†*	*African Development Fund†*	*Both Stated and Restated*
Accrued Interest and other charges	Accrued income on loans plus accrued interest on investments	Accrued service charges of development credits plus accrued interest on investments	Accrued income on loans and investments	Not applicable	Accrued interest and commission
Due from Members	Receivable on Account of Subscribed Capital (including non-negotiable, non-interest bearing demand obligations and amounts required to maintain value of currency holdings subject to restrictions and amount due on subscribed capital)	Receivable on Account of Subscriptions & Supplementary Resources as reported	Due from Members on Subscriptions plus Non-negotiable Instruments (starting in 1981)	Receivable from Participants (including Subscriptions due and Amount required to maintain value of currency holdings) plus Demand Obligations	Receivable from Member States for adjustment of capital plus receivable from Member States on account of capital to be paid (disparity between 1974 and other figures due to inclusion of this latter category)
Other Assets	Sales of investment securities, receivables from purchases on account of effective loans agreed to be sold, net receivable from currency swaps, contracts to borrow, "other assets" as reported on separate entry (includes land and buildings less accumulated depreciation, unamortized issuance cost of borrowings, notional amounts required to maintain value of currency holdings, maintenance of value of capital subscriptions outstanding on loans not yet due, and miscellaneous assets) plus cash collateral invested.	Receivables from International Bank for Reconstruction and Development, non-member Swiss Confederation, purchaser on account of effective development credits to be sold and other miscellaneous receivables reported under "other receivables," and "other assets" as reported plus cash collateral invested (1984 and 1985).	Includes Assets of Trust Funds, Assets of Special Funds, Fixed Assets, Amounts Receivable & Sundries, and Assets of Shelter Afrique. Conversion Rates: 1 UA = 1974: $1.20635 1975: 1.20635 1976: 1.20635 1977: 1.21471 1978: 1.30279 1979: 1.31733 1980: 1.27541 1981: 1.16396 1982: 1.10311 1983: 1.04695 1984: 0.980210	Other Assets as reported. Conversion Rates: 1 UA = 1977: $1.111110 1978: 1.199937 1979: 1.213329 1980: 1.174719 1981: 1.072067 1982: 1.016022 1983: 0.964295 1984: 0.902824	Borrowing proceeds to be received, contra accounts to guarantees on loans under mandate, land & buildings, Receivable in respect of EMS, etc., unamortized issuing charges, unamortized redemption premiums, special deposits for service of borrowings, miscellaneous (plus receivable on account of reserves, etc., (starting in 1981)) Conversion Rates: 1 UA = 1974: $1.25496 1975: 1.16528 1976: 1.12999 1977: 1.22506 1978: 1.37688 1979: 1.43839 1980: 1.30963 1981: 1.08517 1982: 0.967667 1983: 0.827370 1984: 0.708946

†Stated and Restated

ASIAN DEVELOPMENT BANK			INTER-AMERICAN DEVELOPMENT BANK			
Ordinary Capital Resources	*Technical Assistance Special Fund Resources*	*Asian Development Fund*	*Ordinary Capital*	*Inter-Regional Capital*	*Total Ordinary & Inter-Regional Capital*	*Fund for Special Operations*
Accrued income on investments and on loans	Accrued income on investments and loans	Accrued income on investments and loans	Accrued interest and other charges on investments and loans	Accrued interest and other charges on investments and loans	Total columns 1 & 2	Accrued interest and other charges on investments and loans
Amounts Receivable from Members as reported	Amounts Receivable from contributors	Notes of Contributors as reported plus Resources Available for Drawing plus amounts receivable from contributors	As Reported (Capital subscriptions, non-negotiable, non-interest bearing demand obligations and amounts required to maintain value of currency holdings)	As Reported (Capital subscriptions, non-negotiable, non-interest bearing demand obligations)	Total columns 1 & 2	As Reported (Contribution Quotas, non-negotiable, non-interest bearing demand obligations, amounts required to maintain value of currency holdings)
Other Assets as reported plus Special Reserve Fund assets as reported	Other Assets as reported	Accounts Receivable as reported and other assets as reported	Other assets as reported (land, buildings and improvements at cost, less accumulated depreciation, unamortized funded debt issue costs, miscellaneous, including interfund receivables) plus Special Reserve assets accounts (accrued loan commission, due from member countries, and cash and investments)	Other Assets plus Special Reserve Assets as reported	Total columns 1 & 2	Other Assets as reported plus property improvements and equipment at cost

FOOTNOTES (continued)
(Chart 5 of 5)

Table Heading	THE WORLD BANK: International Bank for Reconstruction and Development	THE WORLD BANK: International Development Association	AFRICAN DEVELOPMENT BANK: Ordinary Capital Resources†	AFRICAN DEVELOPMENT BANK: African Development Fund†	EUROPEAN INVESTMENT BANK: Both Stated and Restated
Funded Debt (Net) % Total Capitalization	Funded Debt (Net) divided by Total Capitalization (Paid-In Capital plus Reserves plus Funded Debt (Net))	Funded Debt (Net) divided by Total Capitalization (Paid-In Capital plus Reserves plus Funded Debt (Net))	Funded Debt (Net) divided by Total Capitalization (Paid-Up Capital plus Reserves plus Funded Debt (Net))	Not Applicable	Funded Debt (Net) divided by Total Capitalization (Paid-In Capital plus Reserves plus Funded Debt (Net))
Capitalization Ratios: % Funded Debt (Net)	Funded Debt (Net) divided by Funded Debt (Net) plus Total Equity Capital	Funded Debt (Net) divided by Funded Debt (Net) plus Total Equity Capital	Funded Debt (Net) divided by Funded Debt (Net) plus Total Equity Capital	Not Applicable	Funded Debt (Net) divided by Funded Debt (Net) plus Total Equity Capital
% Total Equity Capital (Subscribed plus Reserves)	Total Equity Capital divided by Funded Debt (Net) plus Total Equity Capital	Total Equity Capital divided by Funded Debt (Net) plus Total Equity Capital	Total Equity Capital divided by Funded Debt (Net) plus Total Equity Capital	Not Applicable	Total Equity Capital divided by Funded Debt (Net) plus Total Equity Capital
Net Interest Coverage	Funded Debt Expense plus Net Income divided by Funded Debt Expense	Not Applicable	Funded Debt Expense plus Net Income divided by Funded Debt Expense	Not Applicable	Funded Debt Expense plus Net Income divided by Funded Debt Expense
Net Income % Total Income	Net Income divided by Total Income	Net Income divided by Total Income	Net Income divided by Total Income	Net Income divided by Total Income	Net Income divided by Total Income
Net Income % Total Assets	Net Income divided by Total Assets (Adj.)	Net Income divided by Total Assets (Adj.)	Net Income divided by Total Assets	Net Income divided by Total Assets	Net Income divided by Total Assets (Adj.)
Net Income % Paid-In Capital plus Reserves (Stockholders' Equity)	Net Income divided by Paid-In Capital plus Reserves	Net Income divided by Paid-In Capital plus Reserves	Net Income divided by Paid-Up Capital plus Reserves	Net Income divided by Paid-In Capital plus Reserves	Net Income divided by Paid-In Capital plus Reserves
Total Loans Outstanding % Total Assets	Total Loans Outstanding divided by Total Assets (Adj.)	Total Loans Outstanding divided by Total Assets (Adj.)	Total Loans Outstanding divided by Total Assets	Total Loans Outstanding divided by Total Assets	Total Loans Outstanding divided by Total Assets (Adj.)
Paid-In Capital + Reserves (Stockholders' Equity) % Total Loans Outstanding	Paid-In Capital plus Reserves divided by Total Loans Outstanding	Paid-In Capital plus Reserves divided by Total Loans Outstanding	Paid-Up Capital plus Reserves divided by Total Loans Outstanding	Paid-In Capital plus Reserves divided by Total Loans Outstanding	Paid-In Capital plus Reserves divided by Total Loans Outstanding
Paid-In Capital + Reserves (Stockholders' Equity) % Total Assets	Paid-In Capital plus Reserves divided by Total Assets (Adj.)	Paid-In Capital plus Reserves divided by Total Assets (Adj.)	Paid-Up Capital plus Reserves divided by Total Assets	Paid-In Capital plus Reserves divided by Total Assets	Paid-In Capital plus Reserves divided by Total Assets (Adj.)
Total Equity Capital % Total Debt (Funded Debt (Net) plus other Liabilities as stated)	Total Equity Capital divided by Total Debt (Funded Debt (Net) plus other Liabilities as stated)	Total Equity Capital divided by Total Debt (Funded Debt (Net) plus other Liabilities as stated)	Total Equity Capital divided by Total Debt (Funded Debt (Net) plus other Liabilities as stated)	Total Equity Capital divided by Total Debt (Funded Debt (Net) plus other Liabilities as stated)	Total Equity Capital divided by Total Debt (Funded Debt (Net) plus other Liabilities as stated)
Total Equity Capital % Total Loans Outstanding	Total Equity Capital divided by Total Loans Outstanding	Total Equity Capital divided by Total Loans Outstanding	Total Equity Capital divided by Total Loans Outstanding	Total Equity Capital divided by Total Loans Outstanding	Total Equity Capital divided by Total Loans Outstanding
Paid-In Capital & Reserves (Stockholders' Equity) % Total Debt	Paid-In Capital plus Reserves divided by Total Debt	Paid-In Capital plus Reserves divided by Total Debt	Paid-Up Capital plus Reserves divided by Total Debt	Paid-In Capital plus Reserves divided by Total Debt	Paid-In Capital plus Reserves divided by Total Debt
Total Callable Capital % Funded Debt (Net)	Total Callable Capital divided by Funded Debt (Net)	Total Callable Capital divided by Funded Debt (Net)	Total Callable Capital divided by Funded Debt (Net)	Not Applicable	Total Callable Capital divided by Funded Debt (Net)
Total Debt % Total Assets	Total Debt divided by Total Assets	Total Debt divided by Total Assets	Total Debt divided by Total Assets	Total Debt divided by Total Assets	Total Debt divided by Total Assets
Cash & Investments % Total Debt	Cash plus Investments divided by Total Debt	Cash plus Investments divided by Total Debt	Cash plus Investments divided by Total Debt	Cash plus Investments divided by Total Debt	Cash plus Investments divided by Total Debt
Cash & Investments % Undisbursed Loans	Cash plus Investments (less the Special Reserve) divided by Undisbursed Loans	Cash plus Investments divided by Undisbursed Loans	Cash plus Investments (less the Special Reserve) divided by Undisbursed Loans	Cash plus Investments divided by Undisbursed Loans	Cash plus Investments divided by Undisbursed Loans
% Net Income Retained	Net Income Retained in Reserves divided by Total Net Income	Net Income Retained in Reserves divided by Total Net Income	Net Income Retained in Reserves divided by Total Net Income	Net Income Retained in Reserves divided by Total Net Income	Net Income Retained in Reserves divided by Total Net Income
Funds Transferred Away	As Stated	None	None	None	None
Total U.S. Subscription to Capital Stock	As Stated	As Stated	As Stated	As Stated	None
Total U.S. Subscription to Capital Stock % Loans Outstanding	Total U.S. Subscription to Capital Stock divided by Loans Outstanding	Total U.S. Subscription to Capital Stock divided by Loans Outstanding	Total U.S. Subscription to Capital Stock divided by Loans Outstanding	Total U.S. Subscription to Capital Stock divided by Loans Outstanding	Not Applicable
Total U.S. Subscription to Capital Stock % Funded Debt (Net)	Total U.S. Subscription to Capital Stock divided by Funded Debt (Net)	Total U.S. Subscription to Capital Stock divided by Funded Debt (Net)	Total U.S. Subscription to Capital Stock divided by Funded Debt (Net)	None	Not Applicable

†Stated and Restated

ASIAN DEVELOPMENT BANK			INTER-AMERICAN DEVELOPMENT BANK			
Ordinary Capital Resources	*Technical Assistance Special Fund Resources*	*Asian Development Fund*	*Ordinary Capital*	*Inter-Regional Capital*	*Total Ordinary & Inter-Regional Capital*	*Fund for Special Operations*
Funded Debt (Net) divided by Total Capitalization (Paid-In Capital plus Reserves plus Funded Debt (Net))	Not Applicable	Not Applicable	Funded Debt (Net) divided by Total Capitalization (Paid-In Capital plus Reserves plus Funded Debt (Net))	Funded Debt (Net) divided by Total Capitalization (Paid-In Capital plus Reserves plus Funded Debt (Net))	Funded Debt (Net) divided by Total Capitalization (Paid-In Capital plus Reserves plus Funded Debt (Net))	Not Applicable
Funded Debt (Net) divided by Funded Debt (Net) plus Total Equity Capital	Not Applicable	Not Applicable	Funded Debt (Net) divided by Funded Debt (Net) plus Total Equity Capital	Funded Debt (Net) divided by Funded Debt (Net) plus Total Equity Capital	Funded Debt (Net) divided by Funded Debt (Net) plus Total Equity Capital	Funded Debt (Net) divided by Funded Debt (Net) plus Total Equity Capital
Total Equity Capital divided by Funded Debt (Net) plus Total Equity Capital	Not Applicable	Not Applicable	Total Equity Capital divided by Funded Debt (Net) plus Total Equity Capital	Total Equity Capital divided by Funded Debt (Net) plus Total Equity Capital	Total Equity Capital divided by Funded Debt (Net) plus Total Equity Capital	Total Equity Capital divided by Funded Debt (Net) plus Total Equity Capital
Funded Debt Expense plus Net Income divided by Funded Debt Expense	Not Applicable	Not Applicable	Funded Debt Expense plus Net Income divided by Funded Debt Expense	Funded Debt Expense plus Net Income divided by Funded Debt Expense	Funded Debt Expense plus Net Income divided by Funded Debt Expense	Not Applicable
Net Income divided by Total Income	Net Income divided by Total Income	Net Income divided by Total Income	Net Income divided by Total Income	Net Income divided by Total Income	Net Income divided by Total Income	Net Income divided by Total Income
Net Income divided by Total Assets (Adj.)	Net Income divided by Total Assets (Adj.)	Net Income divided by Total Assets (Adj.)	Net Income divided by Total Assets	Net Income divided by Total Assets	Net Income divided by Total Assets	Net Income divided by Total Assets (Adj.)
Net Income divided by Paid-In Capital plus Reserves	Net Income divided by Paid-In Capital plus Reserves	Net Income divided by Paid-In Capital plus Reserves	Net Income divided by Paid-In Capital plus Reserves	Net Income divided by Paid-In Capital plus Reserves	Net Income divided by Paid-In Capital plus Reserves	Not Applicable
Total Loans Outstanding divided by Total Assets (Adj.)	Not Applicable	Total Loans Outstanding divided by Total Assets (Adj.)	Total Loans Outstanding divided by Total Assets	Total Loans Outstanding divided by Total Assets	Total Loans Outstanding divided by Total Assets	Total Loans Outstanding divided by Total Assets
Paid-In Capital plus Reserves divided by Total Loans Outstanding	Not Applicable	Paid-In Capital plus Reserves divided by Total Loans Outstanding	Paid-In Capital plus Reserves divided by Total Loans Outstanding	Paid-In Capital plus Reserves divided by Total Loans Outstanding	Paid-In Capital plus Reserves divided by Total Loans Outstanding	Not Applicable
Paid-In Capital plus Reserves divided by Total Assets (Adj.)	Paid-In Capital plus Reserves divided by Total Assets (Adj.)	Paid-In Capital plus Reserves divided by Total Assets (Adj.)	Paid-In Capital plus Reserves divided by Total Assets	Paid-In Capital plus Reserves divided by Total Assets	Paid-In Capital plus Reserves divided by Total Assets	Not Applicable
Total Equity Capital divided by Total Debt (Funded Debt (Net) plus other Liabilities as stated)	Not Applicable	Not Applicable	Total Equity Capital divided by Total Debt (Funded Debt (Net) plus other Liabilities as stated)	Total Equity Capital divided by Total Debt (Funded Debt (Net) plus other Liabilities as stated)	Total Equity Capital divided by Total Debt (Funded Debt (Net) plus other Liabilities as stated)	Total Equity Capital divided by Total Debt (Funded Debt (Net) plus other Liabilities as stated)
Total Equity Capital divided by Total Loans Outstanding	Not Applicable	Not Applicable	Total Equity Capital divided by Total Loans Outstanding	Total Equity Capital divided by Total Loans Outstanding	Total Equity Capital divided by Total Loans Outstanding	Total Equity Capital divided by Total Loans Outstanding
Paid-In Capital plus Reserves divided by Total Debt	Paid-In Capital plus Reserves divided by Total Debt	Paid-In Capital plus Reserves divided by Total Debt	Paid-In Capital plus Reserves divided by Total Debt	Paid-In Capital plus Reserves divided by Total Debt	Paid-In Capital plus Reserves divided by Total Debt	Not Applicable
Total Callable Capital divided by Funded Debt (Net)	Not Applicable	Not Applicable	Total Callable Capital divided by Funded Debt (Net)	Total Callable Capital divided by Funded Debt (Net)	Total Callable Capital divided by Funded Debt (Net)	Not Applicable
Total Debt divided by Total Assets	Total Debt divided by Total Assets	Total Debt divided by Total Assets	Total Debt divided by Total Assets	Total Debt divided by Total Assets	Total Debt divided by Total Assets	Total Debt divided by Total Assets
Cash plus Investments divided by Total Debt	Cash plus Investments divided by Total Debt	Cash plus Investments divided by Total Debt	Cash plus Investments divided by Total Debt	Cash plus Investments divided by Total Debt	Cash plus Investments divided by Total Debt	Cash plus Investments divided by Total Debt
Cash plus Investments (less the Special Reserve) divided by Undisbursed Loans	Not Applicable	Cash plus Investments divided by Undisbursed Loans	Cash plus Investments (less the Special Reserve) divided by Undisbursed Loans	Cash plus Investments (less the Special Reserve) divided by Undisbursed Loans	Cash plus Investments (less the Special Reserve) divided by Undisbursed Loans	Cash plus Investments divided by Undisbursed Loans
Net Income Retained in Reserves divided by Total Net Income	Not Applicable	Net Income Retained in Reserves divided by Total Net Income	Net Income Retained in Reserves divided by Total Net Income	Net Income Retained in Reserves divided by Total Net Income	Net Income Retained in Reserves divided by Total Net Income	Net Income Retained in Reserves divided by Total Net Income
None	None	None	None	None	None	None
As Stated	None	None	As Stated	As Stated	As Stated	As Stated
Total U.S. Subscription to Capital Stock divided by Loans Outstanding	Not Applicable	Not Applicable	Total U.S. Subscription to Capital Stock divided by Loans Outstanding	Total U.S. Subscription to Capital Stock divided by Loans Outstanding	Total U.S. Subscription to Capital Stock divided by Loans Outstanding	Total U.S. Subscription to Capital Stock divided by Loans Outstanding
Total U.S. Subscription to Capital Stock divided by Funded Debt (Net)	Not Applicable	Not Applicable	Total U.S. Subscription to Capital Stock divided by Funded Debt (Net)	Total U.S. Subscription to Capital Stock divided by Funded Debt (Net)	Total U.S. Subscription to Capital Stock divided by Funded Debt (Net)	Not Applicable

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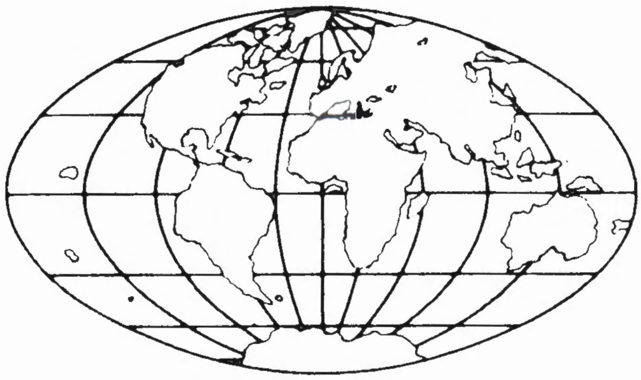

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