

ANNEX 2. CORPORATE SCORECARD FY04

Mission: To promote sustainable private sector investment in developing countries, as a way to reduce poverty and improve people's lives.

<i>CLIENT SATISFACTION MEASURES</i>	PERFORMANCE FY04	BENCHMARK/ TARGET FY04	BENCHMARK/ TARGET
External: % of satisfied respondents in the Annual Client Survey	81.0%	84.0%	Previous year
<i>DEVELOPMENT IMPACT MEASURES</i>	<i>PERFORMANCE FY04</i>	BENCHMARK/ TARGET FY04	BENCHMARK / TARGET
Five Strategic Priorities: (See Part II).			
% satisfactory or better ex-post development outcomes (XPSRs)	59.0%	58.0%	Previous year
Total High Impact tracking as % of total project count:	65.0%	58.0%	Previous year
– Projects with high financial/economic impact	56.0%	48.0%	Previous year
– Projects with high environmental/social/governance impact	27.0%	29.0%	Previous year
Technical Assistance/Advisory Services, DFO expenditures*	\$90m	\$71m	Previous year
% of low risk projects (rated "average" or "good" in ESRR)**	70%	53%	Previous year
<i>PROFITABILITY MEASURES</i>	<i>PERFORMANCE FY04</i>	BENCHMARK/ TARGET FY04	BENCHMARK / TARGET
IFC net commitments	\$4,753m	\$3,630-\$4,085m	Plan Forecast
IFC net approvals	\$5,183m	\$4,400m	Plan Forecast
IFC committed syndications	\$880m	\$1,181m	Previous year
IFC approved syndications	\$1,400m	\$1,458m	Previous year
Operating income	\$982m	\$90m	Plan Forecast
Return on Net Worth	13.7%	1.4%	Plan Forecast
Return on Net Worth, Adjusted for TAAS***	14.1%	6.0%	Plan Target
Loans (Non-performing loans)	11.5%	16.7%	Previous year
Equity (Specific Reserves as % of disbursed portfolio)	22.9%	25.8%	Previous year
Productivity: # Commitments/Investment staff****	0.56	0.55	Previous year
Maintenance of AAA Rating	Yes	Yes	Yes

* Donor-funded Operations (DFO) expenditures include overhead costs and cost of delivering projects in the following DFO programs: Trust Fund program, PEP, FIAS, Project Development Facilities, SME Capacity Building Fund, SME Initiatives, Environmental Facilities, GEF, DevCO, and Grassroots Business Initiatives. Does not include cost incurred by Balkans Infrastructure Development Facility (BIDF), South-Asia SME Development Expansion in Sri Lanka and Maldives, Mozambique SME Initiative, and Private Enterprise Partnership for Middle East (PEP-ME) as they were not fully operational in FY04. Overhead cost may be understated for some HQ based global DFOs due to in-kind contributions from IFC.

** The Environmental and Social Risk Rating ("ESRR") system rates environmental and social risks of portfolio projects.

*** IFC Return on Net Worth based on operating income adjusted for "contributions to special programs." This subtracts from IFC expenses contributions to the Trust Fund program, FIAS, PEP, Project Development Facilities, SME Capacity Building Fund, and special Environmental Facilities. The target ROE of 6 percent is based on 1) a potential range of 6-8 percent for a commercial benchmark, based on returns of commercial banks and other IFIs, (Board technical briefing on "Benchmarking IFC's Profitability," November 2003), 2) reduced by 1.5 percent to account for IFC non-commercial activities other than the "contributions to special programs" (Board Technical briefing on "Unbundling Non-Commercial Activities," January 2003). This figure will be adjusted for the FMTAAS contributions in FY05.

**** Total number of projects divided by the total number of investment officers from grade F to H, excluding managers. The number of investment officers in FY03 and FY04 were 369 and 386, respectively.

**PART II:
FIVE STRATEGIC PRIORITIES**

<i>PROFITABILITY MEASURES</i>	<i>PERFORMANCE FY04</i>	BENCHMARK/ TARGET FY04	BENCHMARK / TARGET
1. Strengthen the Focus on Frontier Markets			
Frontier countries (narrow definition), % of IFC total commitments in low-income countries or highest-risk countries*	26.2%	22.4%	Size of frontier economy
Frontier countries (broader definition), % of IFC total commitments in low income countries or in higher-risk/highest-risk countries*	31.4%	24.9%	Size of frontier economy
Commitments in MSME**	\$718m	\$665m	Previous Year
Commitments in MSME as % of total commitments	15.1%	17.3%	Previous Year
Number of countries where DFO has local presence	71	61	Previous Year
2. Build long-term Partnerships with Emerging Global Players			
Domestic sponsors as % of total number of commitments	51.6%	51.3%	Previous Year
South-south commitments	\$514m	\$440m	Previous Year
South-south commitments as % of total foreign sponsors	19.8%	21.5%	Previous Year
3. Differentiate through Sustainability Competencies			
% of Clients who received significant E&S input, in Annual Client Survey	76.2%	-	
% of Clients who said E&S input had impact on their business	64.9%	48.4%	Previous Year
Projects with high environmental/social/governance impact	27.0%	29.0%	Previous year
4. Address Constraints to Private Sector Growth in Infrastructure, Health and Education			
Commitments in infrastructure, ICT, health and education	\$1051mn	\$626mn	Previous Year
Commitments in Sub-nationals, PPPs, IDA/ IFC financing	\$220mn	\$54mn	Previous Year
5. Continue to Emphasize Local Financial Market Development			
Commitments in Financial Sector	\$1,682m	\$1,981m	Previous Year
Commitments with Innovative Financing Products***	\$702m	\$636m	Previous year
- of which, Local Currency Financing	\$481m	\$206m	Previous year

* Frontier countries (narrow definition) include low income (World Bank income category) or highest risk (Institutional Investor rating of 30 or less) countries. Frontier countries (broader definition) include low income (World Bank income categories) or higher-risk/highest-risk (Institutional Investor rating of 35 or less). The target is defined as the share of frontier economies in all IFC's developing member countries, measured by GDP in current US dollars.

** MSME commitments include: direct MSME borrowers; financial institutions with more than 50 percent of their business clients being MSMEs; and any other investments that explicitly target MSMEs as primary beneficiaries.

*** Innovative Financing Products include local currency financing, partial credit guarantees, securitizations, swaps, other structured finance, and risk management products.