AUSTRIA BELGIUM DENMARK FINLAND FRANCE GERMANY ISRAEL ITALY JAPAN NETHERLANDS NORWAY PEOPLE'S REPUBLIC OF CHINA PORTUGAL REPUBLIC OF KOREA SPAIN SWEDEN SWITZERLAND UNITED STATES

supporting the region in tough times

2009 ANNUAL REPORT

25 YEARS

IIC

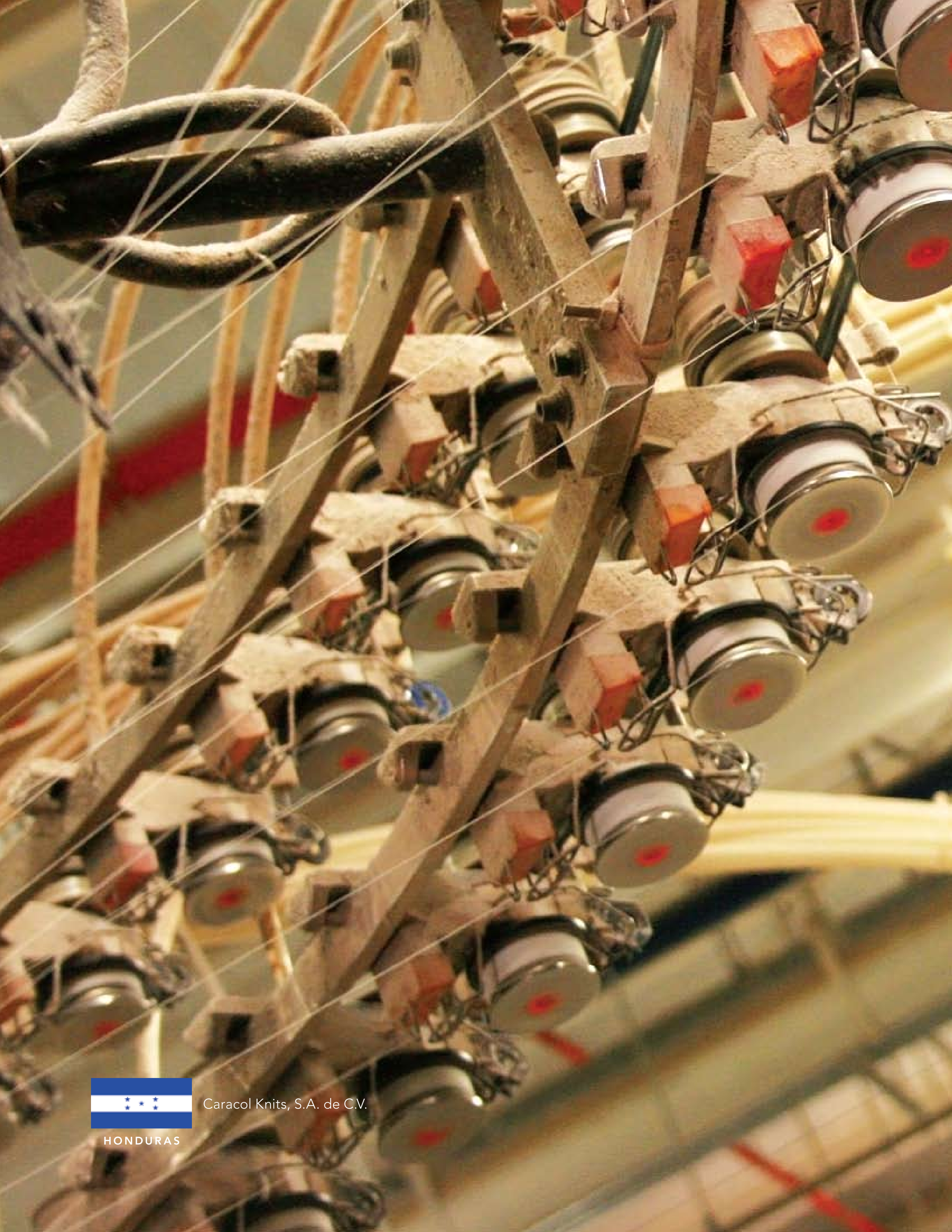
Inter-American Investment Corporation

Empresa de Transportes El Porvenir Limitada, S.R.L.

BOLIVIA

develop

We help our clients meet challenges in an ever-changing economic climate. To date, we have approved more than 500 projects with developmental loans and equity investments totaling $3.58 billion that have reached more than one million enterprises all across Latin America and the Caribbean.



HONDURAS

Caracol Knits, S.A. de C.V.

We transfer to our clients management know-how, good practices, and technical expertise that will give them a competitive advantage.

innovate

PANAMA

Barrio La Constancia, funded by La Hipotecaria S.A.

grow

Our support helps SMEs grow and take advantage of new business opportunities such as renewable energy projects, which have received $56 million in financing from us in the past five years alone.



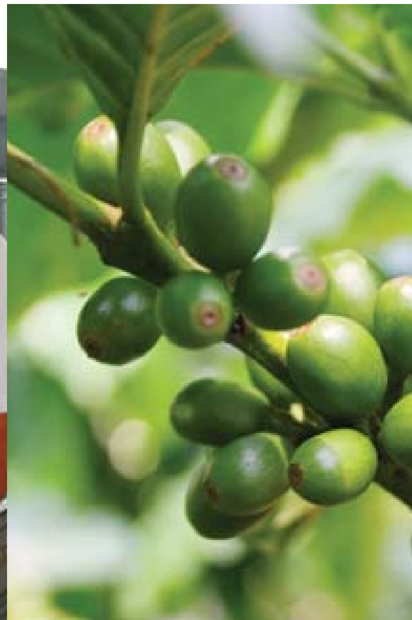

The Inter-American Investment Corporation (IIC) is mandated by its charter to promote the economic development of its Latin American and Caribbean member countries by financing private enterprises. The IIC began operations in 1989 and focuses, in particular, on supporting small and medium-sized companies that have difficulty obtaining medium- and long-term financing from other sources.

Projects financed by the IIC must offer profitable investment opportunities and further economic development. From creating jobs and broadening capital ownership to facilitating the transfer of resources and technology, projects should spur economic growth and promote environmental stewardship. Projects that generate foreign income or foster the economic integration of Latin America and the Caribbean are also eligible for support by the IIC.

As a multilateral financial organization, the IIC provides financing in many forms, including direct loans, guarantees, equity investments, lines of credit to local financial intermediaries, and investments in local and regional investment funds. The IIC also serves as a catalyst for attracting technology, know-how, and additional financing from other sources. These resources are mobilized through cofinancing and syndication, supporting security underwritings, and identifying joint venture partners.

A member of the Inter-American Development Bank (IDB) Group, the IIC is legally autonomous, and its resources and management are separate from those of the IDB. The IIC is headquartered in Washington, D.C. and has staff in eleven countries across the region.

contents

letter of transmittal

March 23, 2010

Chairman of the Board of Governors
Inter-American Investment Corporation
Washington, D.C.

Mr. Chairman:

Pursuant to the provisions of Article IV, Section 9(a) of the Agreement Establishing the Inter-American Investment Corporation, I am pleased to transmit the Annual Report of the Corporation for 2009 and the audited financial statements, including the balance sheet as of December 31, 2009 and 2008, and the related statements of income, comprehensive income, changes in equity, and cash flows for the years then ended.

The report summarizes the Corporation's main achievements and key developments during the year.

Yours sincerely,

Luis Alberto Moreno
Chairman
Board of Executive Directors
Inter-American Investment Corporation

letter from the General Manager

A Solid Foundation for an Innovative Future

During the year just ended, the Inter-American Investment Corporation (IIC) again renewed its commitment to the small and medium-sized enterprises of Latin America and the Caribbean. The economic crisis—the worst since the Great Depression of 1929—cast a shadow of uncertainty over the world.

But for the first time in decades and unlike recent crises, the region was much less hard hit than were the United States, the European Union, and other advanced economies. We must now then build projects that further sustainable development and spur innovation and creativity among small and medium-sized enterprises in Latin America and the Caribbean.

In 2010 the IIC will celebrate twenty-five years of supporting SMEs in our region. Since we began operations, we have granted direct loans and mobilized indirect loans for a total of $3.58 billion and funded $2.19 billion in fixed asset purchases.

Our support has made financing available to more than one million Latin American and Caribbean SMEs. And the approval of our first loan to Haiti in August of this year marked the attainment of one of our core goals: to mobilize resources to the benefit of all of our region's countries.

The IIC responded quickly to the crisis to ensure the long-term sustainability of its strategy. We increased provisioning by more than 20 percent to address the greater risk generated by the worldwide financial crisis. Despite this, we are reporting a profit for the seventh consecutive year.

With the admission of China as the IIC's forty-fourth member country, we resumed equity and quasi-equity investments. We also extended the reach of our nonfinancial products. These include FINPYME®, which helps enterprises become more competitive, and GREENPYME®, which supports and promotes energy efficiency, the use of renewable energy, and clean technologies.

A priority for the near future will be to promote and support creative projects carried out by pioneering SMEs, creating value added and enhancing opportunities for Latin America and Caribbean in today's knowledge society.

Take a look at our 2009 Annual Report.

Jacques Rogozinski
General Manager
Inter-American Investment Corporation

1984–25 YEARS of promoting sustainable growth

the IIC today

- 25 years of operations
- 20 years of investing and lending
- Direct loans as small as $100,000
- More than $3.5 billion in loans
- 1 million subloans to date
- More than $1.42 billion in total assets
- 44 member countries
- 107 staff positions

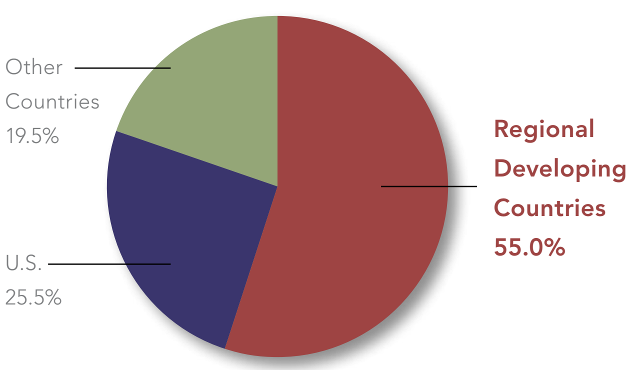
In 1984, after several years of discussions, 34 countries signed the Final Act of the Negotiations on the Creation of the Inter-American Investment Corporation. Across 25 years, through economic upswings and downturns, the IIC has become a reliable partner and strong catalyst for expanding economic development in Latin America and the Caribbean.

With greater access to financial resources and technical assistance, SMEs are better able to grow, create jobs, and promote social and environmental sustainability. Throughout the years, the IIC has been working to make a difference, especially in tough economic times, and helping to improve living conditions across the region.

2009

1984

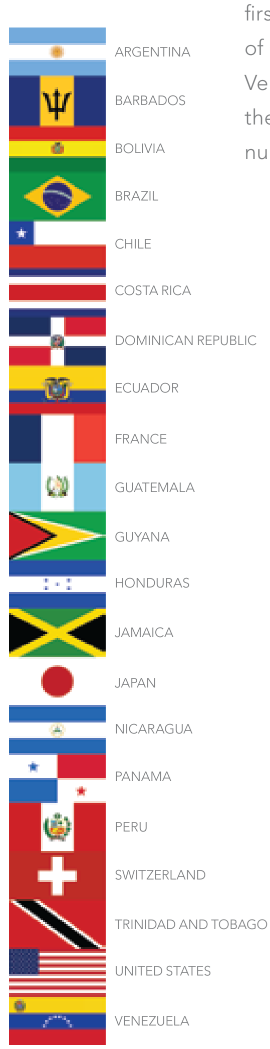
$200 million in initial capital



The IIC was established with $200 million of initial capital and authorized initially to borrow up to one dollar for every dollar of paid-in capital plus reserves.

1985

The Agreement Establishing the Inter-American Investment Corporation is signed by 21 countries.



1986

The Agreement Establishing the IIC becomes effective, and the first annual meeting of the Board of Governors is held in Caracas, Venezuela. Nine more countries sign the IIC Charter, bringing the total number of member countries to 30.

FIRST FOR THE IIC

1989: First five projects submitted for approval

Long-term loan for Terminal 6 for a port storage expansion in **Argentina**

Venture capital (equity) for Caderi, a risk capital company in **Brazil**

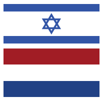
Loan for expanding Zona Franca San Isidro, a free trade zone in the **Dominican Republic**

Credit line to Banca Serfin for export-oriented SMEs in **Mexico**

Loan and equity investment for Migranja, an agribusiness in **Uruguay**

1987

Israel and the Netherlands become members, bringing the number of member countries to 32.



New Board of Executive Directors is elected to serve for three years, and the IIC publishes its first annual report.

1988

With the addition of Haiti and Italy, the number of member countries grows to 34.

Gunther H. Muller is named first General Manager, recruitment of senior management officials is authorized, and work on the IIC's operating guidelines begins.

Gunther H. Muller

1989

First group of senior managers is appointed.

FIRST FOR THE IIC

The Meliá Playa Conchal (now Paradisus Playa Conchal), built with support from an $8 million IIC loan, is the first high-end resort in the Guanacaste region of Costa Rica, where tourism has become one of the most important economic activities.

A $1 million equity investment is made in Bolivia's BancoSol, the first private bank in Latin America to serve microenterprises.

In the IIC's first cofinancing operation, Mexico's Banca Serfin receives an A loan of $5.5 million and a B loan of $22 million.

ZIP Choloma is the IIC's first project in Honduras and the country's first industrial processing zone. A $2.5 million IIC loan helps generate more than 5,000 direct jobs, and the San Pedro Sula area experiences an economic boom and becomes an export platform.

In Uruguay, Terminal Tres Cruces, built in downtown Montevideo, is the first bus terminal to centralize all bus lines and national and international routes. Its construction is funded by IIC's $4.5 million loan and $300,000 in equity, plus $11.1 million in cofinancing. Each year, 11.3 million people use the terminal.

1990

$67 million in financing is approved.

1991

Important strides are made to establish specific investment, operating, and financial policy guidelines. These include project eligibility, environmental assessment, provisioning, cofinancing, arrears and nonaccrual policy, and liquid asset management guidelines—defining the parameters, means, and strategies for carrying out the IIC's mandate.

1992

The IIC begins to establish a local presence in the region it serves, assigning a staff member to Costa Rica.

The IIC implements a practice of drafting contracts in the language that is spoken in the client's country and makes the contracts subject to local law and jurisdiction.

A system is introduced to calculate each project's developmental impact, including economic rate of return and expected job creation and GDP contribution.

A $200,000 Italian Trust Fund is established.

Hidroeléctrica Platanar, the first power generation project eligible for private investment in Costa Rica, receives $1 million in quasi-equity and a $5 million long-term loan from the IIC, which help mobilize resources for the $20 million, 15 megawatt project completed in 1995. All the company's operations are developed according to good environmental practices.

1993

Total number of projects approved tops 100, for more than $450 million.

John C. Rahming is appointed General Manager *ad interim.*

Tahuamanu, known for its environmental sustainability practices and social programs for its workers' children, receives $1.6 million toward building a $5.5 million plant in Bolivia for processing naturally grown Brazil nuts for export. By 2001, 300 direct, 50 temporary, and 800 indirect jobs are created.

1994

An external advisory group recommends that the IIC expand its operations with financial institutions and increase equity investments and advisory services. The group concludes that the IIC is a sound institution in need of adjustment and restructuring. It calls for the IIC to develop a new business strategy and become profitable and more integrated with the IDB Group.

A $3 million equity investment in the Central American Investment Fund is approved to target companies generating hard currency and seeking to expand operations and sales.

1995

Governors unanimously approve an action plan for mobilizing additional financial resources, as well as a resolution to amend the IIC Charter to increase the debt-to-equity ratio from 1:1 to 3:1, permit nonmembers of the IDB to join the IIC, and allow, in limited cases, direct investments in SMEs in the region that are not majority-owned by local investors.

With support from a $1.5 million IIC loan, Waterfields Company builds and starts to operate a reverse osmosis seawater desalination plant in The Bahamas. The project contributes to the island's economic development, which had been hindered by the lack of water.

1996

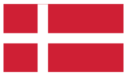
The IIC expands to a second location in the region, assigning staff to Uruguay.

The IIC participates as an advisor of the AIG-GE Capital Latin America Infrastructure Fund, a $1 billion fund established with the sponsorship of American International Group and GE Capital Corporation to make equity investments in South America, Mexico, Central America, and the Caribbean.

The Latin Healthcare Fund, L.P. receives a $5 million equity investment from the IIC, providing its private healthcare service companies with long-term capital to upgrade operations, increase capacity, and provide service more efficiently and profitably.

1997

Denmark becomes the 35th member country.



The IIC´s presence in the region increases with the assignment of staff to Colombia.

The IDB approves a $300 million loan to the IIC to respond to the credit needs of SMEs in the region.

Desler, an environmental waste management company, builds the first properly engineered hazardous waste landfill in Argentina with a $6.64 million loan from the IIC.

1998

Suriname becomes the 36th member country.

The IIC Web site is launched: www.iic.int

IIC's capital is increased by $500 million.

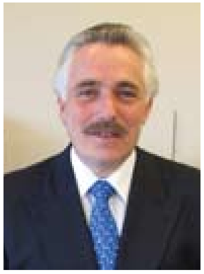
1999

Belize becomes the 37th member country.

The IIC develops environmental and labor guidelines, and its first environmental risk management workshop for the financial sector is held.

Austria establishes a $500,000 trust fund at the IIC.

Jacques Rogozinski is appointed General Manager.



Almer, a key player in the tortilla production chain in Mexico, receives a $10 million IIC loan to increase working capital; it uses the funds to provide financing to small producers, creating a multiplier effect and assisting hundreds of corn producers.

Banco Improsa, located in Costa Rica, develops an environmental management system after attending an IIC environmental training course.

2000

$394 million in assets

The IDB's Office of Evaluation and Oversight begins to provide independent validations of the IIC's evaluations of its loan and investment operations.

Financial institution clients are required to attend environmental risk management training sessions and develop environmental management systems.

S&P rating: AA
This Standard & Poor's rating represents an important step toward mobilizing additional funding from the financial markets to support the IIC's developmental mission.

FINPYME program is launched.

Finpyme

2001

Sweden becomes the 38th member country.

The IIC joins the Multilateral Development Banks Evaluation Cooperation Group, adopts their Good Practice Standards for evaluating private sector investment operations, and introduces Expanded Annual Supervision Reports.

The additionality matrix, a new tool for measuring developmental impact and additionality, is approved.

By 2001 30 FINPYME diagnostic reviews are performed in Chile and 20 in Bolivia.

Hidroabanico, a hydroelectric power plant in Ecuador, is the first IDB Group project to generate carbon credits, producing revenue that is reinvested to develop a watershed management program, replace an older plant with a new hydroelectric plant that produces cleaner energy, and create jobs.

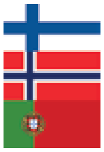
Cablemás, a leading cable television, Internet, and telecommunications provider located in Mexico, receives a bond issue guarantee from the IIC to access the local capital markets on competitive terms.

2002

The IIC achieves the second-highest score of rated institutions on the first benchmarking exercise on implementation of Good Practice Standards by the Multilateral Development Banks Evaluation Cooperation Group.

The IIC and the International Finance Corporation cosponsor the first Inter-Agency Roundtable on Additionality of Private Sector Development Programs and Operations Supported by the International Financial Institutions.

The total number of member countries grows to 41, with the addition of Finland, Norway, and Portugal.



2003

Standard & Poor's notes that "the Corporation has the most difficult mandate of any rated Multilateral Development Financial Institution" and that this mandate "is an extremely important one."

The IIC moves its headquarters to new offices in Washington, D.C., and establishes a regional presence in Chile.

Belgium becomes the 42nd member country.

The IIC and the Government of Denmark sign an agreement establishing a 3 million Danish kroner Consulting Services Trust Fund.

2004

$487 million in assets

The IIC increases its presence in the region by assigning staff to Honduras.

The Declaration of Nuevo León calls for the IDB Group to triple lending through the banking system to micro, small, and medium-sized enterprises. This goal is later exceeded by the IIC.

The IIC is authorized to present projects for funding to the IDB Swiss Technical Cooperation Trust Fund.

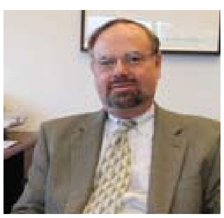
The IIC completes its first bond issue in local currency in Colombia, the first among multilateral finance institutions that is injected back into the local economy. The proceeds are onlent to five leasing companies, supporting 1,000 SMEs.

2005

$675 million in assets

The Republic of Korea becomes the 43rd member country.

The number of regional locations expands to eight, including Argentina, Nicaragua, and Paraguay.



Steven Reed is appointed Deputy General Manager.

The Financial Institutions Program is launched to mobilize up to $160 million in financing per year through local financial institutions to SMEs.

A $40 million Korea-IIC SME Development Trust Fund is established, and the IIC develops its own proactive technical assistance programs for SMEs.

The Italian Trust Fund is replenished with $1.5 million.

The first Small Business Revolving Line (SBRL) project, Instituto Cultural Anglo Uruguayo, is approved and receives a $280,000 loan to buy property and build a secondary school in Montevideo, Uruguay.

Belize Co-Generation Energy Limited, the first commercial-scale cogeneration project in Belize, generates power by burning sugarcane bagasse. The IIC loan helps create jobs and support the more than 8,500 independent growers who supply the company with sugarcane.

Local currency operations are expanded into Mexico.

2006

The SBRL program is launched, enabling the IIC to provide expedited loans to SMEs ranging from $100,000 to $600,000.

C. Kersten & Co., a widely diversified corporation, is the IIC's first project in Suriname and the first joint IIC-IDB structuring, resource mobilization, and cofinancing project.

The IIC sells its shares in Banco del Desarrollo in Chile, producing a capital gain of more than $45 million, and approves the $30 million IFEM program for financing specialized financial institutions in Mexico.

Local currency operations are expanded into Argentina, Brazil, Chile, and Peru.

2007

$1.2 billion in assets

The Venture Financing program is created to prudently develop a portfolio of start-up projects with high development impact but higher risk. Eligible sectors include renewable energy, new technology, and economic integration.

The Development Effectiveness and Corporate Strategy Unit is created to improve the IIC's work on developmental impact and additionality.

The Vice Presidency for Private Sector and Non-Sovereign Guaranteed Operations is created as part of the IDB realignment.

FINPYME Central America, Panama, and Dominican Republic is launched with support from business schools in the region and funding from the Korean Trust Fund. The first Family Business Governance Training Workshop is held, in Panama.

The SBRL program increases by $7 million.

2008

$1.5 billion in assets

The SBRL program receives an additional $4 million.

The IIC begins to use a portfolio approach, enabling it to account for each project's developmental and financial contribution; the Development Impact and Additionality Scoring System (DIAS) is launched to identify, track, and assess development results throughout the project cycle. The Technical Assistance and Strategic Partnerships Division is created.

Local presence is established in Peru, El Salvador, and Guatemala, bringing the total number of regional locations to 11.

The IIC launches its GREENPYME Program to provide energy efficiency audits for SMEs.

Greenpyme

FIRST FOR THE IIC

First project in Haiti is approved. Carifresh, an agricultural company, receives a $300,000 loan under the SBRL program for investing in irrigation equipment and agricultural infrastructure. The funds also help generate employment.

Second project in Haiti is approved. Distributeurs Nationaux, a marketer and distributor of fuel and lubricants, receives a $10 million loan. Technical assistance for initial environmental studies is being provided with resources from the Korean Trust Fund.

2009

The People's Republic of China becomes the 44th member country.

A $75 million equity fund is established by China, doubling IIC's resources allocated for its planned resumption of equity investments.

IDEAS, an intranet portal that concentrates the IIC's operational, portfolio, finance, and treasury data, is launched.

FINPYME is launched in the Caribbean with funding from the Korean and Austrian trust funds and in partnership with Caribbean business schools.

FINPYME *ExportPlus* in Guatemala and FINPYME Colombia are launched with funding from the Korean and Spanish trust funds, and FINPYME *ExportPlus* in Haiti receives funding from the Walloon Region in Belgium. A Family Business Governance Workshop is held in Colombia.

Moody's rating: Aa2
S&P rating: AA-

supporting the region in tough times

Maderas Cultivadas de Costa Rica, S.A. and
Reforestación Industrial Los Nacientes, S.A.

COSTA RICA

The IIC is working with SMEs across the region to help them overcome challenges so they can continue to drive development.

Uncertainty and volatility remain in the wake of the global financial crisis. Although some economists report that the crisis has begun to wane, economic conditions in emerging markets continue to be difficult. And while credit scarcity has opened new opportunities for the IIC to support private enterprises, these companies are taking a more cautious approach when deciding to expand and, even more so, when considering greenfield investments.

The IIC is working to help the region get through these tough times. By providing financial and nonfinancial support, such as technical assistance, the IIC is taking action to help the companies in its current portfolio weather the crisis. At the same time, the IIC is working to further improve its risk management procedures for evaluating new investments and managing an unpredictable business cycle.

$23 million

allocated to the SBRL program through 2016

STRATEGIC INITIATIVES AIMED AT SMEs

In 2008, the IDB Group launched a strategic initiative aimed at strengthening small and medium-sized enterprises and providing enhanced support during the economic slowdown. This integrated business plan sets goals for each of the Group's private sector windows. As part of the initiative, the IIC is to focus more on small financial institutions—a new and challenging market segment. The IIC also is to step up its direct corporate operations, including its ongoing efforts to reach further down-market with smaller projects.

The IIC is committed to SME lending, especially during difficult economic times. With a range of programs—the Small Business Revolving Line (SBRL), the program for lending to financial institutions, and the FINPYME diagnostic review program—the IIC is working with SMEs across the region to help them overcome challenges so they can continue to drive development. In addition to working directly with SMEs to build small loan capacity, the IIC partners with leading financial intermediaries to broaden access to funding and services.

SBRL—A Reliable Source of Support

Entering its fifth year of operation, the SBRL provides standardized small loans to eligible SMEs via an expedited approval process, with prudential limits for individual operations and overall exposure. Up to $23 million (currently less than 2 percent of the

$75 million

China-IIC SME Equity Trust Fund established in 2009

IIC's total net active portfolio) has been allocated through 2016 to provide financing directly to small companies. In 2009, the IIC approved five SBRL operations, totaling $1.06 million. All of these operations were in the smaller economies in the region.

Most SBRL clients are weathering the difficult economic conditions. However, decreased demand for their products and services has led to cash flow shortfalls and an increase in their past due accounts receivable. As a result, a few clients have fallen into arrears. The IIC, though, is actively working to restructure its loans to these clients in order to support them through this difficult period.

The economic slowdown has dampened demand for credit under the SBRL and reduced candidate companies' capacity to meet the SBRL eligibility requirements. Nevertheless, the IIC is working to build SBRL portfolios of up to $2 million each for Bolivia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay, and Uruguay. It is also building a portfolio of up to $7 million for the group of countries that includes The Bahamas, Barbados, Belize, Dominican Republic, Guyana, Haiti, Jamaica, Suriname, and Trinidad and Tobago.

The IIC launched a new working capital initiative to address the lack of short-term credit during the current economic downturn.

Lending through Financial Institutions Spurs Growth

Lending through financial institutions generates direct and indirect employment and enhances the financial structure of SMEs in Latin America and the Caribbean. It also improves SMEs' access to financing with terms of more than one year. In 2009, the IIC approved sixteen operations with financial institutions totaling $189.5 million.

FINPYME—Accessing a Wealth of Expertise

Through the FINPYME program, the IIC provides participating SMEs with no-cost access to teams of experts who perform objective, strategic diagnostic reviews of the companies. SMEs receive action plans to help them become more competitive and improve their access to financing. FINPYME is a Spanish acronym for innovative financing for small and medium-sized enterprises.

first projects in Haiti

Distributeurs Nationaux S.A. (DINASA) is a leading marketer and distributor of fuel and lubricants in Haiti. In 2009, the IIC approved a $10 million loan to fund DINASA's acquisition of the assets and operations of a foreign-owned company. DINASA's shareholders also are planning investments to improve the company's environmental and safety risk management and upgrade all the fuel storage tanks.

By providing and mobilizing long-term financing, which is scarce in Haiti, the IIC is helping local entrepreneurs acquire strategic business assets.

Working Capital Keeps Business Moving

In 2009, the IIC launched a new working capital initiative to address the lack of short-term credit during the current economic downturn. Many companies, previously well served by local banks, have found themselves with limited access to short-term credit, which typically finances working capital. Without this critical source of financing, companies would be unable to continue to operate; this would severely impact employment and economic growth.

Under the initiative, the IIC provides short-term loans (typically ranging from $2 million to $8 million), primarily to SMEs. In 2009, the IIC approved five working capital loans, for a total of $35 million. It expects that the need for these loans will diminish as the economy strengthens and local financial institutions recover their lending capacity.

Equity Investments Bolster Development

In 2009, the Board of Executive Directors approved an initiative to relaunch the IIC's equity and quasi-equity investments in the region. The initiative seeks to broaden the range of products the IIC offers and create greater value added for SMEs via new, more flexible financing instruments. The IIC makes equity investments in the form of subordinated loans, quasi-equity, and ordinary capital. These investments help companies grow and offer the opportunity to work with the IIC's Technical Assistance and Strategic Partnerships Division (TAS) on issues such as corporate governance, process improvements, and environmental policies.

Also in 2009, China established the China-IIC SME Equity Investment Trust Fund. Administered by the IIC, the $75 million fund seeks to bolster private sector development by focusing, in particular, on supporting SMEs. The fund also aims to broaden the impact of the IIC's equity investment operations and mobilize capital toward the region. To enhance the fund's resources, the IIC has an additional $75 million available for new equity investments.

Carifresh, a wholly Haitian-owned agricultural company, supplies quality products, mainly mangos, for the export market. It also supplies the local market with corn, yucca, and haricot beans. With a $300,000 loan from the IIC, Carifresh will be able to improve its infrastructure and production. The loan also provides stable funding for the company's working capital needs.

The Carifresh loan reflects the IIC's commitment to support small producers with long-term financing, enabling them to compete in the international marketplace.

working capital in Jamaica

Jamaica Broilers is one of Jamaica's largest groups of companies. Its diverse activities encompass poultry operations, feed milling and farm supplies, and ethanol processing. The group also is involved in electricity cogeneration, cattle raising, and the processing and sale of beef products and fish.

Jamaica Broilers' poultry operations are vertically integrated. It works with some 180 poultry farmers, providing vaccines, training, and technical assistance. With support from Jamaica Broilers, contract farmers are replacing traditional grow-out facilities with efficient, tunnel-ventilated houses.

A $7 million loan from the IIC will finance working capital that will support and strengthen Jamaica Broilers' range of operations.

34 donor-funded

initiatives approved since 2008

Significant progress was made in 2009 to consolidate the program and define the investment criteria. More than fifteen potential projects in ten countries were identified and will be analyzed for investment in 2010.

The first equity investment under the new initiative was for up to $2.75 million in Fondo Escala Capital in Colombia. A non-leveraged closed private equity investment fund, Fondo Escala Capital is focused on multiple sectors in emerging markets. The fund makes equity investments in companies whose local-currency-equivalent annual sales range between $7.5 million and $20 million. The IIC's investment is estimated to represent 6.2 percent of Fondo Escala Capital's total equity.

VALUE-ADDED SERVICES

During 2009, TAS received donor approval to fund eighteen technical assistance projects. Together with the sixteen approved in 2008, a total of thirty-four projects, representing aggregate funding of $5.64 million, have been approved since the division was created.

Technical Assistance Projects Approved in 2009

DONOR	PROJECT	COUNTRY	APPROVED AMOUNT
France	SME study	Haiti	$ 68,660
Italy	FINPYME *ExportPlus*	Guatemala	283,500
	Italian Development Program	Regional	116,450
Korea	SME Capacity Building Program	Bahamas, Barbados, Guyana, and Suriname	45,000
	FINPYME Caribbean Program	Caribbean	292,000
	FINPYME Colombia Program	Colombia	300,000
	Energy efficiency workshops and identification of eligible companies for energy audits	Colombia	51,000
	Family Business Governance Training Workshop	Colombia	30,000
	Environmental and social due diligence study of two energy firms	Haiti	80,000
	Environmental and legal due diligence	Haiti	93,000
	Hygiene and quality assurance for SME suppliers	Peru	74,000
	Family Business Governance Training Workshop	Trinidad and Tobago	56,000
	Korean Young Professional Program	Regional	150,000
	PACI Principles for SMEs Program	Regional	35,000
Spain	FINPYME Colombia and Central America	Colombia and Central America	857,799
	Corporate Governance Program	Regional	447,797
	Direct technical assistance	Regional	94,848
Walloon Region (Belgium)	FINPYME *ExportPlus*	Haiti	220,223



FINPYME 2009 Highlights

The FINPYME program originated from the IIC's trademarked FINPYME diagnostic tool for SMEs. A multiphase program, FINPYME provides comprehensive support for SMEs to help them become more competitive and improve their access to financing.

There are three phases in the FINPYME process. First, management areas of the participating company are analyzed to identify and prioritize their needs. A diagnostic review is produced along with a detailed plan for improving the company's competitiveness.

During the second phase, technical assistance is offered to help the company make the necessary improvements identified in the detailed review and plan. Technical assistance is provided on an individualized basis and targets each company's specific needs. For example, companies are offered access to professional consulting services that are usually available only to large companies. Technical assistance also is offered to groups through workshops and training seminars. Group sessions focus on areas in need of improvement commonly found in companies in a particular country.

In the third phase, training is provided in areas such as strategic planning, financial management, marketing and international market access, family business governance, and preparing succession protocols.

Companies that participate in the FINPYME program emerge from the process stronger, more competitive, and better equipped to overcome challenges, undertake sustainable investment plans, and access medium- and long-term financing.

FINPYME Central America

In 2009 a total of 160 companies underwent diagnostic reviews in five Central American countries and in the Dominican Republic and Panama. The IIC and its FINPYME agents are evaluating rolling out a second round of program reviews in Costa Rica, El Salvador, Guatemala, and Nicaragua.

The following table shows the fifty-one individual technical assistance projects being carried out in Costa Rica, El Salvador, Guatemala, and Nicaragua for forty-two companies.

160 companies

underwent FINPYME diagnostic reviews in 2009

FINPYME was launched in five English-speaking Caribbean countries and in Colombia.

FINPYME: ongoing individual technical assistance

COUNTRY	SECTOR	AMOUNT	AREA	DESCRIPTION
Costa Rica	Food, Bottling, and Beverages	$ 20,758	Corporate Governance	Draft a formal family protocol proposal establishing policies and mechanisms for a family-owned company to address conflict proactively. Family member participation and compliance are required.
	Food, Bottling, and Beverages	12,113	Quality	Conduct food safety and quality audit, diagnostic review, and management systems consulting based on ISO 22000:2005.
	Food, Bottling, and Beverages	12,113	Quality	Implement a food safety management process leading to ISO 22000:2005 certification in the medium term.
	General Manufacturing	11,400	Financial Restructuring	Develop a protocol for cash flow cycle management. Assess the credit portfolio, analyze the inventories management system, locate payment and collection records, identify processes, and schedule audits.
	Others	5,565	Management Model	Implement a model based on negotiation and decision-making skills.
El Salvador	Agriculture and Agribusiness	7,515	Management Model	Design, implement, and service an integrated software solution to consolidate several areas in the company. Develop an after-sales service for database maintenance and expansion.
	Chemicals and Plastics	4,831	Strategic Planning	Establish goals and monitoring indicators. Harmonize general and specific targets for each functional area. Develop guidelines for strategic partnerships.
	Chemicals and Plastics	3,931	Production Improvement	Redesign the production plant for increased storage and production capacity.
	Food, Bottling, and Beverages	5,206	Strategic Planning	Develop a strategic plan for a management model that encompasses all operating and functional areas.
	General Manufacturing	6,119	Strategic Planning	Establish a yearly strategic planning exercise for implementing an economic and financial analysis method and control and business activity monitoring systems.
	Health	10,842	Marketing	Develop a pricing policy to include cost structure analysis and systematization. Establish competitive profitability margins.
			New Product Development	Create a research and development unit within the company.
	Nonfinancial Services	5,368	Financial Restructuring	Design, implement, and service an integrated software solution to automate processes, consolidate all key areas in the company (sales, accounts payable, accounts receivable, inventories, payroll, accounting), and generate management reports.
			Marketing	Develop an annual marketing plan. Set goals and prepare a budget reflecting promotions and seasonal factors.
	Technology, Communications, and New Economy	4,831	Strategic Planning	Enhance long-term strategic planning in the company's operative and functional areas, focusing on strategic financing. Implement a balanced scorecard to measure management performance.
	Tourism and Hotels	19,108	Financial Restructuring	Measure the cost of providing professional services. Design improvements to financial information analysis and interpretation procedures.
			Strategic Planning	Develop a decentralized decision-making process and set medium- and long-term goals.
	Utilities and Infrastructure	18,525	Financial Restructuring	Review and adjust capital structure in order to propose the best level of financial leverage for increasing the return on stockholders' equity.
			Strategic Planning	Develop software for a balanced scorecard. Define a variable compensation plan based on corporate and functional area results.
	Others	4,509	Strategic Planning	Draft a strategic plan with logistical, administrative, operating, and technical tools for identifying and taking advantage of new business opportunities.
	Others	4,348	Strategic Planning	Draft a strategic plan with logistical, administrative, operating, and technical tools for identifying and taking advantage of new business opportunities.
Guatemala	Advisory Services	2,660	Management Model	Assess human resource processes and procedures. Identify key operative areas. Develop an action plan and general guidelines for human resources management.
			Marketing	Develop an action plan for product and service promotion initiatives.
	Agriculture and Agribusiness	2,660	Financial Restructuring	Modify the accounting system in the sales and accounts receivable areas.
	Agriculture and Agribusiness	2,660	Marketing	Perform market research to assess prospects for product exports to new markets. Analyze demand (quantitative and qualitative aspects), competitors, and market structure.

projects in Central America

COUNTRY	SECTOR	AMOUNT	AREA	DESCRIPTION
Guatemala (cont.)	Chemicals and Plastics	$ 2,660	Financial Restructuring	Strengthen internal controls in the financial and accounting area.
	Chemicals and Plastics	2,660	Management Model	Develop an effective and efficient operating management system, including operational procedure definitions. Update the organizational structure. Define long-, medium-, and short-term goals linked to performance indicators and strategies.
	Chemicals and Plastics	2,660	Marketing	Develop a marketing plan to increase product market share.
	Chemicals and Plastics	2,660	Production Processes	Improve production line processes.
			Strategic Planning	Coach upper management on strategic planning for an improved marketing plan.
	Food, Bottling, and Beverages	12,109	Environment	Perform environmental impact and hydrogeological studies for a construction project.
			Quality	Develop and implement a quality management system based on ISO 9001:2008.
	Food, Bottling, and Beverages	2,660	Financial Restructuring	Develop a cost-based accounting system to improve processes. Training on new accounting systems.
			Marketing	Enhance branding. Design and develop a corporate identity and related graphic materials.
	Food, Bottling, and Beverages	2,660	Financial Restructuring	Prepare medium-term cash flow projections. Determine funding needs to pursue expansion plans. Assess cash generation capacity to cover obligations.
	Food, Bottling, and Beverages	2,660	Management Model	Develop a function-based organization chart and a decision-making policy and flowchart. Update salary structure.
	Food, Bottling, and Beverages	2,660	Marketing	Develop a user-friendly Web site. Define the target audience and functionality parameters. Define a promotion strategy based on search engines.
	Food, Bottling, and Beverages	2,660	Marketing	Perform a market study and develop a marketing plan for three new products.
	Nonfinancial Services	2,660	Marketing	Perform market research to identify products and competitors' profitability margins. Determine margins, distribution systems, and sales turnover for increased profitability and efficiency.
	Technology, Communications, and New Economy	4,750	Marketing	Perform market research. Assess prospects for product exports to new markets. Analyze demand (quantitative and qualitative aspects), competitors, and market structure.
	Tourism and Hotels	2,660	Financial Restructuring	Define an action plan to restructure the internal accounting and control system. Determine productivity and profitability ratios.
			Marketing	Develop, update, and publicize a Web site.
	Others	2,660	Management Model	Design crafts production and export processes. Develop an organizational strategy to optimize the management model.
Nicaragua 	Chemicals and Plastics	4,997	Marketing	Develop a strategic marketing plan. Analyze the current market. Identify new, potential market segments. Identify new products and product lines based on market demand. Determine implementation timeframe and cost.
	Food, Bottling, and Beverages	4,750	Management Model	Implement an action plan based on strategic objectives. Identify and document key persons and processes. Analyze and redesign the organizational structure.
	Food, Bottling, and Beverages	2,375	Production Improvement	Review, assess, and redesign production processes and systems. Identify technical and personnel requirements; estimate costs to implement proposed redesign.
	General Manufacturing	12,925	Marketing	Develop and implement a marketing strategy including product presentation, promotion, and advertising. Set up an appropriate distribution channel.
	Nonfinancial Services	4,997	Marketing	Design a strategic marketing plan. Propose a new action plan based on a market study (analysis of demand, supply, pricing, distribution networks, competitors) and determine necessary investments.
	Nonfinancial Services	3,800	Marketing	Develop a strategic marketing plan. Identify and develop new markets/products. Develop a customer satisfaction measurement system.
	Tourism and Hotels	4,997	Marketing	Perform market research to identify new markets and marketing channels.
	Utilities and Infrastructure	2,565	Marketing	Design a Web-based marketing strategy. Design a Web site, including an updated product and service catalog.
Total		**$ 255,244**		

In Costa Rica, El Salvador, Guatemala, and Nicaragua, 65 companies attended sixteen FINPYME group training workshops. The workshops focused on areas in need of improvement identified in the diagnostic reviews that were found repeatedly in the companies that participated in the FINPYME program.

To aid in the transfer of technology and know-how to recipient countries, the IIC partners with local universities and business schools to perform FINPYME diagnostic reviews.

Group Training Workshops and Seminars

COUNTRY	AREA
Costa Rica	Family Business Corporate Governance
	Human Resource Management
	Strategic Planning
	Succession Protocols
El Salvador	Family Business Senior Management
	Search for International Markets
	Strategic Innovation of Management Models
	Strategic Marketing
Guatemala	Finance
	Human Resources
	Marketing
	Strategic Planning
Nicaragua	Family Business
	Financial Management
	Marketing Management
	Strategic Planning

FINPYME Caribbean

In 2009, FINPYME was unveiled in The Bahamas, Barbados, Belize, Jamaica, and Trinidad and Tobago. At the public presentations announcing the program, high-level officials from the ministries of finance and economy from each country were present, as were representatives of the IIC, the IDB, the Republic of Korea, nonprofit organizations, and chambers of commerce. After each event, SMEs were invited to apply to the program. The IIC, in cooperation with FINPYME agents and the Bank of Nova Scotia, selected an average of twenty companies in each country. Preference was given to companies expected to benefit the most from the program. FINPYME agents anticipate completing the first phase of the program in the first quarter of 2010. In addition, the IIC invited thirteen agents from the countries to a workshop to prepare for the technical assistance phase of the program.

By December 2009, thirty-one diagnostic reviews of SMEs had been completed in the Caribbean.

To aid in the transfer of technology and know-how to recipient countries, the IIC partners with local universities and business schools to perform FINPYME diagnostic reviews. In 2008, the Mona School of Business (Jamaica) signed an agency agreement with the IIC. The Mona School has acted as an outreach arm for the University of the West Indies and partnered with the Cave Hill School of Business in Barbados, the Department of Management Studies in Trinidad and Tobago, the College of The Bahamas, and the Trade and Investment Development Service in Belize.

FINPYME Colombia

To implement the FINPYME program in Colombia, the IIC signed an agreement during the 2009 IDB-IIC Annual Meetings in Medellin to partner with three leading universities; three banks; and the Chambers of Commerce of Bogota, Cali, and Medellin. The participating universities are Universidad de los Andes, Universidad EAFIT, and Universidad ICESI; the banks are Bancóldex, Bancolombia, and BBVA Colombia.

Agents in Bogota, Cali, and Medellin were trained in the FINPYME methodology, and the program was then launched in the three cities. High-level government officials attended the official program launch, where the donor countries—the Republic of Korea and Spain—reiterated their support and the importance of such initiatives for helping SMEs become more competitive.

31 diagnostic reviews of SMEs completed in the Caribbean as of December 2009

III MSME congress of the Americas on international trade

In 2009, the IIC participated in a dual event held in Cali, Colombia—the III MSME Congress of the Americas on International Trade and the IV Colombian National Forum on Microenterprise. At the event, the IIC strengthened its relations with the U.S. Small Business Association (SBA), a U.S. government agency charged with working with SMEs in the United States and overseas. This partnership has opened the door for wider cooperation in helping the region's SMEs become more professional and increase their capacity to grow and prosper.

Nearly 1,500 representatives of SMEs, ministries of the economy, small business development agencies, and private sector associations from across Latin America participated in the event. The host organizations were the Colombian Ministry of Commerce, Industry, and Tourism; the SBA; Chile's technical cooperation service, SERCOTEC; and Brazil's small and medium-sized enterprise support service, Sebrae.

Discussions focused on building trade capacity for SMEs in the region, especially in the area of international trade. Speakers included Minister Luis Guillermo Plata of Colombia's Ministry of Commerce, Industry, and Tourism; Esteban Piedrahíta, a director at Colombia's National Planning Department; and Dr. Julián Domínguez of the Cali Chamber of Commerce. Michael Apel spoke on behalf of the IIC.

"The SBA and the Multinational Steering Committee for the MSME Congress of the Americas on International Trade were pleased to have Michael Apel of the IIC as a featured presenter on the panel 'Access to Finance for SMEs through Innovative Instruments.' We look forward to continuing our productive relationship with the IIC."

—Stephen Sullivan
Office of International Trade
U.S. Small Business Association

FINPYME ExportPlus Guatemala

In 2009, the IIC launched the FINPYME *ExportPlus* program in Guatemala with support from the government of Italy. Part of the Aid for Trade global initiative launched in 2005 by the World Trade Organization, the FINPYME *ExportPlus* program seeks to make it easier for SMEs to access the export markets. Aid for Trade aims to help developing countries strengthen their ability to operate in the international market by improving their trade promotion programs.

There are a number of strategic partners involved in the FINPYME *ExportPlus* program, including the Guatemalan Chamber of Commerce, Agexport, the Comité Coordinador de Asociaciones Agrícolas, Comerciales, Industriales y Financieras, Citibank Guatemala, Grupo Financiero de Occidente, Cámara del Agro de Guatemala, and Universidad Rafael Landívar (a FINPYME agent in Guatemala).

Twenty to fifty Guatemalan SMEs, operating in agriculture, fisheries, and other sectors, are being selected and analyzed. SMEs will receive technical assistance to help them access foreign markets and compete in the global economy. The assistance will focus on enhancing sanitation and packaging certification; improving operational processes (including supply chains), quality control, and logistics; and strengthening management processes (including marketing and foreign sales mechanisms).

*FINPYME ExportPlus Haiti**

Through Agence wallonne à l'Exportation et aux Investissements étrangers (AWEX), the IIC signed an agreement with Belgium's Walloon Region to develop the FINPYME *ExportPlus* program in Haiti to help SMEs access export markets. The program includes four main areas of action:

- market studies on targeted sectors and subsectors;
- gathering information on enterprises operating in these sectors to identify companies that could benefit from the program;
- selection of SMEs; and
- design and execution of the technical assistance program.

*Moving forward, this program will be implemented in a way that ensures continuing effective support for Haiti's SMEs as the nation recovers and rebuilds from the January 2010 earthquake.

Through FINPYME *ExportPlus*, SMEs are receiving technical assistance to help them access foreign markets and compete in the global economy.

technical assistance initiatives in Haiti*

An environmental and labor assessment was approved for Société du Rhum Barbancourt, T. Gardère & Cie, a Haitian food, bottling, and beverage company. Funded by the Korea-IIC SME Development Trust Fund, the $93,000 study will determine the corrective actions necessary for Barbancourt to comply with best industry practices and the IIC's environmental and labor guidelines. Barbancourt also may need assistance in upgrading its quality control practices for international quality control (ISO 9000), environmental management systems (ISO 14001), and organic certifications. The funds also will be used to conduct a legal due diligence study on doing corporate business in Haiti.

An environmental and occupational health and safety performance assessment was approved for DINASA, a Haitian marketer and distributor of fuel and lubricants. Funded also by the Korean trust fund, the $80,000 study covers the associated impacts of the DINASA project financed by the IIC. Data from the study were used by the IIC for appraising the DINASA project to ensure that the company is in compliance with the IIC's environmental and labor review procedures; all applicable provisions of the IDB's Environment and Safeguards Compliance Policy; and the International Finance Corporation's Environmental, Health and Safety Guidelines for Retail Petroleum Networks, for Crude Oil and Petroleum Product Terminals, and for Contaminated Land.

AWEX, a public interest organization that promotes foreign trade and attracts foreign investment for the Walloon Region in Belgium, approved €150,000 to implement FINPYME *ExportPlus* in Haiti. The initiative seeks to enhance the ability of SMEs to access the export markets.

The French Technical Cooperation Fund for Consultancy Services and Training Activities approved $68,660 to study the Haitian private sector. The study also will seek to identify companies that could benefit from financing from the IIC.

*The IIC and its donors will work together to ensure that technical assistance funding is deployed to the greatest benefit of recipient SMEs in Haiti in the wake of the January 2010 earthquake.

Energy Efficiency Program

An initiative to mitigate climate change, GREENPYME supports and promotes energy efficiency, renewable energy, and clean technologies among SMEs. It seeks to provide SMEs with the expertise, tools, and technological and financial support to implement energy-efficient measures.

In 2009, the IIC provided energy efficiency training to 150 SMEs in Belize and Jamaica. It also organized energy efficiency workshops for SMEs in The Bahamas and Trinidad and Tobago, in collaboration with the Royal Bank of Canada and Scotiabank.

In Costa Rica, El Salvador, Honduras, and Nicaragua, ten energy audits were completed. In addition, two new technical assistance projects were formalized. The first one included twenty-six simple energy audits for SMEs in Belize and Jamaica. The second involved ten detailed energy audits for medium-sized companies in the tourism sector in The Bahamas and Jamaica; it included three workshops for sharing best practices with other tourism companies and implementing a carbon-neutral project at a hotel.

In Colombia, GREENPYME was launched in alliance with several leading international companies, such as Abengoa Group, Applus, BBVA, and Telefónica. It will extend the IIC's energy efficiency and renewable energy technical assistance to more than 300 Colombian SMEs. After three training workshops were held—in Bogota, Cali, and Medellin—preparations began for energy audits and other activities that benefited selected SMEs receiving direct financial support from the IIC and its partners.

150 SMEs

in Belize and Jamaica received energy efficiency training in 2009

GREENPYME supports and promotes energy efficiency, renewable energy, and clean technologies among SMEs.

73 participants

from 20 family businesses attended a family business governance workshop in Bogota

Family-Owned SME Governance Program

With significant financial support from the Republic of Korea, the IIC initiated a program to improve governance among family-owned SMEs. Funding from Spain, through the Spanish General Cooperation Fund at the IDB, was used to engage a full-time Spanish expert to develop the program. The funding also will be used to strengthen the program, especially in Central American countries.

Several governance projects initiated in 2009 will run through 2010. They include three workshops for SMEs, "train the trainers" workshops for FINPYME agents in Central America, and the development of a diagnostic toolkit and an Internet-based knowledge platform.

The workshop offered an opportunity to learn about family business governance to improve long-term continuity and boost competitiveness.

family-owned SME governance workshop

In Bogota, Colombia, the IIC held a four-day business governance workshop, funded mainly by the Korea-IIC SME Development Trust Fund, which is managed by the IIC. The workshop was organized in collaboration with Bancóldex and Universidad de la Sabana's INALDE Management and Business School.

The workshop offered an opportunity to learn about family business governance to improve long-term continuity and boost competitiveness. Common challenges faced by family-owned SMEs were addressed, including developing responsible and united business ownership, understanding the succession process, and preparing the next generation.

Seventy-three participants from twenty family-owned businesses attended the workshop. The majority of the attending companies were Colombian. The IIC plans to continue organizing and sponsoring this type of capacity-building workshop to further its mission of supporting and strengthening SMEs.

donor perspective: the Republic of Korea

Eun-Bo Jung, deputy director-general of the International Finance Bureau of the Ministry of Strategy and Finance of the Republic of Korea, participated in the FINPYME launching events in Jamaica and The Bahamas. The following are Mr. Jung's remarks at the events, which took place in March 2009:

> "It was a great experience for me to represent Korea at these wonderful ceremonies because I witnessed directly how well the Korea-IIC SME Development Trust Fund works as a good vehicle for our friends, SMEs in Latin America and the Caribbean. That has always been Korea's goal as a member country of the IDB Group, and that is why we established this fund. Since the fund was established in 2005, it has approved forty projects totaling over $5.4 million. Even though I appreciate every project that has contributed to the development of SMEs in Latin America and the Caribbean, I think FINPYME is one of the most outstanding programs; it perfectly matches our philosophy. Through several meetings with business owners in Jamaica and The Bahamas, I found that this program is not just an academic study or a one-time event. It is an action-oriented and results-based program that has a great developmental impact and long-lasting effects. In short, I am proud that Korea could support this program and I am confident that it will provide real benefits to SMEs in the region. I look forward to seeing further FINPYME program events, which Korea will continue to support."

Promotion of SME Integrity

As a participant of the World Economic Forum's Partnering Against Corruption Initiative (PACI), the IIC worked with integrity experts to design and implement a program to promote the PACI principles among SMEs. Experts from the Korea Chamber of Commerce and Industry visited the IIC to share their experience and best practices in working with SMEs on this issue. As a result, the IIC has designed a blueprint with the primary points of action for its integrity promotion strategy and program. As it moves forward with the program, the IIC will work closely with other leading institutions, such as the U.S. Department of Commerce and the Organization of American States.

Italian Development Program

The Italian Development Program was established to create a network among Italian, Latin American, and Caribbean companies linked by import, export, and foreign direct investment operations. The goal is to identify SMEs that need financing for expansion and refer them to the IIC.

As a result, a large network has developed—which includes development agencies, regional and central governments, banks, international organizations, and companies in Italy and in Latin America and the Caribbean—that promotes doing business within the region. In Italy and Latin America, conferences and workshops have been held to introduce the IIC and the program with the support of Italian partners.

In 2009, the IIC signed a cooperation agreement with Camera di Commercio, Industria, Artigianato e Agricoltura di Torino. Through this and other partnerships, the IIC is receiving support for stepping up its outreach activities and providing technical assistance to Latin American and Caribbean SMEs that are pursuing business opportunities in Italy.

The Italian Development Program network is an excellent example of decentralized cooperation that opens doors to new regions and identifies interested SMEs.

The Italian Development Program network is an excellent example of decentralized cooperation that opens doors to new regions.

IIC in brief

Bexcafé, S.A. de C.V.

EL SALVADOR

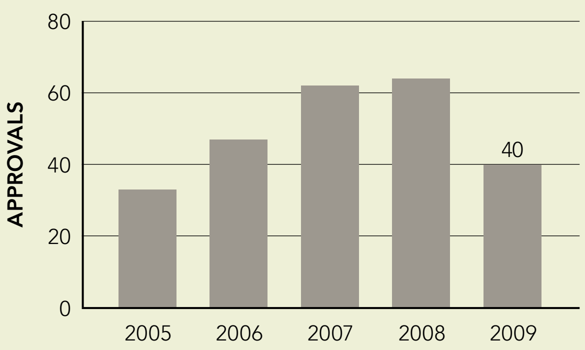
member countries

44

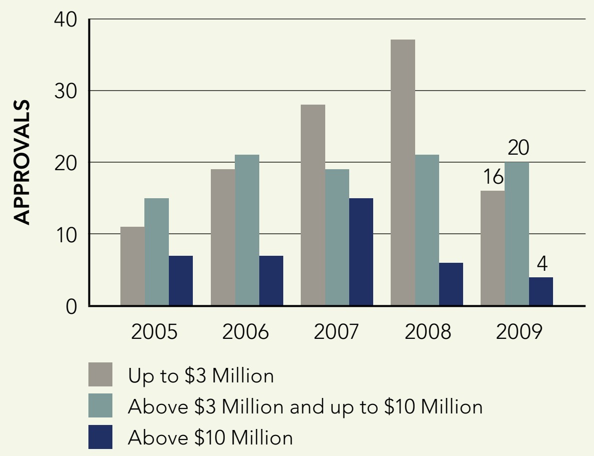
member countries

key operating indicators

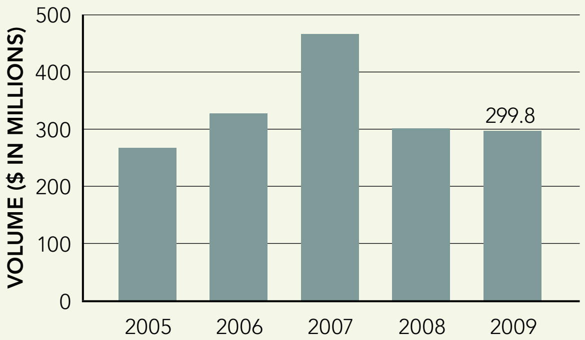
Number of Approvals



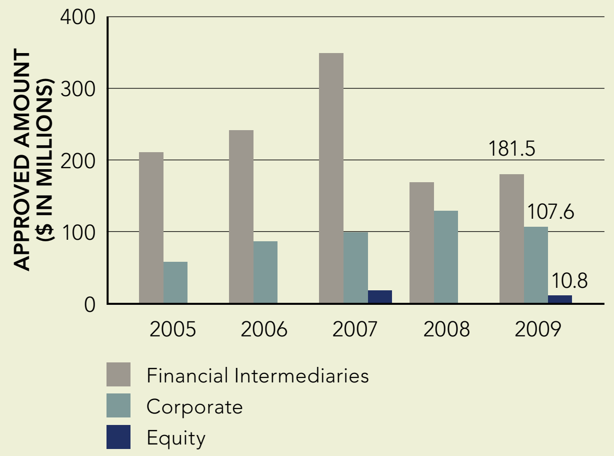
Approvals by Investment Size



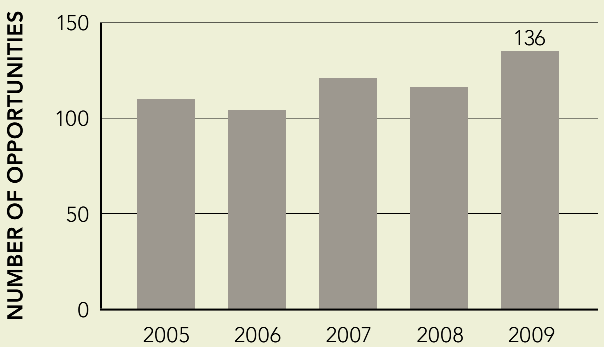
Approval Volume



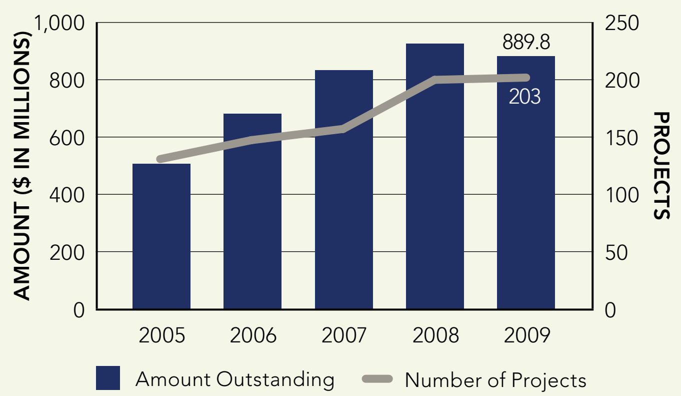
Approval Volume by Type of Operation



Potential Investment Opportunities Considered



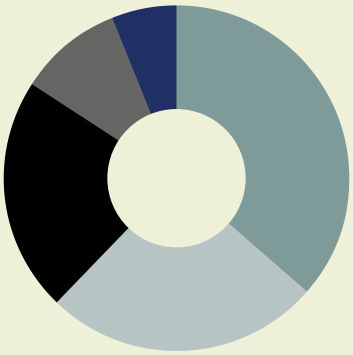
Investment Portfolio*



*Does not include the Compartamos and RBTT transactions, which are reported in the financial statements as investment securities.

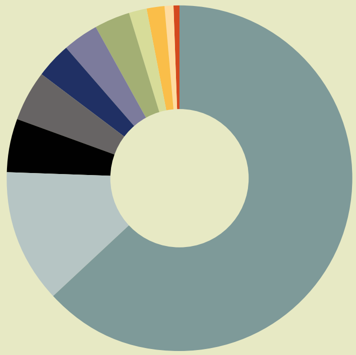
2009 investment activity and composition of approvals

Investment Activity by Region



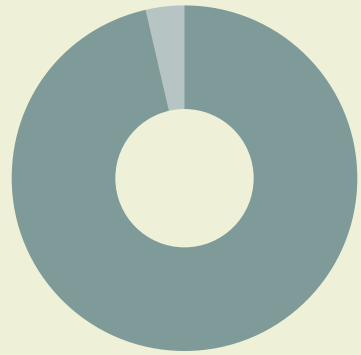
- Mexico and Central America 36.4%
- Southern Cone 25.9%
- Andean Countries 21.9%
- Caribbean 9.8%
- Regional 6.0%

Investment Activity by Sector



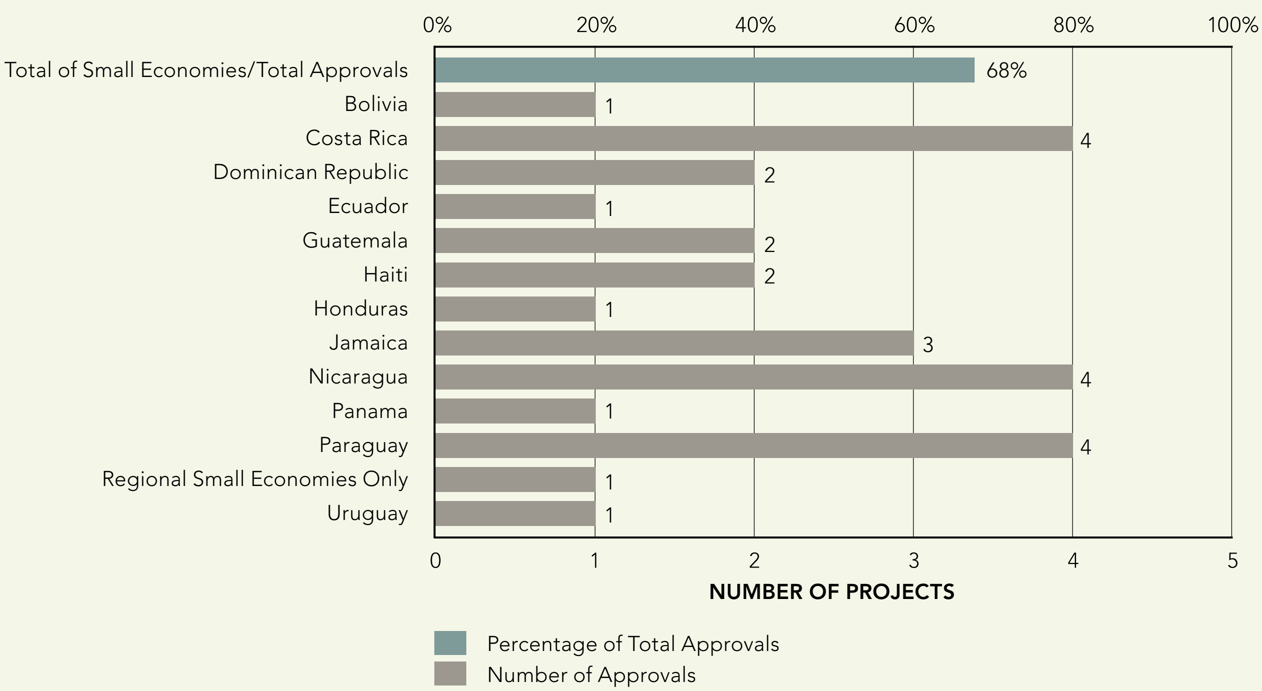
- Financial Services 63.2%
- Agriculture and Agribusiness 12.4%
- Livestock and Poultry 5.0%
- General Manufacturing 4.7%
- Food, Bottling, and Beverages 3.4%
- Chemicals and Plastics 3.3%
- Oil and Mining 3.3%
- Others 1.7%
- Utilities and Infrastructure 1.7%
- Investment Funds 0.9%
- Tourism and Hotels 0.3%

Investment Activity by Type



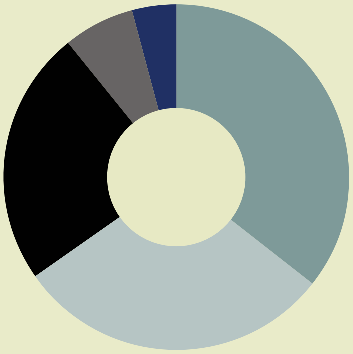
- Loan 96.4%
- Equity 3.6%

Composition of Approvals in Terms of Geography and Size



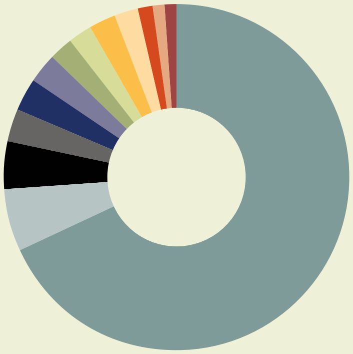
investment portfolio and SME programs

Outstanding Portfolio by Region*



- Southern Cone 35.6%
- Andean Countries 29.7%
- Mexico and Central America 24.1%
- Regional 6.6%
- Caribbean 4.0%

Outstanding Portfolio by Sector*



- Financial Services 68.1%
- Agriculture and Agribusiness 5.9%
- Utilities and Infrastructure 4.5%
- Investment Funds 3.0%
- Others 3.0%
- General Manufacturing 2.8%
- Aquaculture and Fisheries 2.3%
- Chemicals and Plastics 2.3%
- Food, Bottling, and Beverages 2.3%
- Textiles, Apparel, and Leather 2.2%
- Livestock and Poultry 1.5%
- Oil and Mining 1.1%
- Wood, Pulp, and Paper 1.0%

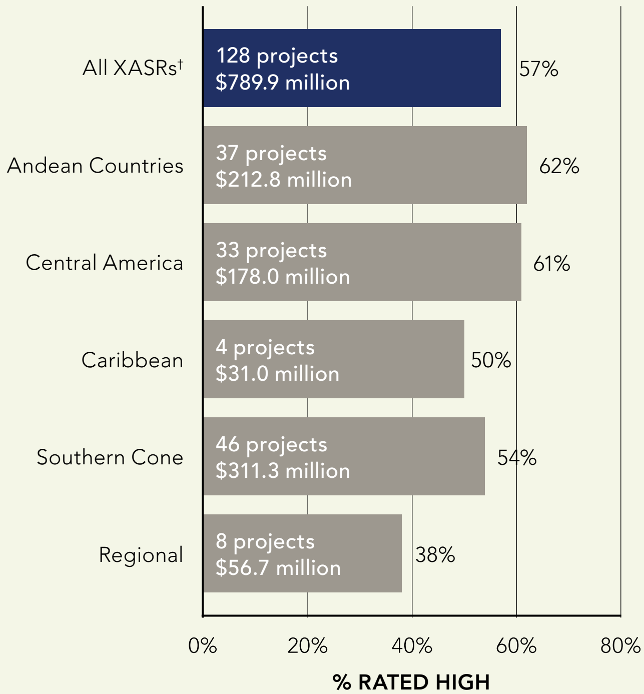
*Does not include the Compartamos and RBTT transactions, which are reported in the financial statements as investment securities.

SME Programs

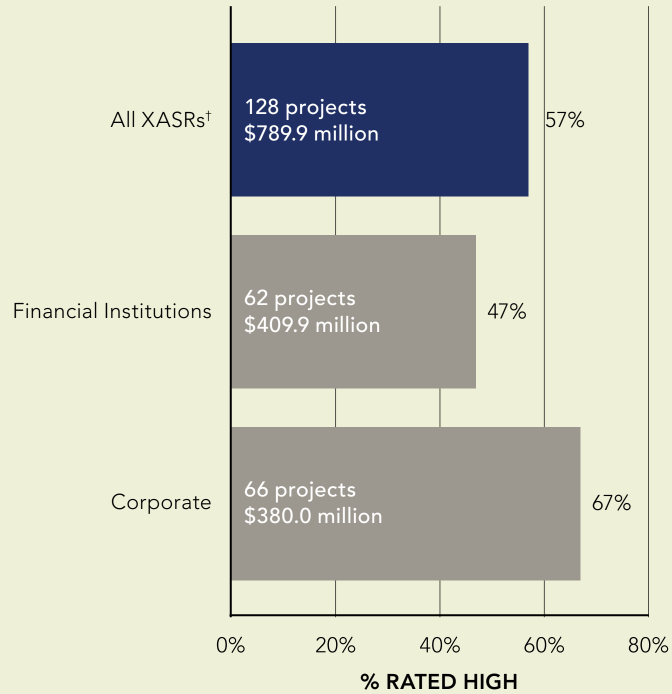
FINPYME	Cumulative number of diagnostics completed	191
	Cumulative number of companies that received individual or group technical assistance	101
GREENPYME	Cumulative number of participants in workshops	672
	Cumulative number of technical assistance activities	46
FINPYME *Governance*	Cumulative number of participants in workshops	127
Direct technical assistance	Cumulative number of projects with a technical assistance component	47
Environmental Training Course	Cumulative number of participants in workshops	417
Loans made through financial intermediaries	Cumulative number of subloans	961,671
IFEM	Cumulative number of projects approved	10
SBRL	Cumulative number of projects approved	35
	Cumulative value of technical assistance for IIC direct clients	$2,251,959
	IFEM average financing	$2,165,000
	SBRL average financing	$ 249,800

2009 development results

Development Results by Region*



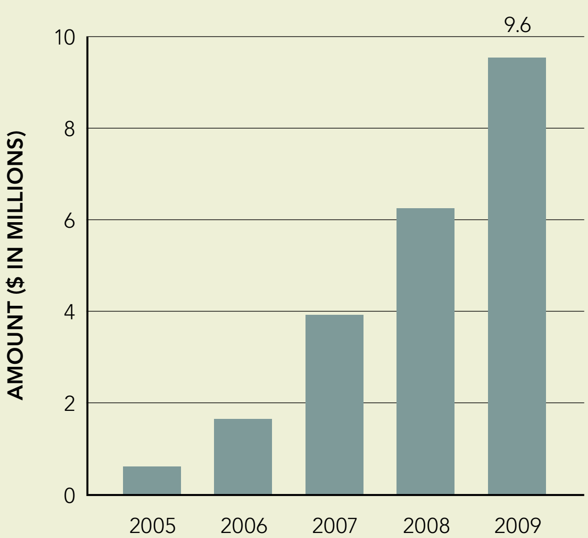
Development Results by Sector*



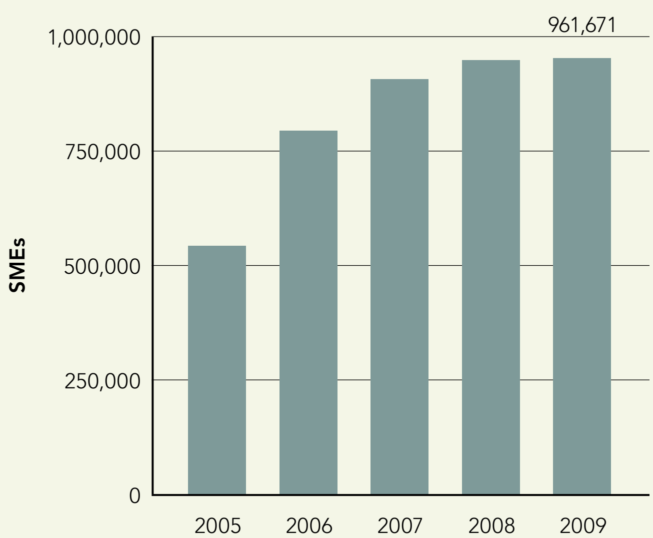
*XASR data as of December 31, 2009. Covers projects approved by the IIC from 1989 to 2004 and evaluated by the IDB's Office of Evaluation and Oversight (OVE). For a more detailed treatment of the results, please refer to the section on Development Impact.

†Expanded Annual Supervision Report

Cumulative Amount of Technical Assistance Programs and Projects Approved

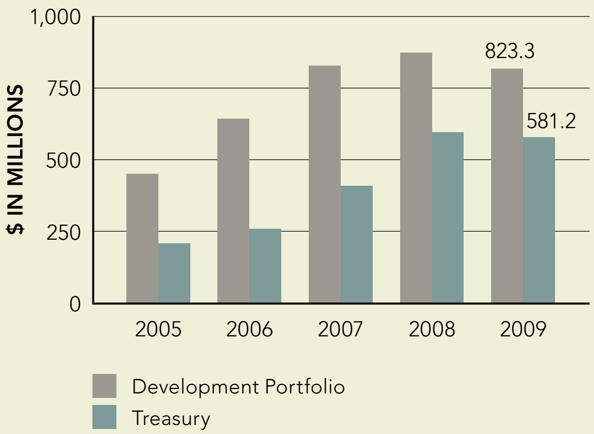


Cumulative Number of SMEs Reached through Financial Intermediaries

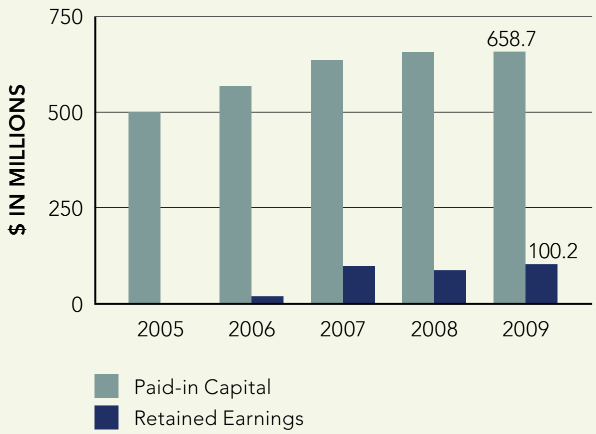


financial indicators

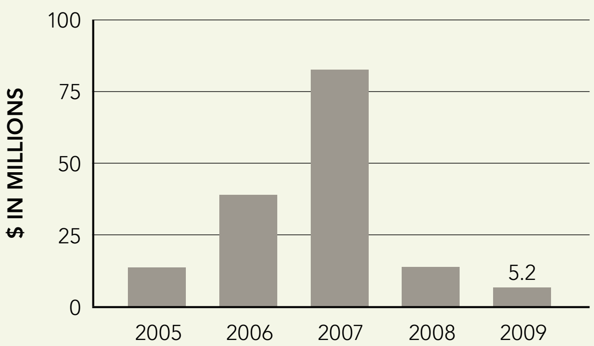
Asset Composition



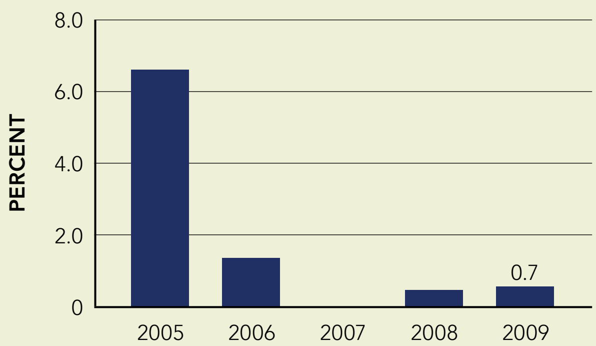
Net Worth



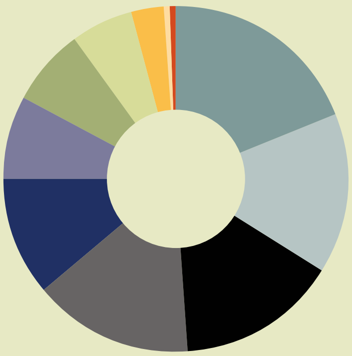
Net Income



Past-Due Portfolio



Outstanding Credit Facilities



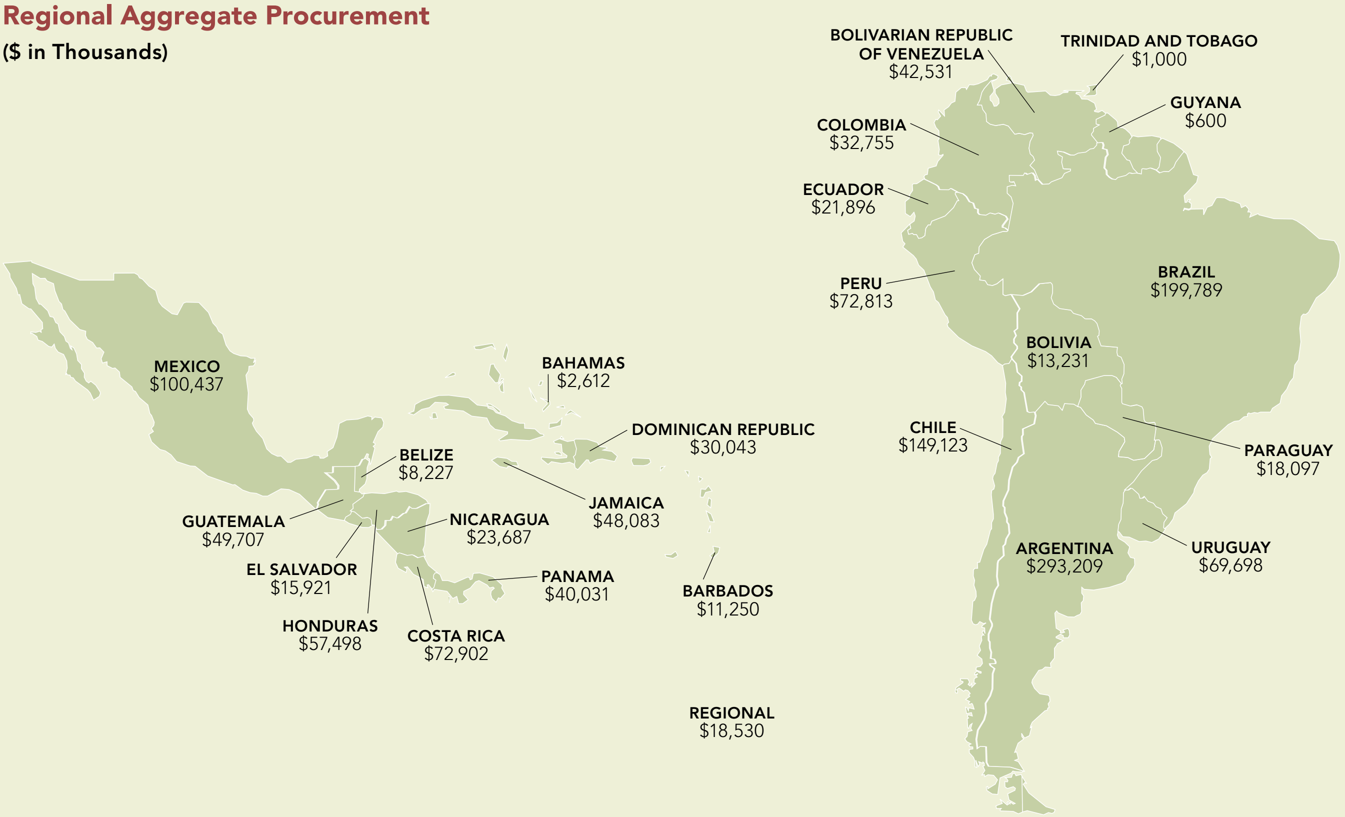
PERCENT OUTSTANDING

- Japan 19%
- IDB 15%
- Portugal 15%
- Spain 15%
- Colombia 11%
- France 8%
- Brazil 7%
- Mexico 6%
- Peru 3%
- Argentina <1%
- United Kingdom <1%

aggregate procurement

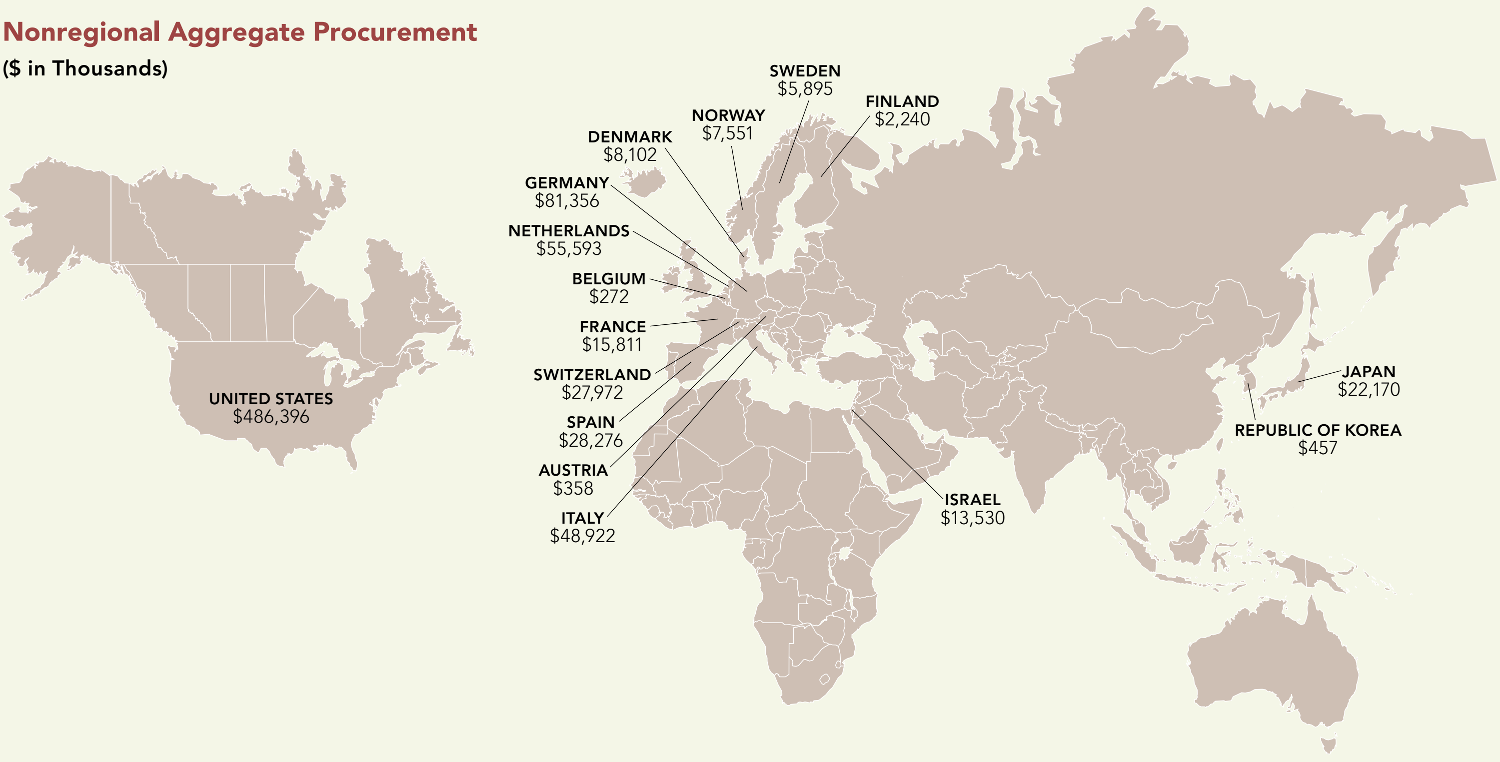
Regional Aggregate Procurement

($ in Thousands)



Nonregional Aggregate Procurement

($ in Thousands)



2009 overview

OPERATING RESULTS

In 2009, the IIC approved $299 million in direct loans and investments and $342 million in cofinancing operations that substantially leveraged the resources provided directly by the IIC.

The IIC's loans and programs are summarized on the following pages.

Acabados Rústicos, S.A.

NICARAGUA

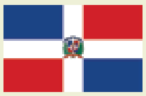
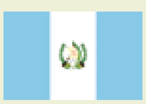
2009 highlights

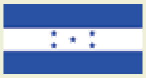
JANUARY	• Financial support is received from the Korea-IIC SME Development Trust Fund to design a strategic framework for developing creative quasi-equity financing instruments for SMEs.
FEBRUARY	• The China-IIC SME Equity Investment Trust Fund, funded by China, is established to contribute to the development of the private sector in the region, particularly through long-term equity or quasi-equity investments in private enterprises.
MARCH	• A strategic partnership with BBVA is established through a cooperation and technical assistance agreement to set investment targets for promoting SME development, enabling the IIC to channel funding and nonfinancial value-added services through BBVA branches throughout South America. • A memorandum of understanding is signed with Bancóldex for a 35 billion Colombian peso credit line, enabling the IIC to grant medium- and long-term local-currency loans to more Colombian SMEs. • A strategic partnership is established with Universidad de los Andes, Universidad EAFIT, Universidad ICESI, Bancóldex, Bancolombia, BBVA Colombia, and the chambers of commerce of Bogota, Cali, and Medellin to implement the FINPYME program in Colombia. • The FINPYME program is launched in The Bahamas, Barbados, Belize, Jamaica, and Trinidad and Tobago.
APRIL	• A memorandum of understanding is executed with the German development bank KfW to jointly identify and assist with Clean Development Mechanism projects and programs in Latin America.
MAY	• The Capital for Small and Medium-Size Enterprise Business Development initiative is approved to broaden the range of products offered by the IIC and create greater value added for SMEs through more flexible financing instruments, mainly equity financing. • FINPYME Caribbean diagnostic reviews commence, starting in The Bahamas. • FINPYME *ExportPlus* is launched in Guatemala, with support from the government of Italy and in partnership with local private sector organizations and Universidad Rafael Landívar, to improve SME access to the export markets.
JUNE	• The launch of FINPYME Belize includes diagnostic reviews of thirteen companies.
JULY	• The first corporate operation in Haiti—a long-term $10 million loan to DINASA—is approved.
AUGUST	• Standard & Poor's maintains the IIC's AA- rating, based on the IIC's conservative risk-management strategy, with S&P stating that the IIC is well positioned to face the current economic crisis thanks to its loan portfolio quality, provisioning policies, liquidity profile, and funding availability.
SEPTEMBER	• FINPYME training seminars take place in Colombia. • A workshop is held with FINPYME agents in Trinidad and Tobago. • The GREENPYME Program completes energy audits in Costa Rica, El Salvador, Honduras, and Nicaragua.
OCTOBER	• The thirteenth environmental and social risk management workshop for the financial sector is held in Jamaica, organized with the IDB's Environmental and Social Safeguards Unit. • A business governance workshop is held in Colombia to promote better governance in family-owned businesses. • GREENPYME Colombia is launched.
NOVEMBER	• FINPYME Colombia is launched in Bogota, Cali, and Medellin.

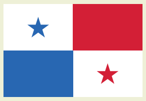
operations approved in 2009

COUNTRY	COMPANY	SECTOR	APPROVED AMOUNT	TOTAL PROJECT COST	PROJECT DESCRIPTION
Argentina 	Granja Tres Arroyos, S.A.	Livestock and Poultry	$ 8,000,000	$ 42,400,000	The largest producer of poultry meat in Argentina, the company sells its products on the domestic and international markets. It is economically integrated with the grain sector and supports its suppliers by providing guarantees for the acquisition of fixed assets. The company is planning to increase production capacity and enhance the added value of its product line.
	Molino Cañuelas, S.A.C.I.F.I.A.	Food, Bottling, and Beverages	4,000,000	10,000,000	Argentina's largest exporter of flour, the company mills wheat into flour; grinds oilseeds; and produces mixes, pasta, crackers, and cookies, among other food products. It operates in a fast-growing, strategic sector that is a significant generator of foreign exchange. The company's supply chain comprises some 1,200 small and medium-sized farmers in five Argentine provinces to whom prompt payment is critical. The loan will provide long-term financing, which is scarce in the local market, and help improve the company's financial profile.
	Profertil, S.A.	Chemicals and Plastics	10,000,000	65,000,000	A producer of agricultural fertilizers, the company markets approximately 90 percent of its production locally and exports the rest to other countries in the region. Loan proceeds will help fund capital expenses and investments.
Bolivia 	ADM-SAO, S.A. 	Agriculture and Agribusiness	10,000,000	10,000,000	A producer, processor, and marketer of soy and sunflower products and by-products, primarily for the export market, the company will use the loan to help fund its portfolio of harvest loans to farmers, primarily small growers.
Brazil 	Banco Industrial e Comercial S.A.	Financial Services	10,000,000	10,000,000	A specialist in short-term secured lending, primarily to midsized companies, the bank is well positioned in its niche. It will onlend the loan proceeds to SMEs located mainly in northeastern, northern, and west-central Brazil to provide them with financing for their short-term working capital needs. SMEs will benefit from the operation with an average of $1 million each.
	Banco Rabobank International Brasil S.A.	Financial Services	30,000,000	200,000,000	The bank focuses on the agricultural and food sectors, where it has a significant share of the small and medium-sized enterprise market. It will use the loan proceeds to provide direct financing to SMEs and increase its receivables investment fund (FIDC) portfolio. FIDCs invest in accounts receivable of large companies that have trade relationships with a large number of buyers, many of which are SMEs.

COUNTRY	COMPANY	SECTOR	APPROVED AMOUNT	TOTAL PROJECT COST	PROJECT DESCRIPTION
Colombia 	Fondo Escala Capital, FCP	Investment Funds	$ 2,750,000	$ 40,000,000	This non-leveraged multisector emerging market closed private equity investment fund will invest equity in Colombian enterprises, targeting those with annual sales in local currency between the equivalent of $7.5 million and $20 million. The IIC's participation in the fund seeks a demonstration effect by supporting Colombia's incipient private equity industry. The IIC will sell a participation of 50 percent of its investment to the China-IIC SME Equity Investment Trust Fund.
	Termo Rubiales, S.A. 	Utilities and Infrastructure	5,000,000	68,500,000	Established to develop a thermopower project associated with a heavy fuel oil operation at one of Colombia's most strategic oilfields, the IIC supports the development of Colombia's oil sector by granting long-term financing and encouraging private investment in the sector; greater local oil production; and compliance with certified environmental protection, social, health, and safety standards.
Costa Rica 	Banco BAC San José, S.A.	Financial Services	25,000,000	25,000,000	With medium-term funding, the bank will channel financing to SMEs in Costa Rica. The proceeds will also support the bank's strategy of diversifying its sources of medium-term funding, which have grown scarcer since the financial crisis began. It is estimated that some 200 SMEs will benefit from the operation, with an average of $250,000 each.
	Financiera CAFSA, S.A. and Arrendadora CAFSA, S.A.	Financial Services	2,000,000	2,000,000	Financiera CAFSA offers financial services to the SME and microentrepreneur market and to middle-class wage earners for financing automobile purchases. Arrendadora CAFSA leases vehicles to SMEs and microentrepreneurs for providing passenger and freight transportation services. The loan proceeds will enable the two companies to meet the loan and operating lease needs of Costa Rican SMEs. It is estimated that SMEs will benefit from the operation, with an average of $300,000 each.
	Maderas Cultivadas de Costa Rica, S.A. and Reforestación Industrial Los Nacientes, S.A.	Agriculture and Agribusiness 	1,500,000	4,800,000	This integrated group of forestry companies operates in Costa Rica and Nicaragua. Combined operations encompass the entire production process, from genetic improvement of species and reforestation to the processing and sale of wood products. The loan will be used to finance the expansion of productive activities and the purchase of fixed assets, as well as for working and investment capital. It will also help the companies continue reforesting new land with Forest Stewardship Council certified plantations, contributing to the company's sustainable long-term growth.

COUNTRY	COMPANY	SECTOR	APPROVED AMOUNT	TOTAL PROJECT COST	PROJECT DESCRIPTION
Costa Rica (cont.)	Productos Ujarrás, S.A.	Food, Bottling, and Beverages	$ 100,000	$ 100,000	A producer and exporter of tropical fruit paste, jelly, and jam, the company sources fresh fruit from small growers throughout Costa Rica. The loan will be used to speed production and increase plant capacity.
Dominican Republic 	Banco Múltiple Santa Cruz, S.A.	Financial Services	2,000,000	2,000,000	This financial institution seeks to take advantage of market niches. It is looking to gain a significant share of the market for fee-based products, especially for foreign trade operations where it can capitalize on its competitive advantages. The loan proceeds will provide the medium-term funding that the bank needs for growing its SME loan portfolio, with an average of $200,000 per loan.
	Industrias Nacionales, C. por A.	General Manufacturing	6,000,000	6,000,000	A manufacturer and marketer of iron, steel, and PVC products for the domestic market and for export, mainly to countries in the Caribbean and Central America, the company will use the loan to enhance its financial profile and ensure efficient manufacturing of its products.
Ecuador 	Banco ProCredit, S.A. 	Financial Services	3,000,000	3,000,000	With a focus on micro, small, and medium-sized enterprises in the formal and informal sectors, the bank will use the loan proceeds to provide enterprises in the retail, transportation, services, agriculture, livestock, tourism, and other sectors with financing for their fixed asset purchase needs and working capital requirements. Eligible enterprises in Ecuador will benefit from the operation with an average of $200,000 each and/or $400,000 per economic group.
Guatemala 	Bioetanol, S.A.	Agriculture and Agribusiness	5,700,000	129,000,000	Pantaleon is Guatemala's largest sugar mill; Bioetanol is an ethanol producer. The two companies are part of the Pantaleon Group, the largest integrated producer of sugar, electricity, ethanol, and other sugarcane products in Central America. It has operations in Guatemala, Honduras, and Nicaragua. The loans will be used to finance investments needed to increase capacity at the Pantaleon sugar mill and cogeneration plant and to expand the Bioetanol plant. Both plants are in Guatemala.
	Pantaleon, S.A.	Agriculture and Agribusiness	4,300,000	129,000,000	
Haiti 	Carifresh, S.A.	Agriculture and Agribusiness	300,000	300,000	A supplier of quality agricultural products, mainly mangos, for the export market, the company also supplies corn, yucca, and haricot beans for the local market. The loan will help the company improve its infrastructure and production and will provide stability in funding its working capital needs.
	Distributeurs Nationaux S.A.	Oil and Mining	10,000,000	66,700,000	A leading marketer and distributor of diesel, gasoline, kerosene, fuel oil, lubricants, and LPG in Haiti, the company will use the loan to acquire strategic business assets. The IIC's support will provide the company with long-term financing, which is scarce in Haiti.

COUNTRY	COMPANY	SECTOR	APPROVED AMOUNT	TOTAL PROJECT COST	PROJECT DESCRIPTION
Honduras 	Corporación Dinant, S.A. de C.V. and Exportadora del Atlántico, S.A. de C.V.	Agriculture and Agribusiness 	$ 7,000,000	$ 153,368,690	The vertically integrated operations of these two companies span production through marketing, mainly of agricultural and food products. The loan will provide financing to two group operating companies to continue with their expansion plans, increase production capacity, improve the distribution network, and expand palm plantations.
Jamaica 	Golden Grove Sugar Company Limited	Agriculture and Agribusiness	4,000,000	6,000,000	This company arose from the privatization of sugar cane concerns in Jamaica. Its integrated operations will include growing sugar cane and processing raw sugar and molasses. The loan will help fund the acquisition and upgrade of an existing sugar plant and ancillary assets, the purchase of additional land for planting sugar cane, and financing for operating fund requirements.
	Jamaica Broilers Group Limited	Livestock and Poultry	7,000,000	7,000,000	The core business of the company is in poultry operations, feedstock and farm supplies, and ethanol processing. It is also involved in electricity cogeneration, the sale of feed ingredients, cattle rearing, and the processing and sale of beef products and fish. The loan will finance working capital that will support and strengthen the company's operations.
	Precise Technology Limited	Marketing and Distribution	150,000	150,000	This company sells computers, computer parts, accessories, stationery, and office furniture and provides computing services to clients throughout Jamaica.
Mexico 	Banco Mercantil del Norte, S.A.	Financial Services	40,000,000	40,000,000	Mexico's third-largest bank in terms of portfolio size and fourth in terms of deposits from the public, the bank will use this ten-year uncommitted revolving credit line to provide financing to SMEs in Mexico. Operations with end beneficiaries may not exceed $1.5 million.
	enConfianza, S.A. de C.V. SOFOM ENR	Financial Services	1,000,000	1,000,000	The company supports Mexican microentrepreneurs by providing them with loans. It will channel the loan, granted under the IFEM program for financing specialized financial institutions in Mexico, to eligible projects in the form of subloans not to exceed $50,000.
	Operadora de Servicios Mega, S.A. de C.V. SOFOM ENR	Financial Services	3,000,000	3,000,000	The company provides clients with financial solutions that include leasing and direct loans. This loan under the IFEM program will enable the company to support SMEs in Mexico with subloans up to $500,000.
Nicaragua 	Café Soluble, S.A.	Food, Bottling, and Beverages	3,000,000	4,500,000	A producer and packager of roasted ground coffee and instant powdered beverages, the company will use the loan to help implement projects to improve profitability by deepening its product mix and enhancing operating efficiency.

COUNTRY	COMPANY	SECTOR	APPROVED AMOUNT	TOTAL PROJECT COST	PROJECT DESCRIPTION
Nicaragua (cont.)	Compañía Cervecera de Nicaragua, S.A.	Food, Bottling, and Beverages	$ 7,000,000	$ 7,000,000	A producer and distributer of beer, the company also produces water and other nonalcoholic beverages. The loan will enable the company to complete its current investment and operating plans and maintain its social outreach programs.
	Corporación de Inversiones Turísticas, S.A.	Tourism and Hotels	1,000,000	1,870,000	A hotel operator in Managua under the Holiday Inn brand, the company will use financing from the IIC to upgrade the hotel to a Holiday Inn Convention Center. The upgrade involves new equipment, systems, furniture, and building improvements.
	CrediFactor, S.A.	Financial Services	500,000	500,000	The first financial company authorized by Nicaragua's stock exchange and banking authorities to issue financial instruments on the domestic market, the company will use the financing from the IIC to help improve its liquidity and facilitate access to financing for SMEs. Such financing is difficult to obtain in Nicaragua. Subloans may not exceed $25,000 per eligible project.
Panama 	QBE del Istmo Compañía de Reaseguros, Inc.	Financial Services	8,000,000	20,000,000	A reinsurance company headquartered in Panama, the company has a presence in Central and South America. The IIC's equity investment will enhance the company's capital and enable it to venture into new lines of business with mass-market products, especially dental insurance for those who lack such coverage. The company will also be able to expand to Brazil, Chile, Colombia, Costa Rica, Guatemala, Honduras, and Peru; it expects to have more than 1.2 million clients by 2012.
Paraguay 	Banco Regional, S.A.E.C.A.	Financial Services	6,000,000	6,000,000	The bank is focused on meeting the financing needs of southeastern Paraguay, where agriculture and livestock farming are the predominant activity. The loan is to provide Paraguayan SMEs with the medium- or long-term financing they need to perform their operations. The subloans may not exceed $250,000.
	Emprendimientos Forestales, S.R.L. 	Agriculture and Agribusiness	370,000	370,000	With a core business in forestation, reforestation, and related forestry activities, the company will use the loan for partial financing of working capital requirements to fulfill new forestation agreements with local companies.
	Sudameris Bank, S.A.E.C.A.	Financial Services	3,000,000	3,000,000	The bank has a broad strategy to serve the corporate sector, medium-sized entrepreneurs, and individuals. The loan will help the bank finance eligible projects via medium- and long-term loans to eligible enterprises in Paraguay that meet the IIC's credit criteria and environmental and labor requirements. Subloans may not exceed $250,000.

COUNTRY	COMPANY	SECTOR	APPROVED AMOUNT	TOTAL PROJECT COST	PROJECT DESCRIPTION
Paraguay (cont.)	Wilhelm, S.A.C.I.A.G. 	Agriculture and Agribusiness	$ 140,000	$ 420,000	A processor and exporter of essential oils for the pharmaceutical, food, and cosmetic industries, the company also imports other essences and grows oranges to supply raw materials for its own distillery. It produces 40 percent of the bitter orange essence exports in Paraguay, the world's only producer of this essence. The loan will finance investments in one of its plants and part of the working capital needed to access new markets.
Peru 	Banco Continental, S.A.	Financial Services	40,000,000	40,000,000	Peru's second-largest bank with a core business in financial intermediation, the bank focuses on developing its retail, corporate, and wholesale banking areas, as well as its treasury business area. It will use the ten-year uncommitted revolving credit line to provide financing to SMEs in Peru. The companies that receive financing shall not exceed $20 million in assets or revenue.
	Hipermercados Metro, S.A. and E. Wong, S.A.	Marketing and Distribution	5,000,000	5,000,000	The working capital facility from the IIC includes technical assistance to support the companies' supply chain, improving product quality and environmental management at approximately 700 suppliers, most of which are SMEs.
Uruguay 	Nuevo Banco Comercial, S.A.	Financial Services	6,000,000	16,000,000	The bank will onlend proceeds of the loan to eligible SMEs in Uruguay that require medium- or long-term financing to carry out their operations and that have limited access to financing with terms longer than one year. Subloans may not exceed $500,000.
Regional	Corandes, S.A.	General Manufacturing 	8,000,000	8,000,000	Argentina's leading producer and marketer of tinplate containers for fruit and vegetables, meat and meat products, seafood, and aerosols, as well as metal caps, the company will use the loan to finance permanent working capital for its operations.
	Scotia Leasing Costa Rica, S.A., Scotia Leasing Guatemala, S.A., Scotia Leasing Honduras, S.A., and Scotia Leasing Panamá, S.A.	Financial Services	10,000,000	10,000,000	Four Central American leasing companies will use the loan to channel medium-term financing to SMEs in Costa Rica, Guatemala, Honduras, and Panama. The proceeds will be used to fund eligible projects up to $500,000 each.
Total			**$299,810,000**	**$1,146,978,690**	

DEVELOPMENT IMPACT RESULTS

Measuring Development Outcome and Additionality: A Stronger Focus on Results

The IIC's impact and value are enhanced by tracking and learning from results. Innovative evaluation tools are used to measure the IIC's financial performance, as well as the development outcome and additionality of its operations. Project evaluations enable the IIC to assess the performance of its investments during a project's life cycle. The assessments lead to improvements in current projects and in the design and execution of future operations.

This year, in addition to reporting on its financial performance, the IIC is presenting quantitative information on the development outcome and additionality of its operations.

IIC's Approach to Measuring Development

The IIC uses two tools to track the development impact of its operations. The Development Impact and Additionality Scoring (DIAS) system provides an estimate of the potential developmental impact at the outset and throughout the life of a project. When a project matures, an Expanded Annual Supervision Report (XASR) is prepared to measure the project's development outcome and assess the IIC's investment results, work quality, and additionality. By design, DIAS and XASRs share many of the same indicators; however, the indicators are assessed at different times along a project's life cycle to ascertain a clearer picture of the outcome.

DIAS	ANNUAL SUPERVISION	XASR
Evaluation at outset of project and during its life cycle	Yearly supervision evaluation and DIAS update	Evaluation after project reaches maturity

The IIC's developmental database makes it possible to extract meaningful lessons learned from past operations.

DIAS was first introduced in 2008 as the IIC strengthened its tracking of development outcomes and additionality. The system was designed to complement the information provided by the XASRs, which had been performed every year since 2001, but only on mature projects. The resulting developmental database has allowed the IIC to extract meaningful lessons learned from past operations. This is also the first year in which all of the operations that were approved and rated in 2008 and were subsequently disbursed received an updated DIAS score as part of the annual investment supervision and monitoring process.

framework for measuring development

PERFORMANCE AREA	INDICATOR AND BENCHMARKS	EXAMPLES OF SPECIFIC INDICATORS	DIAS	XASR
DEVELOPMENT OUTCOME				
Financial Performance	Returns to financiers	• Financial rate of return • Return on invested capital • Return on equity • Project cost • Implemented on time and within budget	X	X
Economic Development	Return to society	• Economic rate of return • Loans to micro enterprises and SMEs • Jobs • Tax revenue • Foreign exchange earned	X	X
Environmental and Social Performance	IIC's standards met	• Improvements in environmental and social management, such as lower emissions levels	X	X
Private Sector Development Impact	Contribution to the private sector beyond the project company	• Number of companies replicating innovations by IIC's client company • Changes in laws • Corporate governance • Market expansion • Increased competition	X	X
IIC Strategic Objectives	Contribution to and support of IIC's mission	• Country diversification • Type of investment • Type of client • Delivery mechanism • Consistency with IDB Group strategy	X	
IIC ADDITIONALITY				
Financial Additionality	IIC as a catalyst for private sector investments; terms were not available in the market	• Alternative financing (on similar terms, pricing tenor, currency, timeliness) not available • Resource mobilization	X	X
Nonfinancial Additionality	IIC improved project design	• Use of technical assistance to improve project design • Introduction of improved corporate standards • Introduction of innovative products and practices • Introduction of environmental, social, health, and labor standards	X	X
IIC WORK QUALITY	Assessment of the IIC's work quality over the project's life cycle	• Quality of work in terms of screening, appraisal, structuring, supervision, administration, role, and contribution		X
IIC INVESTMENT OUTCOME	Loan and equity performance benchmarks set in relation to IIC's expectations at approval	• Project's gross profit contribution		X

Development Results

The IIC's evaluation framework follows the multilateral development banks' good practice standards for the evaluation of private sector investment operations. These standards dictate that all XASRs be independently validated. At the IIC, this function is performed by the IDB's Office of Evaluation and Oversight (OVE). OVE reviews the reliability of the analysis, the impartiality and consistency of the ratings, and the lessons learned.

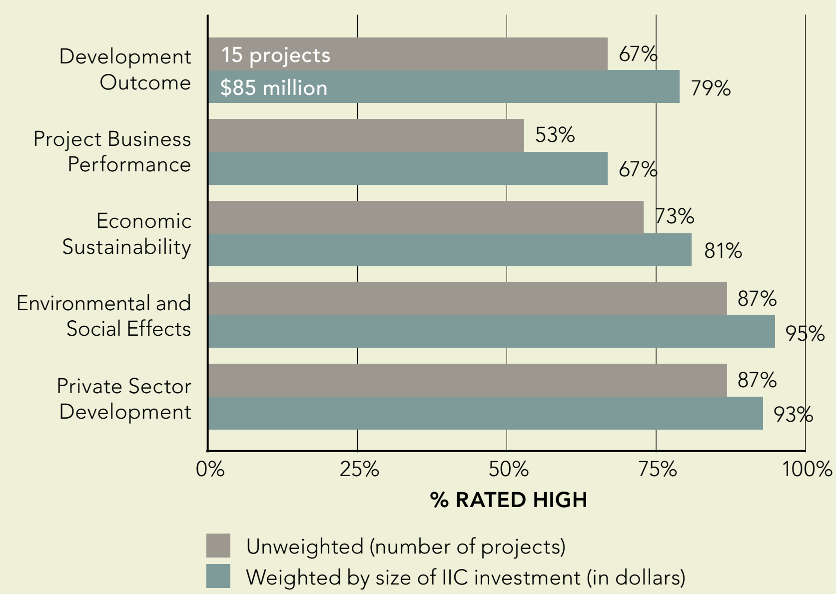
In 2009 OVE delivered to IIC Management the results of its Seventh Independent Evaluation Report,[1] which evaluated fifteen XASRs on seven corporate projects and eight financial intermediary investments that were approved between 2003 and 2004 and matured in 2008.[2] In total, OVE has evaluated 128 XASRs in the development results database, covering projects approved by the IIC from 1989 to 2004.

This section of the annual report focuses on development outcomes; however, OVE also provides independent evaluation of three additional areas: investment outcome, work quality, and additionality. OVE found that the majority—87 percent—of the fifteen projects rated in 2009 achieved high outcomes in these three categories. The report also states that the IIC has made substantial improvements in work quality in recent years, which can be attributed to the many enhancements that have been made in project preparation and administration.

67%

of 15 projects rated in 2009 achieved high development outcomes

Development Results from 2009 Evaluations*

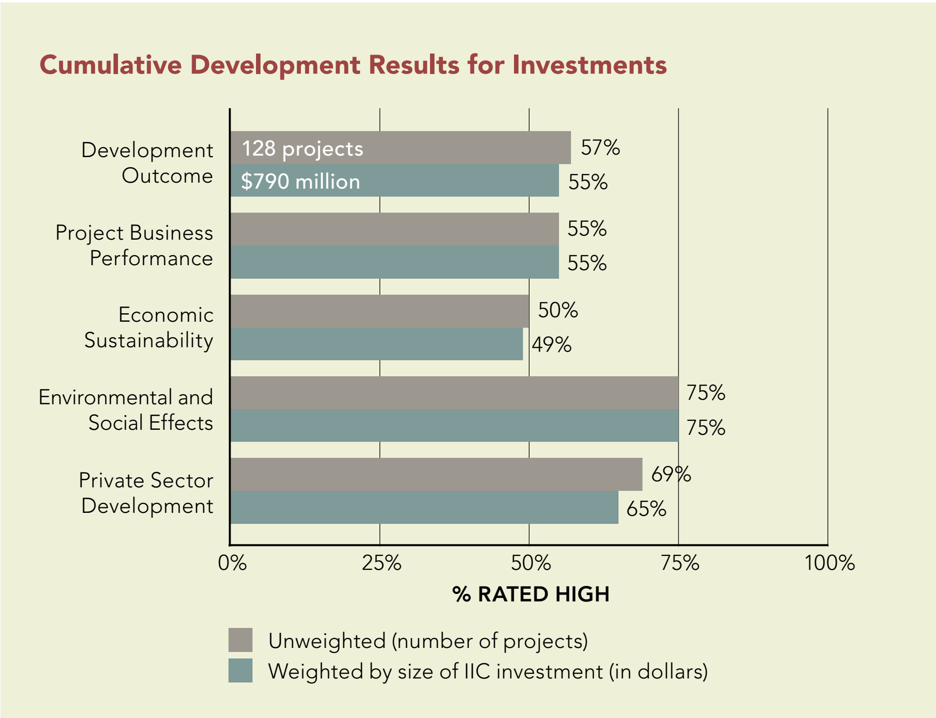


*Seventh OVE report

1 OVE's Seventh Independent Evaluation Report is scheduled to be presented to the IIC Board of Executive Directors in the first half of 2010.

2 Good practice standards define maturity for corporate investments as (a) project financed has been completed; or (b) project financed has generated eighteen months of operating revenues for the company; or (c) the IIC has received at least one set of audited financial statements covering at least twelve months of operating revenues generated by the project. For projects with financial intermediaries, maturity is reached thirty months after the final disbursement has occurred.

Results for overall development outcome derived from the seventh independent review indicate that 67 percent of the 15 investments rated achieved high outcomes, delivering sustainable results in terms of business performance, economic impact, and environmental and social performance, as well as contributing to private sector development in general. Results weighted by the IIC's investment volume were even stronger, with 79 percent scoring high for development outcome.

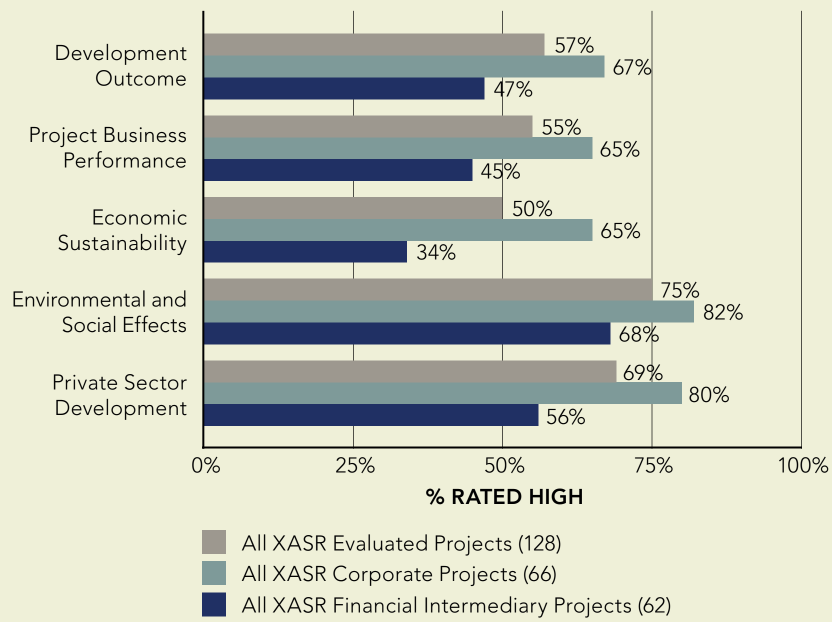


The IIC has been collecting and analyzing data on developmental results for projects approved over the past 15 years.

The chart above shows the development outcomes of projects over fifteen years. From 1989 to 2004, a smaller percentage of projects resulted in high development outcomes because many were negatively affected by the multiple economic downturns in the region. The chart on the following page shows that, on average, direct corporate projects tended to achieve higher developmental outcomes than operations involving financial intermediaries. This supports our view that direct corporate loan operations generally exhibit a greater level of measurable development outcome and thus are more likely to be rated high once they mature.

Innovative evaluation tools are used to measure the IIC's financial performance, as well as the development outcome and additionality of its operations.

Development Results: Corporate vs. Financial Intermediaries*

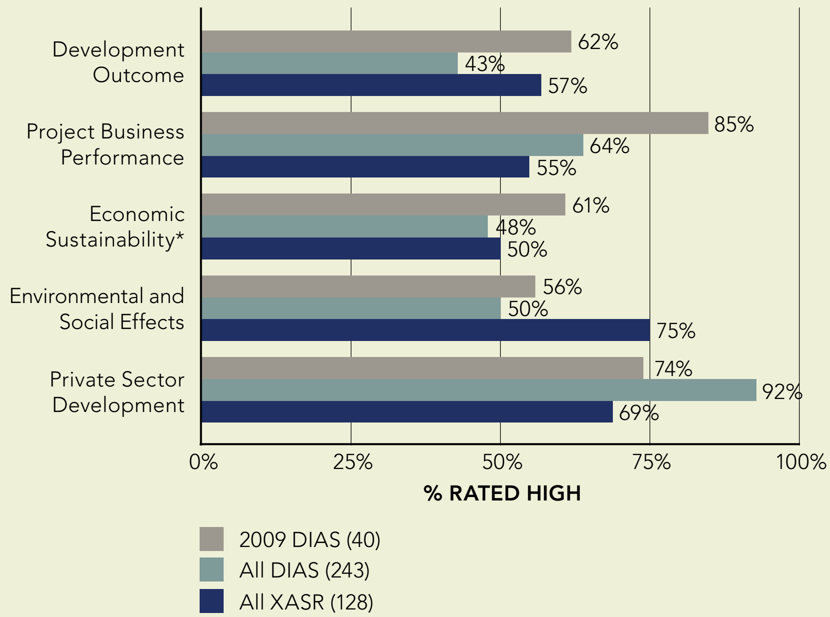


*All XASRs evaluated by OVE as of December 31, 2009

Predicting Development Performance

The growing developmental database, fed by DIAS scores and XASR results, is helping eliminate the information gap between the initial assessment and the final evaluation of a project's outcomes and performance.

Development Database—DIAS and XASRs



*DIAS data include only corporate projects; financial intermediary projects are not included.

Lending through financial intermediaries enables the IIC to reach companies that would be difficult to lend to directly.

Serving IIC Clients

Project evaluations confirm that the IIC's support for SMEs has had a positive impact in a variety of ways. Private sector SMEs have received long-term financing, otherwise unavailable to underserved markets, and they have grown and expanded. Companies have also received technical assistance to help them become leaders in environmental and social sustainability. And most (79 percent) of the projects approved for financing in 2009 are located in countries with smaller economies.

823

micro and small enterprises in Bolivia received IIC financing through financial intermediaries

Development Reach through Financial Products

Financial Intermediaries

Lending through financial intermediaries enables the IIC to reach companies that would be difficult to lend to directly. Results from OVE's 2009 report on projects approved in 2003 and 2004 show that these financial intermediaries provided $125 million to private companies using both IIC and their own funds. Of this amount, about $25 million was lent to micro and small enterprises.

In Bolivia, 823 micro and small enterprises received financing from an IIC loan provided to a microfinance operation. The average amount per transaction was $1,823. The financial intermediary focused on providing support to sectors that have fewer opportunities to tap into the traditional financial system. Due to generally high unemployment, providing micro and small enterprises access to financing is key to improving the living conditions of low-income individuals.

260 rice producers

in Uruguay received financing and technical advice from an IIC client

In Colombia, the nation's first family social fund launched a major financing program, with a loan provided by the IIC, targeting micro and small business lending. Through the program, 104 companies received, on average, $29,000 each in financing. The program sought to develop the technical capacity to lend to sectors traditionally ineligible for bank financing.

Supply Chains

By targeting larger companies higher up in a supply chain, the IIC helps them finance their smaller suppliers, such as farmers.

In Uruguay, an agribusiness client provided financing and technical advice to the 260 small rice producers who supply the company. The IIC's loan was essential, enabling the company to provide the necessary resources, on appropriate terms, to its growers, who need working capital that is not always available from commercial banks. With financing and technical advice from the IIC's client, the growers' operations became more viable.

Private Sector Direct Lending

Direct loans help companies address private sector growth constraints in the region.

In Colombia, a manufacturing company would have been unable to expand its production capacity without long-term financing. With support from the IIC, the company maintained its competitive position, expanded exports, and improved corporate governance by changing its external auditors, as recommended by the IIC.

IIC-Funded Technical Assistance

To maximize its development impact, the IIC goes beyond providing companies with financing and requiring that they improve their environmental and social performance. Clients are often the first in their sector or country to tackle challenging environmental and social issues to meet local and international standards. This is where the IIC plays a critical role. It steps in with technical assistance funds to facilitate the transfer of technology and engage technical experts, provided through the IIC's donor resources, to help clients become leaders in environmental and corporate social responsibility.

The IIC steps in with technical assistance funds to facilitate the transfer of technology and engage technical experts.

In Haiti, a fuel distribution company was offered technical assistance funds to develop an environmental and social action plan. The plan will cover gas station and fuel terminal improvements to ensure compliance with good industry practices. Other measures will include improvements to under- and above-ground storage tanks, spill and leak risk mitigation, and employee training.

In Nicaragua, a pharmaceutical company received an energy efficiency audit under the SBRL program to identify necessary improvements, the investment cost and payback period, and potential annual savings.

Environmental and Social Sustainability Expertise

Over the past decade, the IIC has provided environmental risk management training to more than 400 participants from financial institutions in Latin America and the Caribbean. Many of these institutions have implemented their own environmental risk management systems and gained international recognition for their progress in sustainability.

With mills in Guatemala, Honduras, and Nicaragua, a sugar producer is making environmental improvements with the help of the IIC and other multilateral development banks. The company is enhancing wastewater quality, increasing the monitoring of air emissions, and improving agricultural practices with an integrated farm quality assurance management system.

In the Dominican Republic, a manufacturer of construction industry products is developing an environmental and occupational health and safety improvement plan with support from the IIC. The plan calls for the installation of a sewage treatment plant and air extractors to improve ventilation and lower ambient temperatures. The company also will seek ISO 14001 environmental management systems certification for its rolling mill.

Of the IIC corporate projects approved in 2009, 61% received technical assistance and 72% had high environmental and social additionality scores.

environmental risk management for the financial sector

In 2009, the IIC celebrated a decade of building financial institution capacity through its environmental risk management training program. To date, the IIC has trained more than 400 participants from more than 170 financial institutions.

The 2009 environmental risk management course for the financial sector was held in Jamaica, developed in collaboration with the IDB's Environmental and Social Safeguards Unit. Thirty-one participants attended the seminar from twenty-three financial institutions in eleven countries—Brazil, Colombia, Dominican Republic, Ecuador, Guyana, Jamaica, Mexico, Nicaragua, Panama, Peru, and the United States.

At the seminar, IIC and IDB client financial institutions learned how to develop their own environmental risk management systems to help them become more competitive and profitable. A guest speaker from Brazil's Banco Itaú gave a presentation on Itaú's environmental risk management system and on environmental sustainability opportunities.

FINANCIAL RESULTS

During 2008–2009, the IIC's profitability was impacted by the region's economic recession, which affected operating income and made it necessary to increase portfolio provisions. Income was also affected by the drop in LIBOR and weaker loan portfolio growth.

The allowance for loan losses went from $55.1 million in 2008 to $66.5 million in 2009, and it remained high in response to a negative and uncertain economic environment. Net profit for the year was $5.2 million, compared with $13.9 million in 2008.

Efficiency decreased in 2009 as measured by the net interest income to administrative expense ratio, which went from 1.9 times in 2008 to 1.4 times in 2009.

Treasury Investment Portfolio Risk

The IIC's treasury investment portfolio ended the year in good standing, despite the financial and economic crisis that continued throughout most of 2009. This was the result of a conservative approach to portfolio management and greater investment portfolio diversification in a more volatile and uncertain money market environment.

Profitability was affected by the drop in interest rates all along the yield curve, and by the need for investing a larger portion of available funds in overnight investments and low-risk securities.

In 2009, Standard and Poor's retained its positive credit rating outlook for the IIC, based on the IIC's strong financial profile and strategic and operating initiatives.

Asset Quality

Earning assets, net of provisions, decreased in 2009; they went from $879 million in 2008 to $823 million in 2009.

Over the same period, the IIC's asset quality deteriorated because of the worldwide economic recession. Although the past-due portfolio only increased from 0.56 percent in 2008 to 0.65 percent in 2009, impaired loans grew from 0.1 percent in 2008 to 3.6 percent in 2009. However, as of year-end 2009, the ratio of loan loss provisions to past-due loans was 12 times and to impaired loans was 2 times; the loan loss allowance amply covered the IIC's portfolio at risk.

It is possible that moderate growth will return to the region in 2010 as the worldwide recession begins to fade. Although growth should have a positive impact on the IIC's clients, some further portfolio deterioration is expected as a result of the crisis.

Capital Adequacy

The Agreement Establishing the IIC limits borrowing to three times net worth. In practice, the IIC has maintained leverage levels below this limit. The liabilities-to-equity ratio dropped from 1.03 in 2008 to 0.88 in 2009.

Liquidity

The IIC's liquidity was kept high in 2009 in response to the unfavorable and uncertain capital market environment and as a consequence of lower loan portfolio growth. The liquidity-to-debt ratio went from 0.79 in 2008 to 0.87 in 2009.

Standard and Poor's Outlook

In 2009, Standard and Poor's retained its positive credit rating outlook for the IIC, based on the IIC's strong financial profile and strategic and operating initiatives that contribute to its financial soundness and maximize the developmental impact its operations have in the region. The Standard and Poor's report acknowledges that the worldwide crisis has affected the IIC's profitability, but highlights that prudent risk management and appropriate asset and liability management have minimized the impacts of the crisis.

Sources of Funding

Historically, the IIC's primary source of funding has been capital contributions from member countries and bilateral loans from commercial banks. However, in 2005 the IIC began to diversify its sources of funding because the initial period for receiving installment payments under the 1999 capital increase was to end in 2007.

As the economy slowed in 2009, the IIC sought to improve its debt profile. It, therefore, rescheduled $100 million of debt and smoothed the payment schedule in the short term. The IIC also negotiated new lines of credit in the amount of $115 million.

As of December 2009, the IIC had $647 million in borrowings; its available lines of credit totaled $747 million. Combined with its sound treasury position, this conservative approach to borrowing minimizes the IIC's credit risk considerably.

Pension and Postretirement Benefit Plans

The value of the assets that back the IIC's benefit obligations increased 30 percent in 2009, as the market began to recover in response to aggressive intervention by governments and central banks. Management and the Board of Executive Directors decided to increase the IIC's contributions to the pension and postretirement benefit plans. As a result, the pension assets to liabilities coverage ratio rose to 93 percent.

GOVERNANCE

Structure

Board of Governors

All the powers of the IIC are vested in its Board of Governors, which is composed of one Governor and one Alternate Governor appointed by each member country. Among the powers vested in the Board of Governors that cannot be delegated to the Board of Executive Directors are the admission of new member countries, engagement of external auditors, approval of the IIC's audited financial statements, and amendment of the Agreement Establishing the Corporation.

All the powers of the IIC are vested in its Board of Governors, which is composed of one Governor and one Alternate Governor appointed by each member country.

Board of Executive Directors

The Board of Executive Directors is responsible for conducting operations. For this purpose, the Board of Executive Directors exercises all the powers given to it by the Agreement Establishing the Corporation or delegated to it by the Board of Governors. The Board of Executive Directors determines the basic organization of the IIC, including the number and general responsibilities of the principal administrative and professional positions. It also approves the IIC's budget. The thirteen members and thirteen alternate members of the Board of Executive Directors serve for three-year terms and represent one or more member countries of the IIC.

The four-member Executive Committee of the Board of Executive Directors comprises one person who is the Director or Alternate appointed by the member country having the largest number of shares in the IIC, two people from among the Directors representing the regional developing member countries of the IIC, and one person from among the Directors representing the other member countries. This committee considers all of the IIC's loans to and investments in companies located in member countries.

Management

The president of the IDB is ex-officio Chairman of the Board of Executive Directors of the IIC. The president presides over meetings of the Board of Executive Directors but does not have the right to vote except in the event of a tie. The president may participate in but not vote at meetings of the IIC Board of Governors.

The Board of Executive Directors appoints the General Manager of the IIC by a four-fifths majority of the total voting power, on the recommendation of the Chairman of the Board of Executive Directors. The General Manager oversees the officers and staff of the IIC. Under the direction of the Board of Executive Directors and the general supervision of the Chairman of the Board of Executive Directors, the General Manager conducts the ordinary business of the IIC and, in consultation with the Board of Executive Directors and the Chairman of the Board of Executive Directors, is responsible for the organization, appointment, and dismissal of the officers and staff. The General Manager may participate in meetings of the Board of Executive Directors but cannot vote at those meetings.

The General Manager determines the operating structure of the IIC and may change it as the organization's needs evolve.

203 projects

The IIC manages a portfolio of 203 corporate and financial institution projects.

*Compensation Structure for IIC Headquarters Staff**

Grade	Job Title	Minimum	Maximum	Staff at Grade Level	Average Salary/ Grade	Average Benefits†
E2	Executive	$269,639	$323,567	1.39%	$323,567	$126,191
E5	Executive	196,732	245,915	1.39	245,049	95,569
1	Managerial	159,319	231,012	11.1	178,384	69,570
2	Managerial	138,726	208,088	2.8	161,790	63,098
3	Professional	115,775	185,241	9.7	133,065	51,895
4	Professional	101,865	162,984	20.8	113,976	44,451
5	Professional	92,807	139,211	9.7	102,775	40,082
6	Professional	82,874	124,311	6.9	85,705	33,425
7	Professional	73,629	110,444	2.8	73,807	28,785
8	Professional	64,588	96,882	11.1	73,010	28,474
9	Professional	57,223	85,835	11.1	60,946	23,769
10	Administrative	46,514	74,422	4.2	51,661	20,148
11	Administrative	40,522	64,835	5.6	44,987	17,545
12	Administrative	36,384	58,215	1.39	42,569	16,602
				100.0%		

*Staff in the region are compensated locally at rate bands determined by the IDB.
†Includes staff leave, end of service payments, medical and life insurance, and other nonsalary benefits: home leave, tax reimbursement, appointment travel, relocation and repatriation expenses, dependency allowance, education allowance, mission travel benefits.
Members of the IIC Board of Executive Directors, including Executive Directors, Alternate Executive Directors, Senior Counselors, and Counselors, as well as the Chairman of the Board of Executive Directors, are compensated by the IDB.
Information as of December 2009

Staff

To fulfill its multilateral mission, the IIC has 107 authorized staff positions as of December 31, 2009. There are twenty-four staff members in eleven countries in the region: in Argentina, Chile, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay, Peru, and Uruguay. The remaining staff are located at the IIC's headquarters in Washington, D.C. Among the headquarters staff are fifteen investment officers working directly on originating and developing new projects and ten assigned full time to directly supervise a portfolio of 203 corporate and financial institution projects. This supervision includes annual field visits.

The remaining staff members provide support for operations and are divided among the Finance and Risk Management, Legal, and Technical Assistance and Strategic Partnerships divisions; and the Corporate Affairs, Credit, Development Effectiveness and Corporate Strategy, Portfolio Management and Supervision, and Special Operations units.

107 staff members

of which 24 are assigned to 11 countries in the region

anti-corruption and anti–money laundering measures

The IIC places great importance on transparency in its financing operations, which undergo a rigorous due diligence process and are required to follow sound management practices. For each operation, the IIC assesses the beneficiary's financial reporting and controls and management capabilities, including the critical risks to which it may be exposed. Corrupt practices is one example of such a risk, for which the IIC has a zero-tolerance policy. The IIC reviews the host country's regulations on money laundering. It assesses each financial institution's compliance with such regulations and the adequacy of its deposit-taking and management controls. The investment officers and attorneys involved in originating and structuring IIC projects, along with their IDB and IDB Multilateral Investment Fund counterparts, receive training on integrity guidelines.

The IIC's antifraud mechanism integrates the institution with the IDB's Office of Institutional Integrity and Oversight Committee on Fraud and Corruption, which enhances the synergies between the two on fraud and corruption matters.

The IDB Group has secure telephone, e-mail, fax, and mail arrangements for anyone who wishes to file an allegation of fraud or corruption involving any activity financed by any of its member institutions. Additional information on IDB Group policies against fraud and corruption and how to report suspected cases is available at www.iadb.org/topics/transparency/IAD/.

Since 2008, the IDB has been leading a comprehensive reform of the IDB Group's integrity systems. To assist in this effort, it engaged an outside, independent group to conduct a review of the current systems to address fraud and corruption. In 2009, a work program was implemented to respond to the group's recommendations. The IIC participated in these discussions and anticipates adopting the recommendations as appropriate and implementing a revised mechanism in line with the IDB's.

audited financial statements

report of independent auditors

To the Board of Governors
Inter-American Investment Corporation

We have audited the accompanying balance sheet of Inter-American Investment Corporation (the Corporation) as of December 31, 2009 and 2008, and the related statements of income, comprehensive income/(loss), changes in equity, and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Corporation's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Inter-American Investment Corporation at December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

McLean, Virginia
March 23, 2010

balance sheet

USD THOUSANDS (EXCEPT SHARE DATA)	DECEMBER 31 2009	2008
ASSETS		
Cash and cash equivalents	$ 99,012	$ 111,326
Investment securities		
Trading	330,471	312,321
Held-to-maturity	125,135	156,273
Available-for-sale	26,589	20,090
Investments		
Loan investments	857,626	904,170
Less allowance for losses	(66,477)	(55,124)
	791,149	849,046
Equity investments ($19,430 and $14,408 at fair value, respectively)	32,168	29,680
Total investments	823,317	878,726
Receivables and other assets	19,459	28,308
Total assets	**$1,423,983**	**$1,507,044**
LIABILITIES AND EQUITY		
Accounts payable and other liabilities	$ 16,387	$ 24,869
Interest and commitment fees payable	3,161	4,110
Borrowings, short-term	110,043	30,000
Borrowings and long-term debt ($48,328 and $51,032 at fair value, respectively)	535,513	703,817
Total liabilities	**665,104**	**762,796**
Capital		
Authorized:		
70,590 and 70,590 shares, respectively (Par $10,000)		
Subscribed shares:		
70,590 and 70,480 shares, respectively (Par $10,000)	705,900	704,800
Less subscriptions receivable	(47,199)	(47,199)
	658,701	657,601
Retained earnings	109,292	104,081
Accumulated other comprehensive loss	(9,114)	(17,434)
Total equity	**758,879**	**744,248**
Total liabilities and equity	**$1,423,983**	**$1,507,044**

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

statement of income

USD THOUSANDS	YEAR ENDED DECEMBER 31 2009	2008
INCOME		
Loan investments		
Interest	$ 45,432	$ 57,333
Front-end fees	984	1,198
Commitment fees	88	110
Other income	856	480
	47,360	59,121
Equity investments		
Changes in carrying value	2,151	(1,297)
Gain on sale	431	3,380
Dividends and distributions	165	148
Other income	50	251
	2,797	2,482
Investment securities	10,561	18,790
Advisory service, cofinancing, and other income	2,595	3,030
Total income	**63,313**	**83,423**
Borrowings and long-term debt related expense (net of changes in fair value of related financial instruments)	21,523	30,599
Total income, net of interest expense	**41,790**	**52,824**
PROVISION FOR LOAN INVESTMENT AND GUARANTEE LOSSES	**10,285**	**14,179**
OPERATING EXPENSES		
Administrative	25,917	24,657
(Gain)/Loss on foreign exchange transactions, net	(41)	7
Total operating expenses	**25,876**	**24,664**
Income before technical assistance activities	**5,629**	**13,981**
Technical assistance activities	418	68
NET INCOME	**$ 5,211**	**$13,913**

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

statement of comprehensive income/(loss)

USD THOUSANDS	YEAR ENDED DECEMBER 31 2009	2008
NET INCOME	$ 5,211	$ 13,913
OTHER COMPREHENSIVE INCOME/(LOSS)		
Net actuarial gain/(loss)	12,388	(25,597)
Amortization of:		
Transition obligation	174	174
Prior service cost	(4,536)	64
Other	—	(11)
	8,026	(25,370)
Unrealized gain on investment securities available-for-sale	294	90
COMPREHENSIVE INCOME/(LOSS)	**$13,531**	**$(11,367)**

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

statement of changes in equity

USD THOUSANDS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)	CAPITAL STOCK*	TOTAL EQUITY
As of December 31, 2007	**$ 90,168**	**$ 7,846**	**$636,526**	**$734,540**
Year ended December 31, 2008				
Net income	13,913	—	—	13,913
Other comprehensive loss	—	(25,280)	—	(25,280)
Payments received for capital stock subscribed	—	—	21,075	21,075
As of December 31, 2008	**$104,081**	**$(17,434)**	**$657,601**	**$744,248**
Year ended December 31, 2009				
Net income	5,211	—	—	5,211
Other comprehensive income	—	8,320	—	8,320
Payments received for capital stock subscribed	—	—	1,100	1,100
As of December 31, 2009	**$109,292**	**$ (9,114)**	**$658,701**	**$758,879**

*Net of subscriptions receivable

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

statement of cash flows

USD THOUSANDS	YEAR ENDED DECEMBER 31 2009	2008
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan disbursements	$ (127,977)	$ (264,644)
Equity disbursements	(3,737)	(1,618)
Guarantee disbursements	—	(8)
Loan repayments	191,370	132,262
Sales of equity investments	3,832	15,539
Held-to-maturity securities		
Maturities	20,081	20,000
Available-for-sale securities		
Purchases	—	(20,000)
Sales	5,459	—
Capital expenditures	(124)	(134)
Proceeds from recovered assets	4,272	1,717
Net cash provided by/(used in) investing activities	**$ 93,176**	**$ (116,886)**
CASH FLOWS FROM FINANCING ACTIVITIES		
(Paydowns)/Drawdowns of borrowings, net	(106,174)	266,244
Capital subscriptions	1,100	21,075
Net cash (used in)/provided by financing activities	**$ (105,074)**	**$ 287,319**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	5,211	13,913
Adjustments to reconcile net income to net cash used in operating activities:		
Realized capital gains on equity sales	(462)	(2,981)
Change in receivables and other assets	12,211	(2,933)
Change in carrying value of equity investments	(2,120)	2,396
Provision for loan and guarantee losses	10,285	14,179
Unrealized gain on investment securities	(3,718)	(1,120)
Equity recoveries	—	(318)
Change in accounts payable and other liabilities	(1,347)	2,039
Change in Pension Plan and PRBP net assets	(1,976)	(1,254)
Unrealized loss/(gain) on non-trading derivative instruments	723	(578)
Change in value of borrowings at fair value	(1,186)	817
Other, net	1,176	606
	13,586	10,853
Trading securities		
Purchases	(1,638,598)	(1,802,481)
Sales, maturities and repayments	1,619,378	1,648,563
	(19,220)	(153,918)
Net cash used in operating activities	**$ (423)**	**$ (129,152)**
Net effect of exchange rate changes on cash and cash equivalents	7	(1)
Net (decrease)/increase in cash and cash equivalents	(12,314)	41,280
Cash and cash equivalents as of January 1	111,326	70,046
Cash and cash equivalents as of December 31	**$ 99,012**	**$ 111,326**
Supplemental disclosure:		
Interest paid during the period	$ 24,137	$ 28,904
Held-to-maturity securities transferred to available-for-sale	$ 12,286	$ —

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

PURPOSE

The Inter-American Investment Corporation (the Corporation), a multilateral organization, was established in 1986 and began operations in 1989 with the mission to promote the economic development of its Latin American and Caribbean member countries by financing small and medium-size enterprises. The Corporation, together with private investors, accomplishes this mission by making loan and equity investments where sufficient private capital is not otherwise available on reasonable terms. The Corporation also plays a catalytic role in mobilizing additional project funding from other investors and lenders, either through cofinancing or through loan syndications, underwritings, and guarantees. In addition to project finance and resource mobilization, the Corporation provides financial and technical advisory services to clients. The Corporation receives its share capital from its member countries, conducts its operations principally in United States dollars, and limits operational activity to its twenty-six regional member countries. The Corporation is a member of the Inter-American Development Bank Group (IDB Group), which also includes the Inter-American Development Bank (IDB) and the Multilateral Investment Fund (MIF).

1. BASIS OF PRESENTATION

The accounting and reporting policies of the Corporation conform to U.S. generally accepted accounting principles (GAAP). References to GAAP issued by the Financial Accounting Standards Board (FASB) in these notes are to the FASB Accounting Standards Codification, sometimes referred to as the Codification or ASC.

All amounts presented in the accompanying financial statements and notes are expressed, unless otherwise indicated, in thousands of dollars of the United States of America (U.S. dollars, USD, or $), which is the Corporation's functional currency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates—The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. A significant degree of judgment has been used in the determination of the adequacy of the allowance for losses on loan investments and guarantees, the fair value of loan and equity investments, borrowings, and derivative instruments, and the determination of the net periodic benefit cost from retirement and postretirement benefit plans and the present value of benefit obligations. There are inherent risks and uncertainties related to the Corporation's operations. The possibility exists that changing economic conditions could have an adverse effect on the financial position of the Corporation.

Cash and cash equivalents—Highly liquid investment instruments purchased with original maturities of three months or less, other than those held as trading securities, are considered cash equivalents.

Investment securities—As part of its overall portfolio management strategy, the Corporation invests in government and agency obligations, time deposits, commercial paper and bank instruments according to the Corporation's credit risk and duration policies. Government and agency obligations include highly rated fixed rate bonds, notes, bills, and other obligations issued or unconditionally guaranteed by governments of countries or other official entities including government agencies. Investment securities held by the Corporation are classified based on management's intention on the date of purchase and recorded as of the trade date. The Corporation's portfolio classified as trading includes securities bought and held for the purpose of resale in the near term and are stated at fair value with unrealized gains and losses reported in income from investment securities. Fixed-term securities classified as held-to-maturity represent securities that the Corporation has both the ability and the intent to hold until maturity and are carried at amortized cost. All other securities are classified as available-for-sale and carried at fair value with net unrealized gains or losses included in accumulated other comprehensive income. Interest and dividends on securities, amortization of premiums, and accretion of discounts are reported in income from investment securities. The Corporation's investments in debt securities in Latin American and Caribbean markets resulting from development activities are classified as held-to-maturity and carried at amortized cost on the balance sheet.

Changes in circumstances may cause the Corporation to change its intent to hold a certain security to maturity without calling into question its intent to hold other securities to maturity in the future. During the first quarter of 2009, management determined that evidence of a significant deterioration on an issuer's creditworthiness occurred. This fact is contemplated by FASB ASC 320-10-25-6a, formerly SFAS 115 *Accounting for Certain Investments in Debt and Equity Securities (as amended)* as a change in circumstances that shall not be considered to be inconsistent with the securities original classification. Therefore, those securities were transferred to the available-for-sale category and were subsequently partially sold during March and April 2009. Additional disclosures on this transfer of held-to-maturity securities are included in Note 3.

Loan and equity investments—Loan and equity investment commitments are legal obligations when the loan or equity agreement is signed and are recorded as assets when disbursed. Loans are carried at the principal amount outstanding adjusted for allowance for losses. The Corporation, in certain instances, obtains collateral security such as, but not limited to, mortgages and third-party guarantees. Equity investments, which include direct equity investments and investments in Limited Liability Partnerships (LLPs), are initially recorded at cost, which generally is the fair value of the consideration given. Direct equity investments and certain LLPs for which the Corporation maintains specific ownership accounts on which the Corporation does not have significant influence are carried at cost less impairment. Fair value accounting is applied to equity investments in LLPs where the Corporation's interest is considered more than minor.

Loan and equity investment carrying amounts are periodically reviewed and, if considered necessary, adjusted for impairment. The Corporation considers a loan impaired when, based on current information and events, it is probable that the Corporation will be unable to collect all amounts due according to the loan's contractual terms. Equity investments are assessed for impairment at least once a year on the basis of the latest financial information and any supporting research documents available. These analyses are subjective and are based on, among other things, relevant financial data. Also considered are the issuer's industry trends, the historical performance of the stock, and the Corporation's intent to hold the investment for an extended period. When impairment is identified and is deemed to be other than temporary, the equity investment is written down to the impaired value, which becomes the new cost basis for the equity investment. Impairment losses are not reversed for subsequent recoveries in value of the equity investment until it is sold.

Allowance for losses on loan investments—The Corporation recognizes loan portfolio impairment in the balance sheet through the allowance for losses on loan investments, recording a provision or release of provision for losses on loan investments in net income, which increases or decreases the allowance for losses on loan investments. Loan investments charged off, as well as any subsequent recoveries, are recorded through the allowance account. The allowance for losses is maintained at a level that, in management's judgment, is adequate to absorb estimated probable losses in the loan portfolio. Management's judgment is based on the risk ratings and performance of individual loan investments, economic conditions, and other factors considered significant by management.

The allowance for losses on loan investments reflects estimates of both probable losses already identified and probable losses inherent in the portfolio but not specifically identifiable. The determination of identified probable losses represents management's best judgment of the creditworthiness of the borrower and is established based upon the periodic review of individual loan investments. This estimate considers all available evidence including, as appropriate, the present value of the expected future cash flows discounted at the loan's contractual effective date, the fair value of collateral less disposal costs, and other observable market data. Because of the purpose of the Corporation, secondary market value is usually not available for similar transactions. The allowance for losses attributed to the remaining loan portfolio, i.e., probable losses inherent in the portfolio but not specifically identifiable, is established via a process that estimates the probable loss inherent to the portfolio based on a risk rating process of the portfolio. The analysis is based on past experience and available market information and includes country risk, the risk of correlation or contagion of losses between markets, nonperformance under sponsor guarantees and support agreements, as well as on financial statements prepared in accordance with accounting principles other than GAAP.

Revenue recognition on loan investments—Interest and fees, except front-end fees, are recognized as income in the periods in which they are earned. The Corporation does not recognize income on loans where collectability is in doubt or, generally, when payments of interest or principal are past due more than 90 days. Any uncollected interest accrued on a loan placed in nonaccrual status is reversed out of income and is thereafter recognized as income only when received and is returned to accrual status once management has concluded that the borrower's ability to make periodic interest and principal payments has been demonstrated. Interest not previously recognized but capitalized as part of a debt restructuring is recorded as deferred income and credited to income only when the related principal is received.

Front-end fees and incremental direct costs associated with the origination of loan investments are not deferred and amortized over the life of the loan because front-end fees serve only to reimburse the Corporation for the cost of originating a loan. Any nonrefundable loan origination fees under/over loan origination costs are considered immaterial for the financial statements.

Revenue recognition on equity investments—Dividend and profit participations received from equity investments that are accounted for under the cost less impairment method are recorded as income when such distributions are declared. Gains on the sale or redemption of equity investments accounted for under the cost less impairment method are recorded as income when received. For LLPs carried at fair value, distributions are considered on the assessment of each underlying investment net asset value and recorded as changes in carrying value of equity investments.

Guarantees—The Corporation offers credit guarantees covering, on a risk-sharing basis, third-party obligations on loans undertaken for or securities issued in support of projects located within a member country to enhance their credit standing and enable them to complete a wide variety of business transactions. These financial guarantees are commitments issued by the Corporation to guarantee payment performance by a borrower to a third party. The Corporation's policy for requiring collateral security with respect to these instruments and the types of collateral security held is generally the same as for loans. Guarantees are regarded as issued when the Corporation executes the guarantee agreement, outstanding when the underlying financial obligation to the third party is incurred, and called when the Corporation's obligation under the guarantee has been invoked. There are two obligations associated with the guarantees: (1) the stand-ready obligation to perform, and (2) the contingent obligation to make future payments. The stand-ready obligation to perform is recognized at the issuance date unless a contingent liability exists at that time or is expected to exist in the near term and is reported at fair value. The contingent liability associated with the financial guarantee is recognized when it is probable that the guarantee will be called and when the amount of the guarantee can be reasonably estimated. Any stand-ready and contingent liabilities associated with guarantees are included in other liabilities. The offsetting entry is consideration received or receivable with the latter included in other assets on the balance sheet. When the guarantees are called, the amount disbursed is recorded as a loan investment and specific reserves are established based on the estimated probable loss. These reserves are included as allowance for losses in other liabilities. Income is earned as the Corporation is released from risk upon the expiration or settlement of the guarantee.

Risk management activities: Derivatives used for non-trading purposes—The Corporation enters into transactions in certain derivative instruments for financial risk management purposes. The Corporation manages its exposure to interest rate movements through the use of derivative financial products, which include interest rate swaps and purchased options positions (i.e., interest rate caps). The derivatives modify the interest rate characteristics of the respective financial instrument to produce the desired interest and none are designated in hedge accounting relationships. The Corporation does not use derivatives for speculative purposes.

Derivatives are recognized in the balance sheet at their fair value and are classified as either assets or liabilities, depending on their nature and their net fair value amount. Changes in fair value of borrowings-related derivatives are disclosed as an offset for interest expense on hedged borrowings.

Deferred expenses—Costs related to the issuance of debt and other financial arrangements are deferred and amortized over the life of the related debt on a straight-line basis, which approximates how the costs would be reflected under the effective interest method.

Fixed assets—The Corporation records fixed assets at cost less accumulated depreciation and amortization. Depreciation and amortization are recognized using the straight-line method over the estimated useful lives of the assets, which range from three to seven years.

Foreign currency transactions—Assets and liabilities not denominated in United States dollars are translated into U.S. dollar equivalents using those foreign exchange rates at which the related asset or liability could be reasonably settled at that date. Revenues and expenses are translated monthly at amounts that approximate weighted average exchange rates, with resulting gains and losses included in income.

Fair value of financial instruments—FASB ASC 825-10-50-10, formerly SFAS 107, *Disclosures about Fair Value of Financial Instruments,* and FASB ASC 820-10-15-1, formerly SFAS 157, *Fair Value Measurements,* require entities to disclose information about the estimated fair value of their financial instruments and their fair value measurement, whether or not those values are recognized on the balance sheet.

FASB ASC 820-10-15-3a defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Corporation uses various valuation approaches, including market, income and/or cost approaches. FASB ASC 820-10-50-2 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Corporation. Unobservable inputs are inputs that reflect the Corporation's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1—Valuations based on quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

  Assets and liabilities utilizing Level 1 inputs include investment securities that are actively traded and certain other sovereign government obligations.

- Level 2—Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

Assets and liabilities utilizing Level 2 inputs include investment securities that are not actively traded, derivative contracts, certain corporate loans, and structured borrowings.

- Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

  Assets and liabilities utilizing Level 3 inputs include certain corporate loans and private equity investments.

For many of the Corporation's corporate loans it is not practicable to estimate the fair value, and therefore, in accordance with FASB ASC 825-10-50-16, additional disclosures pertinent to estimating the fair value, such as the carrying amount, interest rate, and maturity are provided.

The availability of observable inputs can vary from product to product and is affected by a wide variety of factors, including, for example, the type of product and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Corporation in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value for many financial instruments is derived using pricing models. Pricing models take into account the contract terms (including maturity) as well as multiple inputs, including, where applicable, interest rate yield curves, credit curves, creditworthiness of the counterparty, option volatility, and currency rates. In accordance with FASB ASC 820-10, the impact of the Corporation's own credit spreads is also considered when measuring the fair value of liabilities, including derivative contracts. Where appropriate, valuation adjustments are made to account for various factors, including bid-ask spreads, credit quality, and market liquidity. These adjustments are applied on a consistent basis and are based upon observable inputs where available.

The following methods and assumptions were used by management in estimating the fair value of the Corporation's financial instruments:

Cash and Cash Equivalents: The carrying amount reported in the balance sheet approximates fair value.

Investment Securities: Fair values for investment securities are based on quoted prices in active markets for identical assets as of the balance sheet date, when observable. For those investments for which prices and other relevant information, generated by market transactions involving identical or comparable assets, are not available, the income approach valuation has been used, using yield curves, bond or credit default swap spreads and recovery rates based on collateral values as key inputs. Investment securities are generally categorized in Level 1 of the fair value hierarchy.

Loan Investments: The Corporation's methodology to measure the fair value of those loans provided to certain financial institutions through agreements that foster economic development, and for which a combination of observable and unobservable inputs is generally available, requires the use of estimates and present value calculations of future cash flows. The fair value of loan investments is estimated using recently executed transactions, market price quotations (where observable) and market observable credit default swap levels along with proprietary valuation models where such transactions and quotations are unobservable. Determining future cash flows for fair value estimation purposes is subjective and imprecise, and minor changes in assumptions or methodologies may materially affect the estimated values. The lack of objective pricing standards adds a greater degree of subjectivity and volatility to these derived or estimated fair values. Additional information about loan investments carried at fair value is included in Note 9.

Equity Investments: The Corporation purchases the capital stock of small and medium-size private sector enterprises in Latin America and the Caribbean and also invests in LLPs. In most cases, market prices are not available and alternate valuation techniques require a significant degree of judgment. Additional information about LLPs carried at fair value is included in Note 9.

Derivative Contracts: These include swap and option contracts related to interest rates. Fair values are determined by obtaining the present value of estimated future cash flows using appropriate discount rates. The pricing models used do not entail material subjectivity because the methodologies employed do not necessitate significant judgment, and the pricing inputs are observed from actively quoted markets, as is the case for generic interest rate swap and option contracts. All the derivative products valued by the Corporation using pricing models fall into this category and are categorized within Level 2 of the fair value hierarchy. The estimated fair value of derivatives is disclosed in Note 9.

Borrowings and Long-Term Debt: Fair values are determined by obtaining the present value of estimated future cash flows using appropriate discount rates. The estimated fair value of borrowings and long-term debt is disclosed in Note 9.

Taxes—The Corporation, its property, other assets, income, and the operations and transactions it carries out pursuant to the *Agreement Establishing the Inter-American Investment Corporation,* as amended, are immune from all taxation and from all custom duties.

Accounting and financial reporting developments—In July 2009, the FASB issued FASB ASC 105-10-70-2, formerly SFAS 168, *Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles a replacement of FASB Statement No. 162.* The Codification is the source of authoritative GAAP recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. On the effective date of this Topic, the Codification superseded all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification became non-authoritative. This Topic is effective for financial statements issued for interim and annual periods ended after September 15, 2009. The Corporation adopted the Codification for the quarter ended September 30, 2009. There was no impact to the financial results as this change is disclosure-only in nature.

In June 2009, the FASB issued FASB ASC 810-10-15-13, formerly SFAS 167, *Amendments to FASB Interpretation No. 46(R).* The Board's objective in issuing this Topic is to improve financial reporting by enterprises involved with variable interest entities. The Board undertook this project to address (1) the effects on certain provisions of FASB ASC 810-10-05, formerly FASB Interpretation No. 46 (revised December 2003), *Consolidation of Variable Interest Entities,* as a result of the elimination of the qualifying special-purpose entity concept in FASB ASC 860-40-15-1, formerly FASB Statement No. 166, *Accounting for Transfers of Financial Assets,* and (2) constituent concerns about the application of certain key provisions of FASB ASC 810-10-05, including those in which the accounting and disclosures do not always provide timely and useful information about an enterprise's involvement in a variable interest entity. This Topic shall be effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. Earlier application is prohibited. This Topic is not expected to have a material impact on the Corporation's financial position, results of operations, or cash flows.

In June 2009, the FASB issued FASB ASC 860-10-05-1, formerly SFAS 166, *Accounting for Transfers of Financial Assets an amendment of FASB Statement No. 140.* The Board's objective in issuing this Topic is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. The Board undertook this project to address (1) practices that have developed since the issuance of FASB ASC 860-10-05-1, formerly SFAS 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities,* that are not consistent with the original intent and key requirements of that Topic and (2) concerns of financial statement users that many of the financial assets (and related obligations) that have been derecognized should continue to be reported in the financial statements of transferors. This Topic must be applied as of the beginning of each Corporation's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. Earlier application is prohibited. This Topic is not expected to have a material impact on the Corporation's financial position, results of operations, or cash flows.

In May 2009, the FASB issued FASB ASC 855-10-25-1, formerly SFAS 165, *Subsequent Events.* The objective of this Topic is to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, this Topic sets forth: (a) the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; (b) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements; and (c) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. In accordance with this Topic, the Corporation should apply the requirements to interim or annual financial periods ending after June 15, 2009. This Topic did not have a material impact on the Corporation's financial position, results of operations, or cash flows and the required disclosure is included in Note 13.

In April 2009, the FASB issued FASB ASC 820-10-65-4, formerly FASB Staff Position (FSP) FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly.* This Topic affirms that determining fair value when the market for an asset is not active includes the following: (a) the price that would be received to sell the asset in an orderly transaction, (b) the additional factors to clarify and determine whether there has been a significant decrease in market activity for an asset when the market for that asset is not active, and (c) the elimination of the proposed presumption that all transactions are distressed (not orderly) unless proven otherwise. It requires an entity to base its conclusion about whether a transaction was not orderly on the weight of the evidence, provides additional guidance to estimate fair value when there has been a significant decline in the market activity of an asset, and stipulates that an entity disclose a change in valuation technique (and the related inputs) resulting from the application of the Topic to all fair value measurements when appropriate. FASB ASC 820-10-65-4 must be applied prospectively and retrospective application is not permitted. FASB ASC 820-10-65-4 is effective for interim and annual periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. This Topic did not have a material impact on the Corporation's financial position, results of operations, or cash flows.

In April 2009, the FASB issued FASB ASC 320-10-65-1, formerly FSP FAS 115-2 and FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments.* This Topic changes existing guidance for determining whether an impairment of a debt security is other than temporary. It replaces the existing requirement that the entity's management assert it has both the intent and ability to hold an impaired security until recovery with a requirement that management assert: (a) it does not have the intent to sell the security, and (b) it is more likely than not it will not have to sell the security before recovery of its cost basis. This Topic requires that an entity recognize noncredit losses on held-to-maturity debt securities in other comprehensive income and amortize that amount over the remaining life of the security in a prospective manner by offsetting the recorded value of the asset unless the security is subsequently sold or there are additional credit losses. It further specifies that an entity present the total other-than-temporary impairment in the statement of earnings with an offset for the amount recognized in other comprehensive income. In the beginning period of adoption, FASB ASC 320-10-65-1 requires an entity to record a cumulative-effect adjustment to reclassify the noncredit component of a previously recognized other-than-temporary impairment from retained earnings to accumulated other comprehensive income if: (a) the entity does not intend to sell the security, and (b) it is not more likely than not that the entity will be required to sell the security before recovery. This Topic is effective for interim and annual periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. This Topic did not have a material impact on the Corporation's financial position, results of operations, or cash flows.

In December 2008, the FASB ASC 715-20-65-2, formerly FASB Staff Position 132(R)-1 amended FASB Statement 132(R) *Employers' Disclosures about Pensions and Other Postretirement Benefits*. FASB ASC 715-20-65-2 provides guidance on an employer's disclosures about plan assets of a defined benefit pension or other postretirement plan that would be similar to the disclosures about fair value measurements required by FASB ASC 820-10-15. It also includes a technical amendment that requires a nonpublic entity to disclose net periodic benefit cost for each annual period for which a statement of income is presented. The disclosures about plan assets required by this Topic shall be effective for fiscal years ending after December 15, 2009. The Corporation adopted this Topic for the year ended December 31, 2009. This Topic did not have a material impact on the Corporation's financial position, results of operations, or cash flows.

In March 2008, the FASB issued FASB ASC 815-10-50-4, formerly SFAS 161, *Disclosures about Derivative Instruments and Hedging Activities*. This Topic requires enhanced disclosures about derivatives and hedging activities to enable a better understanding of their effects on the reporting entity's financial position, financial performance, and cash flows. The Corporation adopted FASB ASC 815-10-50-4 in the first quarter of 2009. There was no impact to the financial results as this change is disclosure-only in nature.

In addition, during the year ended December 31, 2009, FASB issued and/or approved accounting standards updates. The Corporation analyzed and incorporated the new guidance, as appropriate, with no material impact on the Corporation's financial position, results of operations, or cash flows.

3. INVESTMENT SECURITIES

The following reflects net income from investment securities by source:

	YEAR ENDED DECEMBER 31	
USD THOUSANDS	**2009**	**2008**
Interest income	$ 8,753	$ 13,195
Net realized gain	2,880	4,475
Net change in unrealized (loss)/gain	(1,072)	1,120
	$10,561	**$18,790**

Trading securities consist of the following:

	DECEMBER 31	
USD THOUSANDS	**2009**	**2008**
Corporate securities	$ 280,106	$ 277,198
Investment funds	50,365	35,123
	$330,471	**$312,321**

The composition of available-for-sale securities is as follows:

USD THOUSANDS	DECEMBER 31 2009	DECEMBER 31 2008
Corporate securities	$ 26,589	$ 20,090
	$26,589	**$20,090**

As of December 31, 2009 and 2008, the amortized cost of available-for-sale securities amounts to $26,206 and $20,000, respectively.

In March 2009, management determined that there was evidence of significant deterioration of an issuer's creditworthiness. As a result, certain securities classified as held-to-maturity, with an amortized cost of approximately $12,367, were reclassified to the available-for-sale category. The Corporation subsequently sold some of these securities. The amortized cost of the securities sold amounted to approximately $6,162 with an associated realized loss of approximately $702.

The Corporation has no unrealized losses in the available-for-sale securities portfolio as of December 31, 2009 and 2008. Included in the available-for-sale securities portfolio are two securities maturing within twenty-four months.

The amortized cost of investments held-to-maturity is as follows:

USD THOUSANDS	DECEMBER 31 2009	DECEMBER 31 2008
Corporate securities	$ 72,239	$ 83,458
Government and agency obligations	52,896	72,815
	$125,135	**$156,273**

Included in Corporate Securities is a non-negotiable certificate of deposit denominated in Mexican pesos approximately equivalent to $25,257 that cannot be liquidated until November 2010. This certificate is a development asset approved and supervised accordingly. The fair value of this financial instrument, disclosed in the table below, has been determined using significant other observable inputs. In addition, Corporate Securities includes a security amounting to $40,983 corresponding to another development asset, approved and supervised accordingly, with similar characteristics to other investment securities held-to-maturity.

The fair value of investments held-to-maturity is as follows:

	DECEMBER 31, 2009		
USD THOUSANDS	AMORTIZED COST	UNREALIZED (LOSS)/GAIN	FAIR VALUE
Corporate securities	$ 72,239	$ (1,059)	$ 71,180
Government and agency obligations	52,896	2,811	55,707
	$125,135	**$ 1,752**	**$126,887**

The maturity structure of investments held-to-maturity is as follows:

USD THOUSANDS	DECEMBER 31 2009	DECEMBER 31 2008
Less than twelve months	$ 31,238	$ 20,033
Between twelve and twenty-four months	46,914	36,016
Over twenty-four months	46,983	100,224
	$125,135	**$156,273**

As of December 31, 2009, management determined that an investment within the held-to-maturity portfolio, with unrealized losses of $1,574 ($961 as of December 31, 2008), was in an unrealized loss position for more than twelve months. Management of the Corporation asserts that it does not have the intent to sell the security and it is more likely than not it will not have to sell the security before recovery of its cost basis.

4. LOAN AND EQUITY INVESTMENTS

The Corporation monitors its outstanding loan and equity portfolios for geographic concentration of credit risk. As of December 31, 2009, individual countries with the largest aggregate credit exposure to the Corporation included Brazil, Colombia, and Chile (Brazil, Peru, and Chile as of December 31, 2008). As of December 31, 2009, outstanding local-currency loans amounted to $151,972 (local-currency loans amounted to $133,929 as of December 31, 2008). One of the Corporation's largest exposures is designated as Regional, which consists primarily of multi-country private equity investment funds.

The distribution of the outstanding portfolio by country and by sector is as follows:

	DECEMBER 31					
	2009			2008		
USD THOUSANDS	LOAN	EQUITY	TOTAL	LOAN	EQUITY	TOTAL
Brazil	$ 125,716	$ —	$ 125,716	$ 147,049	$ —	$ 147,049
Colombia	114,590	460	115,050	115,334	429	115,763
Chile	101,946	1,775	103,721	113,129	2,683	115,812
Peru	99,515	—	99,515	126,408	—	126,408
Mexico	63,581	11,167	74,748	67,869	7,047	74,916
Regional	41,781	16,968	58,749	36,866	17,722	54,588
Argentina	53,602	1,061	54,663	45,263	1,061	46,324
Ecuador	42,875	—	42,875	49,338	—	49,338
Panama	31,666	—	31,666	36,270	—	36,270
Nicaragua	31,407	—	31,407	32,392	—	32,392
Paraguay	29,255	—	29,255	26,126	—	26,126
Costa Rica	27,745	—	27,745	30,846	—	30,846
El Salvador	25,698	—	25,698	19,186	—	19,186
Jamaica	11,425	—	11,425	4,216	—	4,216
Guatemala	11,421	—	11,421	10,000	—	10,000
Haiti	10,281	—	10,281	—	—	—
Dominican Republic	7,538	—	7,538	3,077	—	3,077
Plurinational State of Bolivia	7,239	—	7,239	10,608	—	10,608
Belize	6,000	—	6,000	5,624	—	5,624
Honduras	5,321	—	5,321	8,519	—	8,519
Uruguay	3,851	—	3,851	10,050	—	10,050
Suriname	3,373	—	3,373	4,000	—	4,000
Guyana	1,800	140	1,940	2,000	140	2,140
Trinidad and Tobago	—	597	597	—	598	598
	$857,626	**$32,168**	**$889,794**	**$904,170**	**$29,680**	**$933,850**
Financial services	$ 600,400	$ 5,227	$ 605,627	$ 662,810	$ 5,227	$ 668,037
Agriculture and agribusiness	52,713	—	52,713	57,426	—	57,426
Utilities and infrastructure	40,169	—	40,169	29,186	—	29,186
Investment funds	—	26,941	26,941	—	24,453	24,453
General manufacturing	25,285	—	25,285	23,926	—	23,926
Chemicals and plastics	20,411	—	20,411	11,385	—	11,385
Aquaculture and fisheries	20,180	—	20,180	24,518	—	24,518
Food, bottling, and beverages	20,167	—	20,167	19,007	—	19,007
Textiles, apparel, and leather	19,970	—	19,970	23,294	—	23,294
Livestock and poultry	13,357	—	13,357	7,113	—	7,113
Oil and mining	10,000	—	10,000	1,818	—	1,818
Wood, pulp, and paper	8,478	—	8,478	12,830	—	12,830
Education	6,819	—	6,819	8,390	—	8,390
Transportation and warehousing	3,364	—	3,364	3,888	—	3,888
Tourism and hotels	2,740	—	2,740	3,725	—	3,725
Tech, comm. and new economy	283	—	283	347	—	347
Nonfinancial services	154	—	154	190	—	190
Health	25	—	25	72	—	72
Industrial processing zones	—	—	—	4,064	—	4,064
Other	13,111	—	13,111	10,181	—	10,181
	$857,626	**$32,168**	**$889,794**	**$904,170**	**$29,680**	**$933,850**

Loan and equity investments committed but not disbursed (net of cancellations) are summarized below:

	DECEMBER 31	
USD THOUSANDS	**2009**	**2008**
Loan	$ 112,964	$ 81,724
Equity	10,113	12,445
	$123,077	**$94,169**

The Corporation's loans accrue interest at fixed and variable rates. The fixed rate loan portfolio amounted to $281,160 as of December 31, 2009 ($255,787 as of December 31, 2008).

Loans on which the accrual of interest has been discontinued totaled $36,812 as of December 31, 2009 ($13,985 as of December 31, 2008). Interest collected on loans in nonaccrual status for the year ended December 31, 2009, was $768 ($1,103 for the year ended December 31, 2008). Interest income on nonaccruing loans during the year ended December 31, 2009, totaled $1,091 ($841 for the year ended December 31, 2008).

The maturity structure of the Corporation's loan investments is summarized below:

	DECEMBER 31			
	2009		**2008**	
USD THOUSANDS	**PRINCIPAL OUTSTANDING**	**AVERAGE YIELD**	**PRINCIPAL OUTSTANDING**	**AVERAGE YIELD**
Due in one year or less	$ 323,400	4.32%	$ 193,060	5.54%
Due after one year through five years	478,428	4.72%	672,257	6.47%
Due after five years through eleven years	55,798	7.57%	38,853	8.41%
	$857,626		**$904,170**	

The Corporation's investment in impaired loans as of December 31, 2009, was $31,160 ($1,092 as of December 31, 2008). The average investment in impaired loans for the year ended December 31, 2009, was $16,126 ($1,046 for the year ended December 31, 2008). The total amount of the allowance related to impaired loans as of December 31, 2009 and 2008 was $18,131 and $1,092, respectively. During 2009, management determined that there was evidence of two troubled debt restructurings within the loan investment portfolio. Based on the discounted cash flow analysis performed, the Corporation determined that the investments were impaired and recorded a change to the allowance of $3,550 as of December 31, 2009.

Changes in the allowance for loan and guarantee losses are summarized below:

	DECEMBER 31					
	2009			**2008**		
USD THOUSANDS	**LOANS**	**GUARANTEES**	**TOTAL**	**LOANS**	**GUARANTEES**	**TOTAL**
Balance as of January 1	$ 55,124	$ —	$ 55,124	$ 39,481	$ 72	$ 39,553
Investments charged off, net	(2,510)	—	(2,510)	—	(10)	(10)
Recoveries	3,573	5	3,578	1,401	1	1,402
Provision/(credit) for losses	10,290	(5)	10,285	14,242	(63)	14,179
Balance as of December 31	**$66,477**	**$ —**	**$66,477**	**$55,124**	**$ —**	**$55,124**

5. RECEIVABLES AND OTHER ASSETS

Receivables and other assets are summarized below:

USD THOUSANDS	DECEMBER 31 2009	2008
Other current assets:		
Interest receivable on loan investments	$ 8,351	$ 10,417
Interest receivable on investment securities	1,761	2,552
Other current receivables	1,560	665
	11,672	13,634
Other noncurrent assets:		
Interest receivable on loan investments	6,493	10,624
Receivable on equity sales, net	266	914
Other noncurrent assets	1,028	3,136
	7,787	14,674
Total receivables and other assets	**$19,459**	**$28,308**

Noncurrent interest receivable on loan investments includes interest accrued on loans for which interest payment will be received upon expiration or termination of the loan.

6. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities are summarized below:

USD THOUSANDS	DECEMBER 31 2009	2008
Employment benefits payable	$ 3,607	$ 3,392
Pension Plan, net liabilities	3,324	8,563
Deferred revenue	3,289	3,290
PRBP, net liabilities	2,266	7,029
Accounts payable	1,517	1,467
Due to other IDB Group entities	586	285
Other liabilities	1,798	843
Total accounts payable and other liabilities	**$16,387**	**$24,869**

As of December 31, 2009 and 2008 Pension Plan and PRBP net liabilities reflect the underfunded status of the Plans as of that date. Refer to Note 16.

7. BORROWINGS AND LONG-TERM DEBT

Borrowings and long-term debt outstanding, by currency, are as follows:

USD THOUSANDS	DECEMBER 31			
	2009		2008	
Borrowings and Long-Term Debt (By Currency)	**AMOUNT OUTSTANDING**	**WEIGHTED AVG. COST**	**AMOUNT OUTSTANDING**	**WEIGHTED AVG. COST**
U.S. dollar	$ 470,000	1.96%	$ 575,000	3.07%
Colombian peso	73,307	7.35%	66,857	9.35%
Mexican peso	36,737	6.35%	34,701	9.05%
Brazilian real	43,094	10.64%	32,103	11.88%
Peruvian nuevo sol	17,072	6.47%	16,241	6.45%
Euro	3,844	3.26%	4,191	4.61%
Argentinean peso	3,175	9.15%	3,692	9.57%
	$647,229		**$732,785**	
Fair value adjustments	(1,673)		1,032	
Short-term borrowings	(110,043)		(30,000)	
	$535,513		**$703,817**	

The Corporation has available a borrowing facility with the IDB amounting to $300,000. In August 2008, the Corporation borrowed $100,000 under this facility. Borrowings under the IDB facility are due fifteen years after the respective disbursement and are renewable. The Corporation has the right to use this facility until November 2010. In addition, as of December 31, 2009, the Corporation has available a stand-by credit facility with a AAA institution amounting to $100,000. The Corporation has the right to use this stand-by credit facility until July 2011. Other credit facilities available amount to $447,218.

The Corporation's outstanding borrowings as of December 31, 2009, consist of term and revolving credit facilities.

Also, the Corporation includes, within the long-term debt category, the following bonds and notes issuances:

On December 14, 2005, the Corporation issued Certificate of Deposit Rate (DTF) + 0.42% (Series A) and Consumer Price Index (IPC) + 1.62% (Series C) local-currency bonds in the amount of 150 billion Colombian pesos before underwriting and other issuance costs, maturing in 2010. The proceeds were used entirely to provide financing for small and medium-size companies in Colombia. Interest on the bonds is payable quarterly and at maturity. The bonds are negotiable on the Colombian Stock Exchange. The bonds represent unsecured obligations of the Corporation ranking equal in right of payment to all existing and future debt including claims of other general creditors. The notes may not be redeemed prior to their maturity. The indentures do not contain restrictive covenants.

On November 27, 2007, the Corporation issued interbank reference rate (TIIE) minus 0.06% local-currency notes in the amount of 480 million Mexican pesos before underwriting and other issuance costs, maturing in 2010. The proceeds were used to provide financing for reinvestment in local markets. Interest on the notes is payable monthly and at maturity. The notes are negotiable on the Mexican Stock Exchange. The notes represent unsecured obligations of the Corporation ranking equal in right of payment to all existing and future debt including claims of other general creditors. The notes may not be redeemed prior to their maturity.

The maturity structure of borrowings and bonds outstanding, by type of debt, is as follows:

USD THOUSANDS	2010	2011	2012	2013	THROUGH 2023
Borrowings	$ —	$ 107,959	$ 141,736	$ 107,197	$ 178,621
Bonds and notes	110,043	—	—	—	—
	$110,043	**$107,959**	**$141,736**	**$107,197**	**$178,621**

8. CAPITAL

The Corporation's authorized share capital was increased to $705.9 million through $500 million and $2.2 million capital increase resolutions approved in 1999 and 2008, respectively. The resolutions together allocated a total of $502.2 million for subscriptions by member countries during the subscription periods. The Corporation issues only full shares, with a par value of ten thousand dollars.

Given that certain capital subscription installments due in connection with the 1999 $500 million capital increase were not paid in accordance with the original deadlines, the Corporation established new terms that received unanimous approval from its Board of Governors in 2008 and continues to work with its member countries concerning the matter. Subscriptions receivable related to the 1999 capital increase amount to $46.1 million. It is expected that all shares authorized under the capital increases will be paid in.

The following table lists the capital stock subscribed, subscriptions receivable, and advance shares pending issuance:

	DECEMBER 31			
	TOTAL CAPITAL STOCK SUBSCRIBED		SUBSCRIPTIONS RECEIVABLE FROM MEMBERS	PAYMENTS RECEIVED ON ACCOUNT OF PENDING SUBSCRIPTIONS
USD THOUSANDS	SHARES	AMOUNT		
Argentina	7,767	$ 77,670	$ —	$ —
Austria	345	3,450	—	—
Bahamas	144	1,440	—	—
Barbados	101	1,010	—	—
Belgium	169	1,690	—	—
Belize	101	1,010	—	—
Bolivarian Republic of Venezuela	4,311	43,110	—	—
Brazil	7,767	77,670	—	—
Chile	2,003	20,030	—	—
Colombia	2,003	20,030	—	—
Costa Rica	314	3,140	1,100	—
Denmark	1,071	10,710	—	—
Dominican Republic	420	4,200	—	—
Ecuador	420	4,200	—	—
El Salvador	314	3,140	—	—
Finland	393	3,930	—	—
France	2,162	21,620	—	—
Germany	1,334	13,340	—	—
Guatemala	420	4,200	—	—
Guyana	120	1,200	—	—
Haiti	314	3,140	—	—
Honduras	314	3,140	—	—
Israel	173	1,730	—	—
Italy	2,162	21,620	—	—
Jamaica	420	4,200	—	—
Japan	2,393	23,930	—	—
Mexico	5,000	50,000	—	—
Netherlands	1,071	10,710	—	—
Nicaragua	314	3,140	—	—
Norway	393	3,930	—	—
Panama	314	3,140	—	—
Paraguay	314	3,140	—	—
People's Republic of China	110	1,100	—	—
Peru	2,003	20,030	—	—
Plurinational State of Bolivia	624	6,240	—	—
Portugal	182	1,820	—	—
Republic of Korea	110	1,100	—	—
Spain	2,393	23,930	—	—
Suriname	101	1,010	—	—
Sweden	393	3,930	—	—
Switzerland	1,071	10,710	—	—
Trinidad and Tobago	314	3,140	—	—
United States	17,600	176,000	46,099	—
Uruguay	828	8,280	—	—
Total 2009	**70,590**	**$705,900**	**$47,199**	**$ —**
Total 2008	**70,480**	**$704,800**	**$47,199**	**$ —**

9. MEASUREMENTS AND CHANGES IN FAIR VALUE

The Corporation's assets and liabilities recorded at fair value have been categorized based on a fair value hierarchy in accordance with FASB ASC 820-10-50-2. See Note 2 for a discussion of the Corporation's policies regarding this hierarchy.

The following fair value hierarchy table presents information about the Corporation's assets and liabilities measured at fair value on a recurring basis as of December 31, 2009:

USD THOUSANDS	BALANCE AS OF DECEMBER 31, 2009	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
ASSETS				
Corporate and other debt	$347,074	$347,074	$ —	$ —
Non-U.S. sovereign government and agency securities	9,986	9,986	—	—
Limited liability partnerships*	19,430	—	—	19,430
LIABILITIES				
Borrowings	(48,328)	—	(48,328)	—
Derivative contracts	(135)	—	(135)	—

*Represents investments that would otherwise be accounted for under the equity method of accounting.

The following fair value hierarchy table presents information about the Corporation's assets and liabilities measured at fair value on a recurring basis as of December 31, 2008:

USD THOUSANDS	BALANCE AS OF DECEMBER 31, 2008	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
ASSETS				
Corporate and other debt	$287,425	$287,425	$ —	$ —
Non-U.S. sovereign government and agency securities	44,986	44,986	—	—
Limited liability partnerships*	14,408	—	—	14,408
Derivative contracts	926	—	926	—
LIABILITIES				
Borrowings	(51,032)	—	(51,032)	—

*Represents investments that would otherwise be accounted for under the equity method of accounting.

The following table presents gains and losses due to changes in fair value for items measured at fair value for the year ended December 31, 2009:

USD THOUSANDS	OTHER GAINS AND (LOSSES)	INTEREST EXPENSE ON LONG-TERM DEBT	TOTAL CHANGES IN FAIR VALUES INCLUDED IN EARNINGS FOR THE YEAR
ASSETS			
Limited liability partnerships*	$2,152	$ —	$2,152
Corporate and other debt	2,894	—	2,894
Non-U.S. sovereign government obligations	50	—	50
LIABILITIES			
Borrowings	2,559	(1,373)	1,186
Derivative contracts	(858)	—	(858)

*Represents investments that would otherwise be accounted for under the equity method of accounting.

The following table presents gains and losses due to changes in fair value for items measured at fair value for the year ended December 31, 2008:

USD THOUSANDS	OTHER GAINS AND (LOSSES)	INTEREST EXPENSE ON LONG-TERM DEBT	TOTAL CHANGES IN FAIR VALUES INCLUDED IN EARNINGS FOR THE YEAR
ASSETS			
Limited liability partnerships*	$(1,297)	$ —	$(1,297)
Corporate and other debt	6,958	—	6,958
Non-U.S. sovereign government obligations	42	—	42
Derivative contracts	779	—	779
LIABILITIES			
Borrowings	(337)	(1,930)	(2,267)

*Represents investments that would otherwise be accounted for under the equity method of accounting.

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended December 31, 2009 and 2008 are as follows:

USD THOUSANDS	FAIR VALUE MEASUREMENTS FOR LLPs USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
As of January 1, 2009	$ 14,408
Net asset change due to net gains	2,152
Distributions received	(421)
Additional investments	3,291
As of December 31, 2009	**$19,430**
As of January 1, 2008	$ 19,532
Net asset change due to net losses	(1,297)
Distributions received	(4,944)
Additional investments	1,117
As of December 31, 2008	**$14,408**

Some of the Corporation's financial instruments are not measured at fair value on a recurring basis but nevertheless are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include: Cash and cash equivalents, Receivables—clients, Receivables—other, and Payables—other.

The Corporation's loans are generally carried at the principal amount outstanding. For disclosure purposes, the Corporation uses a December 31 measurement date to determine the fair value of its loan portfolio. As of December 31, 2009, the carrying amount of loan investments, plus accrued interest, was $244,773 ($260,224 as of December 31, 2008), and their estimated fair value amounted to $244,670 ($251,470 as of December 31, 2008). Management believed that it was not practicable to determine the fair value of the remainder of the loan portfolio, which included custom-tailored financing to small and medium-size enterprises operating in the Corporation's regional member countries. As of December 31, 2009, the carrying value of this remainder portfolio, without including accrued interest, was $621,691 ($652,690 as of December 31, 2008). Any excess or deficit resulting from the difference between the carrying amounts of the loan portfolio and the fair value presented does not necessarily reflect the realizable values (since the Corporation generally holds investments with contractual maturities with the aim of realizing their recorded values and, therefore, maximizing the developmental aspects of the investment).

The Corporation's borrowings and long-term debt are recorded at historical amounts unless elected for fair value accounting under the FASB ASC 825-10-50-25, formerly SFAS 159 *Fair Value Option*. The fair value of the Corporation's borrowings and long-term debt was estimated using either quoted market prices or discounted cash flow analyses based on the Corporation's current borrowing rates for similar types of borrowings and long-term debt arrangements. As of December 31, 2009, the carrying value of the Corporation's borrowings and long-term debt, plus accrued interest, was approximately $7,216 higher than fair value ($7,096 as of December 31, 2008). As of December 31, 2009, the estimated fair value of fixed rate term facilities was $94,991 ($90,663 as of December 31, 2008) and the estimated fair value of the bonds issued in Colombia amounted to $73,215 ($67,097 as of December 31, 2008). The carrying amounts for the remaining borrowings and long-term debt approximated their respective fair value.

The carrying value of equity investments carried at cost less impairment amounts to $12,738 as of December 31, 2009 ($15,272 as of December 31, 2008). For some of these investments, LLPs with a total carrying value of $7,512 as of December 31, 2009 ($10,045 as of December 31, 2008), the estimated fair value amounted to $13,962 as of December 31, 2009 ($14,967 as of December 31, 2008). The carrying value of equity investments carried at fair value amounts to $19,430 as of December 31, 2009 ($14,408 as of December 31, 2008). The amount of total net gains and losses for the year ended December 31, 2009, included in changes in carrying value of equity investments attributable to the change in unrealized net gain relating to assets still held at that date was $2,121 ($2,769 unrealized net loss as of December 31, 2008). Fair value for investments in LLPs was determined using the partnership's estimated net asset value. For this type of investment, net asset value is considered to be the best estimate of fair value. Generally, the LLPs have finite lives and the Corporation does not sell or redeem its investments in LLPs. Proceeds are distributed to the Corporation as the LLPs sell the underlying investment. Adjustments to the net asset value are made when evidence indicates that fair value differs significantly from net asset value.

10. DERIVATIVE INSTRUMENTS

The location on the balance sheet and the fair value of derivative instruments not designated as hedging instruments under FASB ASC 815-10-50-4Bc2, formerly SFAS 133 *Accounting for Derivative Instruments and Hedging Activities* is as follows.

	DECEMBER 31			
	2009		2008	
USD THOUSANDS	BALANCE SHEET LOCATION	FAIR VALUE	BALANCE SHEET LOCATION	FAIR VALUE
Interest rate contracts	Other liabilities	$135	Other assets	$926

The effect of derivative instruments on the income statement is as follows:

	DECEMBER 31			
	2009		2008	
USD THOUSANDS	LOCATION OF GAIN OR LOSS RECOGNIZED IN INCOME ON DERIVATIVE	AMOUNT OF GAIN OR (LOSS) RECOGNIZED IN INCOME ON DERIVATIVE	LOCATION OF GAIN OR LOSS RECOGNIZED IN INCOME ON DERIVATIVE	AMOUNT OF GAIN OR (LOSS) RECOGNIZED IN INCOME ON DERIVATIVE
Interest rate contracts	Borrowings and long-term debt related expense	$(243)	Borrowings and long-term debt related expense	$(70)

See Note 2 for additional information on the Corporation's purpose for entering into derivatives not designated as hedging instruments and its overall risk management strategies.

11. GUARANTEES

As of December 31, 2009, no notices of default have been received since inception of the outstanding guarantees (no notices as of December 31, 2008). The maximum potential amount of future payments, which represents the notional amounts that could be lost under the guarantees if there were a total default by the guaranteed parties without taking into consideration possible recoveries under recourse provisions or from collateral held or pledged, amounted to $5,735 as of December 31, 2009 ($7,016 as of December 31, 2008). As of December 31, 2009, all outstanding guarantees were provided in currencies other than the United States dollar. None of these amounts bears any relationship to the anticipated losses on these guarantees, and they greatly exceed anticipated losses. Refer to Note 4 for changes in the allowance for guarantee losses.

12. CONTINGENCIES

The Corporation, in the ordinary course of business, is defendant or codefendant or party in various litigation matters inherent to and typical of the operations in which it is engaged. In the opinion of the Corporation's management, the ultimate resolution of these legal proceedings would not have a material adverse effect on the financial position of the Corporation.

13. SUBSEQUENT EVENTS

The Corporation monitors significant events occurring after the balance sheet date and prior to the issuance of the financial statements to determine the impacts, if any, of events on the financial statements to be issued. All subsequent events of which the Corporation is aware were evaluated through the approval date by the Board of Governors, March 23, 2010. Management determined that except as set forth below, there are no subsequent events that require disclosure under FASB ASC Topic 855, *Subsequent Events*.

On January 12, 2010, Haiti was struck by an earthquake that resulted in considerable disruption to the operations of companies in which the Corporation invests. Management has estimated as of the Corporation's accompanying financial statements, that the impact on the operations of the businesses in which the Corporation invests may result in an increase in provisions within a range of $500 to $1,500.

14. PARTICIPATIONS

The Corporation mobilizes funds from commercial banks and other financial institutions (Participants) by facilitating loan participations, without recourse. These loan participations are administered and serviced by the Corporation on behalf of the Participants. The disbursed and outstanding balances of the loan participations are not included in the Corporation's balance sheet.

During the year ended December 31, 2009, the Corporation called and disbursed $63,000 in Participants' funds ($187,718 as of December 31, 2008). There was $85,000 in undisbursed Participants' funds commitments as of December 31, 2009 ($0 as of December 31, 2008).

15. RELATED-PARTY TRANSACTIONS

The Corporation obtains some administrative and overhead services from the IDB in those areas where common services can be efficiently provided by the IDB. The Corporation has a lease agreement with the IDB for its head office space that will expire in 2013.

The Corporation paid the following amounts to the IDB for office space and certain administrative support services:

	YEAR ENDED DECEMBER 31	
USD THOUSANDS	**2009**	**2008**
Office space (headquarters and other)	$ 1,776	$ 1,711
Support services	700	764
Other IDB services	150	161
	$2,626	**$2,636**

Expected payments under the current lease agreement with the IDB are as follows:

USD THOUSANDS	**2010**	**2011**	**2012–2013**
Office space (headquarters)	$ 1,726	$ 1,778	$ 3,718
	$1,726	**$1,778**	**$3,718**

Accounts payable to the IDB were $586 as of December 31, 2009 ($285 as of December 31, 2008).

As of December 31, 2009 and 2008 respectively, the Corporation had borrowed $100,000 from the IDB credit facility. Refer to Note 7.

The Corporation provides advisory services to IDB Group entities. The Corporation has received full payment for fees payable as of December 31, 2009, under these agreements, for a total amount of $100 ($100 for the year ended December 31, 2008).

16. PENSION AND POSTRETIREMENT BENEFIT PLANS

The IDB sponsors a defined benefit plan (the Pension Plan) covering substantially all of the staff of the Corporation and the IDB. The Pension Plan covers international and local employees. Under the Pension Plan, benefits are based on years of service and average compensation, with the staff contributing a fixed percentage of remuneration and the Corporation and the IDB contributing the remainder of the actuarially determined cost of future Pension Plan benefits. Any and all of the contributions to the Pension Plan are irrevocable and are held separately in retirement funds solely for the payment of benefits under the Plan.

The Corporation also provides certain health care and other benefits to retirees. All current staff who contribute to the Pension Plan while in active service and who meet certain requirements are eligible for postretirement benefits under the Postretirement Benefit Plan (PRBP). Retirees contribute toward the health care program based on an established premium schedule. The Corporation contributes the remainder of the actuarially determined cost of future health and other benefits. While all contributions and all other assets and income of the PRBP remain the property of the Corporation, they are held and administered separately and apart from the other property and assets of the Corporation solely for the purpose of payment of benefits under the PRBP.

Since both the IDB and the Corporation participate in the Pension Plan and the PRBP, each employer presents its respective share of them. The amounts presented below reflect the Corporation's proportionate share of costs, assets, and obligations of the Pension Plan and the PRBP in accordance with FASB ASC Topic 715, *Compensation—Retirement Benefits.*

Obligations and funded status

The Corporation uses a December 31 measurement date for the Pension Plan and the PRBP. The following table summarizes the change in benefit obligation, change in plan assets, and funded status of the Pension Plan and PRBP, and the amount recognized on the balance sheet:

	PENSION PLAN		PRBP	
USD THOUSANDS	**2009**	**2008**	**2009**	**2008**
Reconciliation of benefit obligation				
Obligation as of January 1	$47,075	$ 41,707	$26,622	$23,496
Service cost	2,442	1,901	1,443	1,054
Interest cost	2,871	2,641	1,465	1,509
Participants' contributions	780	725	—	—
Plan amendments	—	—	4,600	—
Actuarial (gain)/loss	(1,686)	615	(3,853)	701
Benefits paid	(519)	(514)	(142)	(141)
Retiree Part D subsidy	—	—	14	3
Obligation as of December 31	50,963	47,075	30,149	26,622
Reconciliation of fair value of plan assets				
Fair value of plan assets as of January 1	38,512	50,961	19,593	22,774
Actual return on assets	7,540	(13,385)	4,382	(6,418)
Benefits paid	(519)	(514)	(142)	(138)
Participants' contributions	780	725	—	—
Employer contributions	1,326	725	4,050	3,375
Fair value of plan assets as of December 31	47,639	38,512	27,883	19,593
Funded status				
Funded status as of December 31	(3,324)	(8,563)	(2,266)	(7,029)
Net amount recognized as of December 31	$ (3,324)	$ (8,563)	$ (2,266)	$ (7,029)
Amounts recognized as liabilities consist of:				
Plan benefits liabilities	(3,324)	(8,563)	(2,266)	(7,029)
Net amount recognized as of December 31	**$(3,324)**	**$ (8,563)**	**$(2,266)**	**$(7,029)**
Amounts recognized in accumulated other comprehensive income consist of:				
Net actuarial loss	2,949	8,568	933	7,702
Prior service costs	63	77	4,674	124
Net initial asset	—	—	879	1,053
Net amount recognized as of December 31	**$ 3,012**	**$ 8,645**	**$ 6,486**	**$ 8,879**

The accumulated benefit obligation attributable to the Corporation for the Pension Plan was $40,158 and $37,870 as of December 31, 2009 and 2008, respectively.

Components of net periodic benefit cost

Net periodic benefit cost consists of the following components:

	PENSION PLAN		PRBP	
	YEAR ENDED DECEMBER 31			
USD THOUSANDS	**2009**	**2008**	**2009**	**2008**
Service cost	$ 2,442	$ 1,901	$ 1,443	$ 1,054
Interest cost	2,871	2,641	1,465	1,509
Expected return on plan assets	(3,607)	(3,216)	(1,718)	(1,350)
Amortization of:				
Transition obligation and asset	—	—	174	174
Unrecognized net actuarial gain	—	—	52	85
Prior service cost	14	14	50	50
Plan amendments	—	—	200	—
Net periodic benefit cost	**$1,720**	**$1,340**	**$1,666**	**$1,522**

The estimated net actuarial gain or loss, prior service cost, and net initial obligation for the Pension Plan and the PRBP that will be amortized from accumulated other comprehensive income into net periodic benefit cost during 2010 amount to a net of $14 for the Pension Plan and $2,064 for the PRBP.

Actuarial assumptions

The actuarial assumptions used are based on financial market interest rates, past experience, and management's best estimate of future benefit changes and economic conditions. Changes in these assumptions will impact future benefit costs and obligations. Actuarial gains and losses occur when actual results are different from expected results. Unrecognized actuarial gains and losses that exceed 10% of the greater of the benefit obligation or market-related value of the plan assets at the beginning of the year are amortized over the average remaining service period of active participants expected to receive benefits under the Pension Plan and PRBP, which approximates 11.6 and 12 years, respectively.

Unrecognized prior service cost is amortized over 10.5 years for the Pension Plan and 7.9 years for the PRBP.

The weighted-average assumptions used to determine the benefit obligation and the net periodic benefit cost were as follows:

	PENSION PLAN		PRBP	
	2009	**2008**	**2009**	**2008**
Weighted average assumptions used to determine benefit obligation as of December 31				
Discount rate	6.25%	5.75%	6.25%	5.75%
Rate of compensation increase	5.50%	5.50%		

	PENSION PLAN		PRBP	
	2009	**2008**	**2009**	**2008**
Weighted average assumptions used to determine net periodic benefit cost for years ended December 31				
Discount rate	5.75%	6.25%	5.75%	6.25%
Expected long-term return on plan assets	6.75%	6.75%	6.75%	6.75%
Rate of compensation increase	5.50%	6.00%		

The expected yearly rate of return on plan assets reflects the historical rate of return of asset categories employed by the plans and conservatively applying those returns in formulating the investment policy asset allocations. The discount rates used in determining the benefit obligation are selected by reference to the year-end AAA and AA corporate bond rates.

For participants assumed to retire in the United States, the accumulated postretirement benefit obligation was determined using the following health care cost trend rates:

	PRBP	
	2009	2008
Rate to which the cost trend rate is expected to decline (ultimate trend rate)	4.50%	4.50%
Year that the rate reaches the ultimate trend rate	2017	2017
Health care cost trend rate assumed for next year		
Medical	8.50%	9.50%
Prescription drugs	8.50%	9.50%
Dental	6.00%	6.50%
Outside U.S.*	10.00%	10.00%

*Refers to all services provided to those participants assumed to retire outside the United States.

Assumed health care cost trend rates have a significant effect on the amounts reported for the PRBP. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	ONE-PERCENTAGE-POINT INCREASE		ONE-PERCENTAGE-POINT DECREASE	
	YEAR ENDED DECEMBER 31			
USD THOUSANDS	2009	2008	2009	2008
Effect on total of service and interest cost components	$ 720	$ 511	$ (702)	$ (372)
Effect on postretirement benefit obligation	5,664	5,453	(4,290)	(4,072)

Plan assets

The assets of the Pension Plan and the PRBP are managed primarily by investment managers employed by the IDB who are provided with investment guidelines that take into account the Pension Plan and PRBP investment policies. Investment policies have been developed so that, consistent with historical returns, there is a high equity allocation with the expectation of sufficient returns to meet long-term funding needs.

Investments maintain an average exposure between 60% and 70% to a well-diversified pool of equities. Assets are also invested in fixed-income securities (20%) to protect against disinflation, a mix of other types of investments (10% to 20%) that are expected to react positively to rising inflation, emerging market equities (0% to 5%), and emerging market debt (0% to 5%). The investment policy target allocations as of December 31, 2009, are as follows:

	PENSION PLAN	PRBP
U.S. equities	35%	40%
Non-U.S. equities	25%	30%
Emerging market securities*	5%	0%
Fixed income	20%	20%
Inflation-sensitive investments**	15%	10%

* Comprised of emerging market equities and debt.
**Comprised of inflation-indexed U.S. government bonds (5%–15%), real estate investment funds and equities (0%–6%), fully-collateralized commodity index futures (0% to 4%) for the Pension Plan, and inflation-indexed U.S. government bonds (10%) for the PRBP.

Risk management is achieved by the continuous monitoring of each asset category level and investment manager. The investments are rebalanced toward the policy target allocations to the extent possible from cash flows. If cash flows are insufficient to maintain target weights, transfers among the managers' accounts are made at least annually. Investment managers generally are not allowed to invest more than 5% of their respective portfolios in the securities of a single issuer other than the U.S. Government. The use of derivatives by an investment manager must be specifically approved for each instrument.

The following tables set forth the categories of investments of the Pension Plan and PRBP as of December 31, 2009, which are measured at fair value and presented together with their weighted average allocation, by level within the fair value hierarchy. These investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement, except for investment funds whose classification within the fair value hierarchy depends on the ability to redeem their corresponding shares at their net asset value in the near term.

	PENSION PLAN				
USD THOUSANDS	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**	**TOTAL**	**WEIGHTED AVERAGE ALLOCATIONS**
Equity and equity funds:					
U.S. equities	$ 5,064	$ 11,970	$ —	$ 17,034	36%
Non-U.S. equities	4,806	6,832	—	11,638	24%
Emerging markets equities	—	1,215	—	1,215	3%
Government bonds and diversified bond funds:					
Fixed income funds	9,429	—	—	9,429	20%
U.S. inflation-indexed bonds	5,174	—	—	5,174	11%
Emerging markets debt	—	1,252	—	1,252	3%
Short-term investment funds	240	590	—	830	2%
Real estate investment funds	—	—	1,067	1,067	2%
	$24,713	**$21,859**	**$1,067**	**$47,639**	**100%**

	PRBP			
USD THOUSANDS	**LEVEL 1**	**LEVEL 2**	**TOTAL**	**WEIGHTED AVERAGE ALLOCATIONS**
Equity and equity funds:				
U.S. equities	$ —	$10,200	$10,200	37%
Non-U.S. equities	—	7,107	7,107	25%
Government bonds and diversified bond funds:				
Fixed income funds	5,517	—	5,517	20%
U.S. inflation-indexed bonds	3,445	—	3,445	12%
Short-term investment funds	53	1,561	1,614	6%
	$9,015	**$18,868**	**$27,883**	**100%**

Investment securities that are measured at fair value based on quoted market prices in active markets, a valuation technique consistent with the market approach, include U.S. equities, non-U.S. equities, fixed income funds, U.S. treasury inflation indexed bonds, and commodity index futures. Such securities are classified within Level 1 of the fair value hierarchy.

Commingled U.S., Non-U.S., and emerging markets equities funds, emerging markets debt funds, and short-term investment funds, which are not publicly traded, are measured at fair value based on the net asset value of the investment funds and are classified as Level 2, as they are redeemable with the investee in the near term at their net asset value per share at the measurement date. This valuation technique is consistent with the market approach.

Real estate investment funds are measured at fair value based on the net asset value of these investment funds and are classified as Level 3 as the length of the time required to redeem these investments is uncertain. The valuation assumptions used by these investment funds include market value of similar properties, discounted cash flows, replacement cost, and debt on property (direct capitalization). These methodologies are valuation techniques consistent with the market and cost approaches.

Changes in Level 3 assets measured at fair value on a recurring basis for the year ended December 31, 2009 are as follows:

USD THOUSANDS	**FAIR VALUE MEASUREMENTS FOR THE PENSION PLAN INVESTMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)**
As of January 1, 2009	$ 1,556
Total net losses	(401)
Sales and income distributions	(88)
As of December 31, 2009	**$1,067**

The amount of total net gains and losses for the year ended December 31, 2009, included in changes in carrying value of the Pension Plan investments attributable to the change in unrealized net loss relating to assets held at that date was $552.

Cash flows

Contributions from the Corporation to the Pension Plan and the PRBP during 2010 are expected to be approximately $2,000 and $3,061 respectively. All contributions are made in cash.

Estimated future benefit payments

The following table summarizes the benefit payments, which reflect expected future service, as appropriate, expected to be paid in each of the next five years and in the aggregate for the subsequent five years. These amounts are based on the same assumptions used to measure the benefit obligation as of December 31, 2009.

USD THOUSANDS	**PENSION PLAN**	**PRBP**
Estimated Future Benefit Payments		
January 1, 2010–December 31, 2010	$ 1,300	$ 490
January 1, 2011–December 31, 2011	1,300	500
January 1, 2012–December 31, 2012	1,400	550
January 1, 2013–December 31, 2013	1,800	660
January 1, 2014–December 31, 2014	1,900	670
January 1, 2015–December 31, 2019	13,300	4,900

17. MANAGEMENT OF EXTERNAL FUNDS

The Corporation administers on behalf of donors, which include member countries and other entities, funds restricted for specific uses that include the cofinancing of certain projects, technical studies for borrowers, project-related studies, and research and training programs. These funds are held in trust by the Corporation and are not commingled with the Corporation's funds, nor are they included in the assets of the Corporation. The Corporation receives a management fee that is generally a percentage of the funds received. This fee is shown as an advisory service fee in the statement of income.

appendixes

Tahuamanu, S.A.

BOLIVIA

governors and alternate governors (as of december 2009)

COUNTRY	GOVERNOR	ALTERNATE GOVERNOR
Argentina	Amado Boudou	Martín P. Redrado
Austria	Josef Pröll	Edith Frauwallner
Bahamas	Zhivargo S. Laing	Ehurd Cunningham
Barbados	David J. H. Thompson	Grantley W. Smith
Belgium	Didier Reynders	Franciscus Godts
Belize	Dean Barrow	Joseph Waight
Bolivia, Plurinational State of	Noel Ricardo Aguirre Ledezma	Luis Alberto Arce Catacora
Brazil	Paulo Bernardo Silva	Alexandre Meira da Rosa
Chile	Andrés Velasco Brañes	María Olivia Recart Herrera
China, People's Republic of	Zhou Xiaochuan	Yi Gang
Colombia	Oscar Iván Zuluaga Escobar	Esteban Piedrahita Uribe
Costa Rica	Jenny Phillips Aguilar	Francisco de Paula Gutiérrez
Denmark	Susan Ulbæk	Lars Bredal
Dominican Republic	Vicente Bengoa	Juan Temístocles Montás
Ecuador	María Elsa Viteri Acaiturri	Diego Borja Cornejo
El Salvador	Alexander Ernesto Segovia Cáceres	Carlos Enrique Cáceres Chavez
Finland	Ritva Koukku-Ronde	Jorma Julin
France	Christine Lagarde	Ramón Fernández
Germany	Karin Kortmann	Rolf Wenzel
Guatemala	Juan Alberto Fuentes	María Antonieta de Bonilla
Guyana	Bharrat Jagdeo	Ashni Singh
Haiti	Daniel Dorsainvil	Jean-Max Bellerive
Honduras	Rebeca Patricia Santos Rivera	Edwin Araque Bonilla
Israel	Stanley Fisher	Oded Brook
Italy	Giulio Tremonti	Mario Draghi
Jamaica	Audley Shaw, MP	Wesley Hughes, CD
Japan	Hirohisa Fujii	Masaaki Shirakawa
Korea, Republic of	Jeung-Hyun Yoon	Seongtae Lee
Mexico	Agustín Carstens Carstens	Alejandro Werner Wainfeld
Netherlands	Bert Koenders	Yoka Brandt
Nicaragua	Alberto José Guevara Obregón	Antenor Rosales Bolaños
Norway	Hakon Arald Gulbrandsen	Henrik Harboe
Panama	Alberto Vallarino Clément	Frank De Lima Gercich
Paraguay	Dionisio Borda	Manuel Vidal Caballero Giménez
Peru	Luís Julián Martín Carranza Ugarte	José Arista Arbildo
Portugal	Fernando Teixeira dos Santos	Carlos Costa Pina
Spain	Elena Salgado	José Manuel Campa Fernández
Suriname	Humphrey Stanley Hildenberg	—
Sweden	Jan Knutsson	Anders Bengtcén
Switzerland	Beatrice Maser Mallor	Roger Denzer
Trinidad and Tobago	Emily Gaynor Dick-Forde	Esme Rawlins-Charles
United States	Timothy F. Geithner	Robert D. Hormats
Uruguay	Alvaro García Rodríguez	Enrique Rubio
Venezuela, Bolivarian Republic of	Alí Rodríguez Araque	Jorge A. Giordani C.

executive directors and alternate executive directors

(as of december 2009)

	EXECUTIVE DIRECTOR	ALTERNATE EXECUTIVE DIRECTOR
Argentina, Haiti	Eugenio Díaz-Bonilla	Martín Bès
Austria, Belgium, Germany, Italy, the Netherlands, People's Republic of China	Hans Hamman	Francesca Manno
Bahamas, Barbados, Guyana, Jamaica, Trinidad and Tobago	Winston A. Cox	Richard L. Bernal
Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua	Manuel Coronel Novoa	Carmen María Madríz
Bolivarian Republic of Venezuela, Panama	Adina Bastidas	Antonio de Roux
Brazil, Suriname	José Carlos Miranda	Sérgio Portugal
Chile, Peru	Verónica Elizabeth Zavala Lombardi	Alejandro Foxley Tapia
Colombia, Ecuador	Luis Guillermo Echeverri	Xavier Eduardo Santillán
Denmark, Finland, France, Norway, Sweden, Switzerland	Leena Viljanen	Marc-Olivier Strauss-Khan
Dominican Republic, Mexico	Cecilia Ramos Ávila	Muriel Alfonseca
Israel, Japan, Portugal, Republic of Korea, Spain	Luis Martí	Daniel Cohen
Paraguay, Plurinational State of Bolivia, Uruguay	Hernando Larrazábal	Hugo Rafael Cáceres
United States	Gustavo Arnavat	—

channels of communication (as of december 2009)

COUNTRY	INSTITUTION
Argentina	Ministerio de Economía
Austria	Federal Ministry of Finance
Bahamas	Ministry of Finance
Barbados	Ministry of Economic Development
Belgium	Ministère des Finances
Belize	Ministry of Budget, Planning and Management, Economic Development, Investment and Trade
Bolivia, Plurinational State of	Ministerio de Planificación del Desarrollo
Brazil	Ministério do Planejamento, Orçamento e Gestão
Chile	Ministerio de Hacienda
China, People's Republic of	People's Bank of China
Colombia	Ministerio de Hacienda y Crédito Público
Costa Rica	Ministerio de Hacienda
Denmark	Danish International Development Agency (DANIDA)
Dominican Republic	Banco Central de la República Dominicana
Ecuador	Ministerio de Economía y Finanzas
El Salvador	Secretaría Técnica de la Presidencia
Finland	Ministry for Foreign Affairs
France	Ministère de l'économie, des finances et de l'industrie
Germany	Federal Ministry for Economic Cooperation and Development
Guatemala	Ministerio de Finanzas Públicas
Guyana	Ministry of Finance
Haiti	Ministère de l'Économie et des Finances
Honduras	Banco Central de Honduras
Israel	Bank of Israel
Italy	Ministry of the Economy and Finance
Jamaica	Ministry of Finance and Planning
Japan	Ministry of Finance
Korea, Republic of	Ministry of Finance and Economy
Mexico	Secretaría de Hacienda y Crédito Público
Netherlands	Ministry of Finance
Nicaragua	Ministerio de Hacienda y Crédito Público
Norway	Royal Norwegian Ministry of Foreign Affairs
Panama	Ministerio de Economía y Finanzas
Paraguay	Ministerio de Hacienda
Peru	Ministerio de Economía y Finanzas
Portugal	Direcção Geral de Assuntos Europeus e Relações Internacionais–Ministério das Finanças
Spain	Subdirección General de Instituciones Financieras Multilaterales
Suriname	Ministry of Finance
Sweden	Ministry for Foreign Affairs Department for International Development Co-operation
Switzerland	Office fédéral des affaires économiques extérieures
Trinidad and Tobago	Ministry of Finance, Planning and Development
United States	Treasury Department
Uruguay	Ministerio de Economía y Finanzas
Venezuela, Bolivarian Republic of	Banco de Desarrollo Económico y Social de Venezuela

contact information

HEADQUARTERS

1350 New York Avenue, N.W.
Washington, DC 20577
United States of America
Telephone: (202) 623-3900
Fax: (202) 623-3815

IN THE REGION

ARGENTINA
Esmeralda 130 Piso 17
C1035ABD Buenos Aires, Argentina
Telephone: (54 11) 4320-1864
Fax: (54 11) 4320-1831/7

CHILE
Avda. Pedro de Valdivia 0193
Pisos 10 y 11
Providencia
Santiago, Chile
Telephone: (562) 431-3719
Fax: (562) 374-2436

COSTA RICA
Edificio Centro Colón, Piso 12
Paseo Colón, entre calles 38 y 40
Apartado postal 1142-1007
San José, Costa Rica
Telephone: (506) 2523-3348
Fax: (506) 2257-0083

COLOMBIA
Carrera 7 No. 71-21, Torre B, Piso 19
Edificio Davivienda
Bogotá, Colombia
Telephone: (571) 325-7058/59;
(571) 325-7000
Fax: (571) 325-7057

EL SALVADOR
Edificio World Trade Center
4° Nivel
Calle El Mirador y 89 Avenida Norte
San Salvador, El Salvador
Telephone: (503) 2233 8900 ext. 2201
Fax: (503) 2233 89 21

GUATEMALA
3ª. Avenida 13-78
Zona 10
Torre Citigroup
10 nivel
Guatemala, CA 01010
Telephone: (502) 2379 9393
Fax: (502) 2379 9301

HONDURAS
Colonia Lomas del Guijarro Sur
Calle Principal
Tegucigalpa, Honduras
Telephone: (504) 290-3544
Fax: (504) 239-5752/7953

NICARAGUA
Edificio BID km. 4 $^{1}/_{2}$, Carretera a Masaya
Managua, Nicaragua
Telephone: (505) 2267-0831
Fax: (505) 2270-8463

PARAGUAY
Quesada 4616 esq. Legión Civil
Extranjera – Piso 2
Asunción, Paraguay
Telephone: (595 21) 616-2320
Fax: (595 21) 615-681

PERU
Paseo de la República No. 3245
Piso 13
Lima 27, Peru
Telephone: (511) 215 7800
Fax: (511) 442 3466

URUGUAY
Rincón 640
11.000 Montevideo, Uruguay
Telephone: (598 2) 915-3696
Fax: (598 2) 916-2607

IIC Production Team
Maridale Jackson, Susana Medina-Day, Izaskun Orkwis,
Rebeca Sánchez de Tagle, Guillermina Schinder, Alejandra Vallejo

IIC Coordinator
Flavia Sandoval

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Inter-American Investment Corporation

1350 New York Avenue, N.W.
Washington, DC 20577
United States of America
Telephone: (202) 623-3900
Fax: (202) 623-3815
www.iic.int