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For Health, Education
and Infrastructure



IFC Hilal Sukuk - A long journey ...

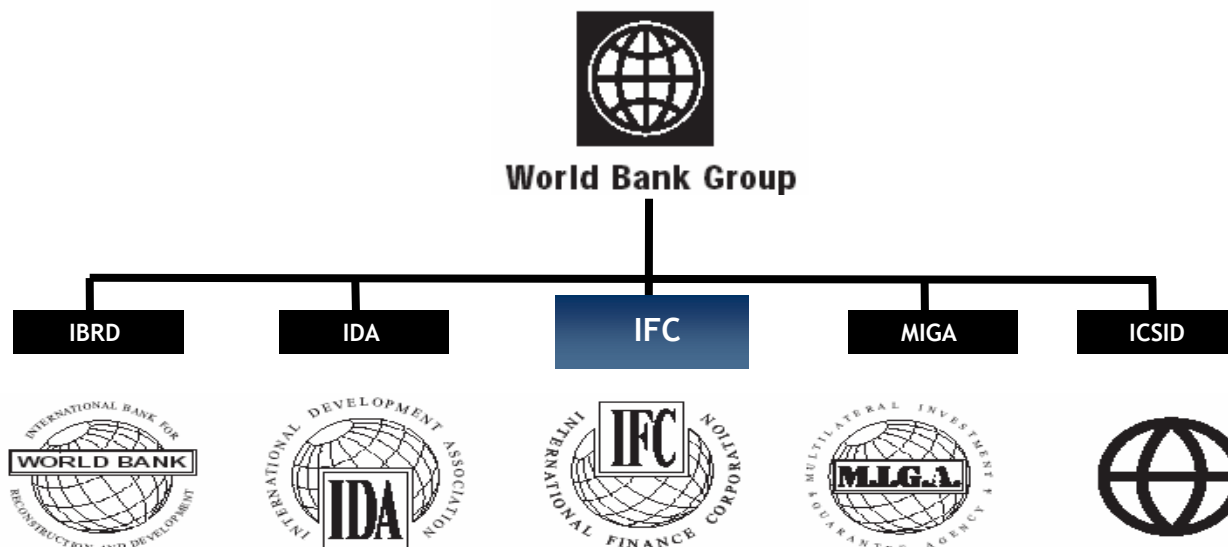
9th Islamic Finance Summit

By: Nina Shapiro, Vice President Finance & Treasurer

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The International Finance Corporation (IFC) was founded in 1956 to...

- Promote and support economic growth and fight poverty by catalyzing private sector investment in developing countries
- Legally distinct part of the World Bank Group with a shared Board of Directors and President, but separate development mandate, articles of agreement, staff, capital base and operating/financial policies



- Largest and only global multilateral source of debt and equity financing for private enterprise in developing countries

IFC in Islamic Finance

- US\$230 million already committed in Islamic Finance products, through 13 projects in five countries.
- US\$300+ million in pipeline, through 10 projects in Financial Markets, Infrastructure, Health and Education, and Oil and Gas.
- IFC helped open the Malaysian capital market in 2004, issuing a Bai Bithaman Ajil Islamic bond in the amount of MYR500 million (US\$131 million equivalent).
- IFC's equity experience has been good, with a market value of US\$70 million. In 2007, IFC subscribed 13% equity (US\$3.4 million) in Al Ahli Takaful in Saudi Arabia, which has recently been listed.
- IFC structured the first Islamic MBS (Mortgage Backed Security), the ENSEC Tamweel MBS. This Transaction received the Deal of the Year Award from Euromoney Islamic Finance (2008).
- IFC established a Working Group (Finance, Legal, Accounting, Back Office and regional investment teams) to help the Corporation adopt a more systematic approach to Islamic Finance.

Rationale for IFC Sukuk

1. A demand for top-quality, diversified, internationally-rated issuers in the region (previously, the Islamic Development Bank issued 3 Sukuks);
2. Desirability for international issuers to list on the region's stock markets and encourage liquidity in the Sukuk secondary market;
3. A need for market based pricing and benchmarks which will attract other sovereign and corporate issuers;
4. A goal of generating renewed interest in the region's Sukuk market after the contraction in late 2008 and early 2009 as a result of the global financial crisis.

The structure of the IFC Sukuk

- The bond was structured as a Wakala (Agency) bond with a Cayman based SPV as the issuing agency controlling cashflows and has having temporary ownership of IFC's underlying assets.
- This structure was approved by the Sharia' boards of the lead banks after lengthy discussions over 12 months (3 years to build the portfolio).
- IFC's Sukuk is a securitization of IFC's existing portfolio of Ijara leasing projects.
- The portfolio was built mainly in the Health and Education sector (i.e. medical equipment) where IFC's investments have the greatest development impact. All are located in the MENA region - Egypt, Yemen and Saudi Arabia.
- 6 of these projects constituted the underlying assets for the IFC Sukuk .

Summary of Sukuk Offering

Issuer / Trustee	Hilal Sukuk Company (a Cayman orphan special purpose vehicle)
Obligor	International Finance Corporation
Obligor Ratings	AAA (S&P) / Aaa (Moody's)
Expected Issue Ratings	Aaa (Moody's)
Tenor	5 years
Pricing	Fixed Rate of 3.00% p.a.
Size	USD 100,000,000
Currency	US Dollars
Structure	Wakala (Agency)
Minimum Denominations	USD 100,000 and integral multiples of USD 1,000
Joint Lead Managers & Joint Bookrunners	DIB / HSBC / KFH Bahrain / Liquidity House

Pricing & Distribution

1. Transaction was oversubscribed and closed quickly.
2. There were 15+ orders and demand was 90% from the Mid-East, with about 30% of overall demand from Central Banks and official institutions and 70% from banks and funds.
3. Pricing was at mid-swaps +15bp (Libor +10bp) or about 10bp more than an IFC Global could be currently priced, about 25bp better than anything closely equivalent in the market, and much better than expected given the small size, structuring and low liquidity.

Key Achievements & Highlights

1. First international Sukuk issuance by the IFC and first funding issue by a non-Islamic multilateral.
2. First Sukuk to be listed only in regional stock exchanges, on Bahrain Stock Exchange and NASDAQ Dubai.
3. First Sukuk to be cleared by NASDAQ Dubai.
4. The pricing was about 25bp better than anything closely equivalent in the market.

Market Response

“This is a historic milestone for financial markets in the region and clearly represents a benchmark for debt markets.”

Dr. Nasser Saidi, Chief Economist of the DIFC Authority

“This is the first international sukuk issuance by the IFC and the first by a supranational outside of the Muslim world. IFC was able to build an order book with more than 15 separate investors and priced the deal at the tightest credit spread for a sukuk issue this year”

Euroweek

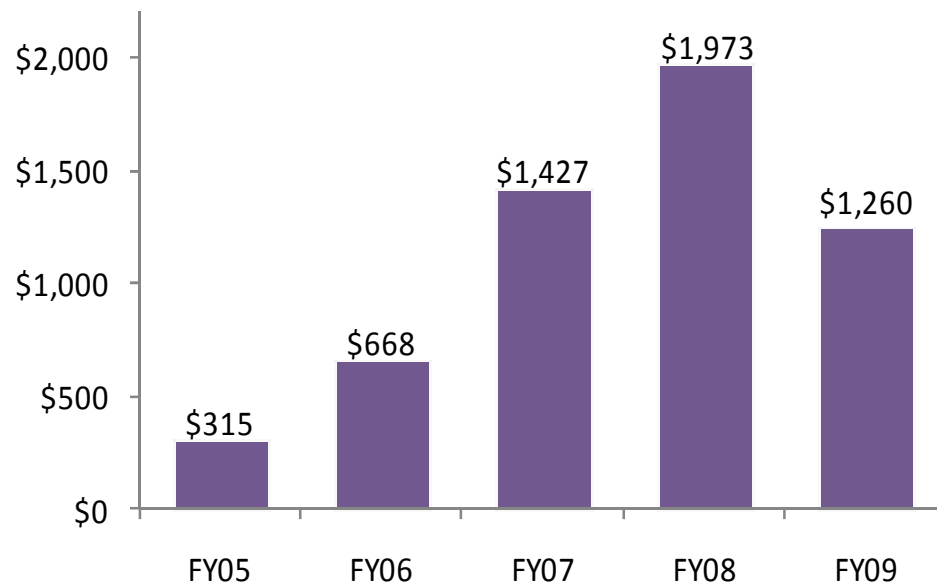
“The wakala-structured deal was applauded by bankers and investors alike and was the result of IFC’s three year effort to develop Middle Eastern capital markets and the sukuk sector in particular.”

Kerr Finlayson, HSBC Syndications

IFC's strong commitment to MENA (As of June 30, 2009)

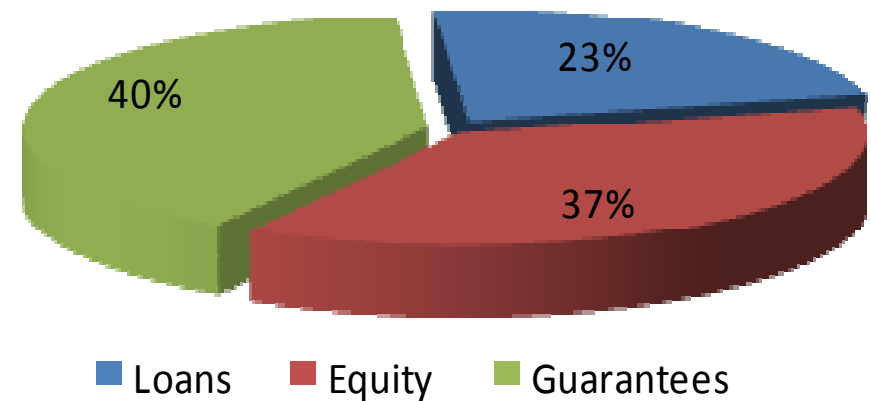
- From FY05 to FY09, IFC's volume of commitments grew from \$315 million to \$1,260 million and from 21 to 46 projects

Historical Commitments

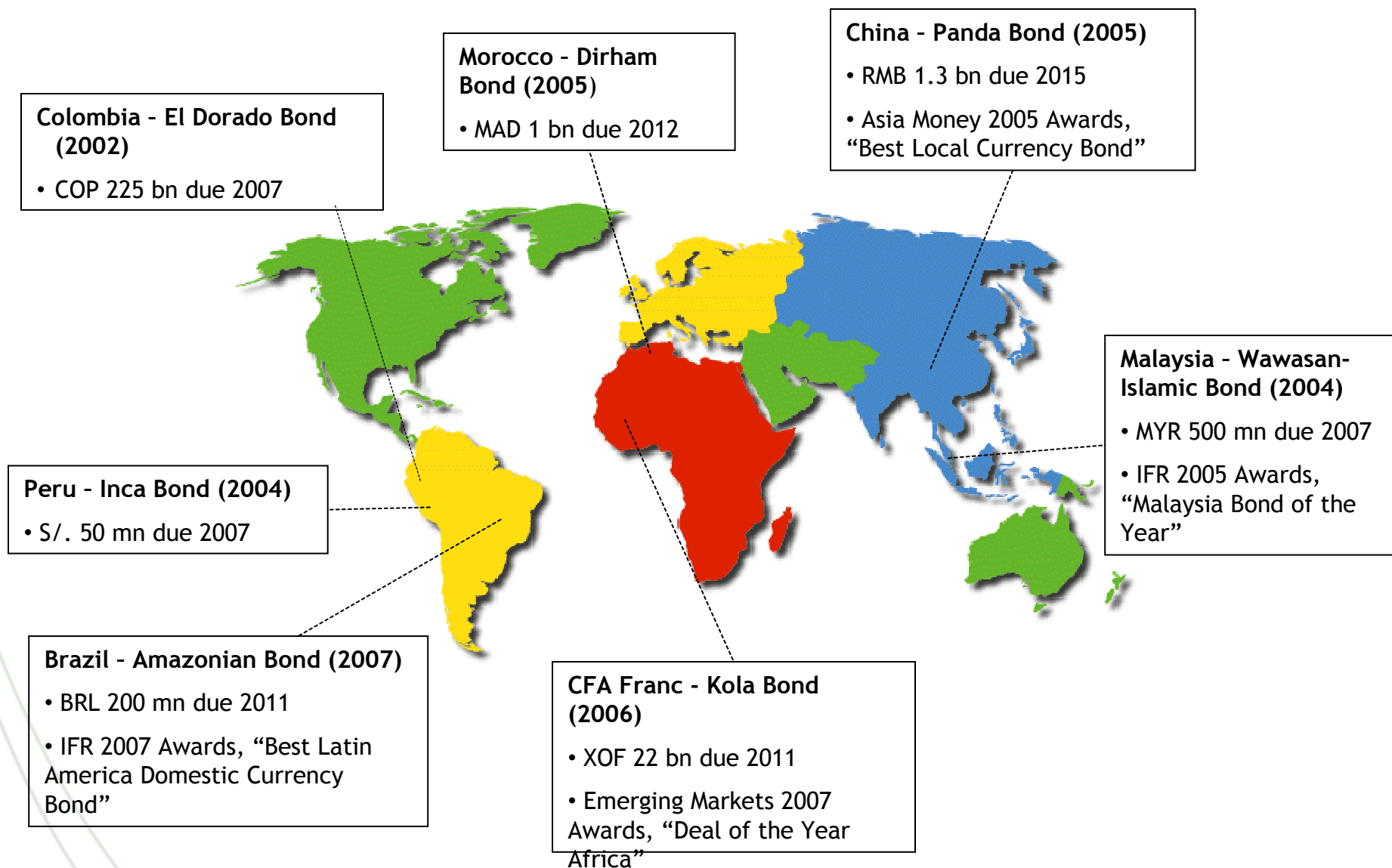


Note: Numbers include financing for IFC's own account and syndications

FY 09 Commitments by Product



IFC Domestic Bond Issuances



For further Information...

This document has been prepared for informational purposes only, and the information herein may be condensed or incomplete. This document does not constitute a prospectus and is not intended to provide the sole basis for the evaluation of any securities issued by IFC.

For additional information concerning IFC, please refer to IFC's current "Information Statement," financial statements and other relevant information available at:

www.ifc.org/investors