

Annual Investor Newsletter

August 2021



FY21 Funding Highlights

In fiscal year 2021 (FY21), IFC raised \$12.7 billion totaling 228 trades across 26 currencies. IFC remained resilient and led the public markets through a tumultuous pandemic recovery process, while continuing to accommodate reverse inquiries across currencies.

Borrowings in the public markets in currencies such as United States Dollar (USD), Australian dollar (AUD), New Zealand dollar (NZD), Canadian dollar (CAD), and British Pound sterling (GBP) accounted for 78% of the funding program in FY21.

In the 1st quarter of FY21, IFC moved quickly to capitalize on the strong tone in primary markets with the issuance of **a 5-year USD 2 billion 0.375% global benchmark bond** priced with a spread of +10 bps to mid-swaps, equivalent to +13 bps over the US Treasury Note due June 2025. The deal attracted IFC's largest-ever orderbook of USD 6bn+ and, at the time, priced at the tightest mid-swap spread for a 5-year USD benchmark since the start of the pandemic.

IFC continued to access the USD primary markets with a 2nd global benchmark issuance in August 2020: **a 10-year USD 1 billion 0.750% bond**, priced with a spread of +18 bps to mid-swaps, equivalent to +17 bps over the corresponding U.S. Treasury note of 0.625% due August 2030. Also in August, IFC kicked off its first issuance in the Kauri market in FY21 with a 5-year NZD 400 million benchmark.

In September 2020, IFC entered the Maple market for the first time in FY21 with a **5-year CAD 500 million 0.625% benchmark bond**.

In the Sterling market, IFC issued a **5-year GBP 1 billion benchmark bond** in October 2020, which marked its largest-ever pound sterling bond. The trade was exceptionally well received by investors with orders over GBP 1.7 billion.

In the 2nd half of the fiscal year, in February 2021, IFC issued its debut bond swapped to the new Secured Overnight Financing Rate (SOFR) benchmark interest rate. The **AUD 155 million Kangaroo social bond 'tap'** increased the total raised by the initial trade to AUD 800 million (USD 609 million). Then, in June 2021, IFC ended FY21 on a high note with its inaugural SOFR bond, a **2-year USD 1 billion global benchmark bond**. The transaction was priced at par with a quarterly floating coupon of SOFR + 9 bps due June 2023 and was anchored by orders primarily from the Americas and Europe.

Through its sustainable bond programs, IFC issued **6 green bonds** for a total volume of over USD 165 million, and **24 social bonds** for a total volume of over USD 762 million.

IFC issued over USD 9 billion under its **Global Discount Note Program**, which offers notes with maturities up to 360 days.

FY21 funding in the Japanese market

Japan has been a critical market for IFC, consistently representing over 10% of IFC's total funding. Japanese investors supported IFC's bonds in the public markets, through private placements, as well as through Uridashi bonds for a total of USD 1.8 billion. This accounted for about 14% of IFC's total funding in FY21. IFC's thematic bonds sold particularly well in the Japanese markets. Japanese life insurance companies supported IFC's AUD-denominated social bonds due 2035, following **Nippon Life's anchor investment** in April 2020.

Looking ahead: FY22 funding

IFC's funding program for FY22, which runs from July 2021 to June end 2022, is USD 12-14 billion. This covers long-term market borrowings and local currency issuances. Additionally, IFC can issue up to USD 5 billion in outstanding discount notes.

FY21 funding highlights

**228
bonds**

**12.7
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**26
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Focusing on a Post-Pandemic Green, Resilient and Inclusive Recovery

From April 2020 to June 2021, the World Bank Group (WBG) deployed over \$157 billion to fight the pandemic's health, economic, and social impacts. During this period, IFC reached a record high of \$42.7 billion in financing to provide liquidity for businesses to remain in operation, while ramping up investments in companies on the frontlines of the pandemic response. Read more [here](#).

People moves in the Funding team

After a successful tenure with the funding team, managing IFC's investor relations activities in Japan, **Maki Yasui** has returned to the Japan Bank for International Cooperation (JBIC) where she will be the Chief Representative in Moscow. **Kenji Kanamoto** has taken over from Ms. Yasui and joined the team as of August 2nd. He is seconded from JBIC and based in Tokyo.

Marcin Bill has moved to Singapore from Washington and was appointed as Head of Funding for Asia-Pacific. **Elena Panomarenko** was appointed as Head of Funding for Europe based in London. **Flora Chao**, IFC's Global Head of Funding, has moved from London to Washington.

Management changes



Makhtar Diop was appointed as the new head of IFC as of March. He took over from Philippe Le Houérou, who retired in September 2020. Makhtar joins from the World Bank where he served as the VP of Infrastructure. He will continue to lead IFC's pandemic recovery efforts and 3.0 strategy of creating markets and mobilizing capital. Read more about his appointment [here](#).

- **Elena Bourgangskaia** was appointed as VP of Corporate Support and **Emmanuel Nyirinkindi** as VP of Cross-Cutting Solutions as of July 2021. **Alfonso Garcia Mora** was appointed as VP for Asia and Pacific as of August 2020. View all leadership profiles [here](#).

Update on IFC's COVID-19 Response

Since the launch of the **\$8 billion Fast-Track COVID-19 Facility** in March 2020, which provides support to businesses and their workers to reduce the economic impact of the pandemic, IFC has committed USD 4.7 billion as at the end of FY21, which finances 91 projects. Another USD 1.4 billion are in the facility pipeline.

Five projects (totaling USD 425 million) have been committed under IFC's USD 4 billion **Global Health Platform (GHP)**, which invests in companies to increase the supply of critical medical equipment and services in developing countries. The pipeline stands at USD 1.1 billion: USD 600 million from IFC's own account and USD 500 million in core mobilization.

An expansion to the Facility is the **Base of the Pyramid Program** that focuses on helping small businesses and low-income households hit hardest by the pandemic. The Program will provide USD 400 million in own account investment for financial service providers.

View the full list of projects [here](#).

Reflections from a Funding Officer: One year of working from home

Zauresh Kezheneva, Funding Officer based in Washington, DC



"Telecommuting for me meant gearing up snow boots and a warm parka for a frosty winter in the north of Kazakhstan, my home country. What I personally experienced was tighter teamwork and communication as well as more speaking events and virtual investor meetings."

IFC's Transition from LIBOR to SOFR



"IFC has conducted analysis of the impact of the transition to SOFR from all perspectives: lending, funding, accounting, operations, IT and legal. We are collaborating with peers to track industry developments and develop best practices on things such as fallback language and are setting up internal systems for a seamless LIBOR transition."

– **Tom Ceusters, Director, Treasury Market Operations**

ESG & Sustainable Finance Leadership

• A year onwards

Under IFC's chairmanship of the Executive Committee of the Green, Social and Sustainability-Linked Bond Principles, the Green and Social Bond Principles were [updated](#) in June 2021. The updates ensure that the Principles keep in step with market developments as sustainable bond issuance grows.

• 2021 edition of IFC's ESG Dealer Survey

In May, the Funding team launched the second edition of the ESG Dealer Survey, which aims to assess the level of significance ESG holds in the corporate strategies of IFC's underwriters. The results feed into IFC's annual dealer scorecard rankings.

• IFC's Climate Biz Podcast

Head of Investor Relations Esohe Denise Odaro joined IFC's ClimateBiz podcast as co-host. The podcast explores private sector solutions and innovations to advance sustainability. Listen to the episodes [here](#).



• What Millennials bring to Investor Relations

[Featured by IR Magazine](#), Sophie Peeters from IFC's IR team talks about what motivates millennials to work in IR and sustainable finance.