

## Social Impact Note Factsheet

**AAA-rated investments with social development impact**  
**An alternative investment to US Agencies**

IFC, a member of the World Bank Group, is the **largest global development institution focused exclusively on the private sector**. We help developing countries achieve sustainable growth by financing private sector investments, mobilizing capital in international financial markets, and providing advisory services to businesses and governments. We play a **catalytic role** by demonstrating the profitability of investments in emerging markets.

### Providing Value to US Dollar Investors

- IFC's social impact notes are an **offering under IFC's Impact Notes Program** which offers investors the additional benefit of supporting specific projects that target positive impacts such as those stated in the UN Sustainable Development Goals (SDGs) and the Social Bond Principles
- On an annual basis, IFC provides impact reporting to investors on projects financed using the proceeds from these bonds
- Social impact notes are **an attractive alternative to US Agencies and are offered in a variety of structures**, providing flexibility for different investment objectives
- Social impact notes are offered at a fixed price during a week-long offering period
- Denominations of \$1,000
- Social impact notes include a **survivor's option**
- **Available through an extensive nationwide network** of over 500 broker-dealers, institutions, asset managers, RIAs and banks via the InspereX Legacy™ Platform

### Triple-A Rating Considerations

- Strong financial profile with substantial capital and high liquidity
- Conservative risk and management policies
- Sovereign sponsorship
- Rated AAA/Aaa (stable outlook) by S&P and Moody's

### IFC's Value Proposition

- **Owned by governments of 185 member countries** with 50% of capital held by AAA/AA sovereigns
- **Strong financial profile** with substantial capital and high liquidity
- **Highly diversified global portfolio** with debt and equity exposure in more than 119 countries and over 1,800 companies
- 0% riskweighting under Basel Framework
- **Consistently rated AAA/Aaa** (stable outlook) by S&P and Moody's

| Issuer      | Moody's | S&P |
|-------------|---------|-----|
| IFC         | Aaa     | AAA |
| Fannie Mae  | Aaa     | AA+ |
| Farm Credit | Aaa     | AA+ |
| Freddie Mac | Aaa     | AA+ |

## Investing with social development impact

IFC's Social Impact Notes Program was launched in July 2019 as a supplement to IFC's Green Impact Note Program. IFC's social impact note offerings are a AAA-rated investment that provide additional benefits of supporting projects that target positive impacts, such as those stated in the UN Sustainable Development Goals (SDGs).

## What are eligible projects?

IFC's social impact notes fund a range of social projects. Proceeds from these notes support projects that involve:

- Lending to financial intermediaries with the requirement that the proceeds of IFC's loan be on-lent to women-owned enterprises
- Lending to companies that incorporate people at the "Base of the Economic Pyramid" into its value chain as suppliers, distributors, or customers as part of such company's core business in a commercially viable and scalable way
- Lending to projects that meet the criteria stipulated in the Social Bond Principles and that aim to achieve positive social outcomes especially, but not exclusively, for a target population

## IFC's role in the social bond market

In 2020, IFC was elected Chair of the Executive Committee of the Green, Social and Sustainability-Linked Bond Principles (referred to as The Principles). This was a culmination of IFC's role chairing the Social Bond Working Group (SBWG) since its founding in 2016.



## Acting swiftly in East Asia

Countries in East Asia were the first to be impacted by COVID-19. As soon as the effects were felt in Vietnam, IFC acted to expand trade-financing limits for four banks even before the fast-track COVID-19 facility was established. The increased total limit of \$294 million enabled these banks to support local importers and exporters. Among those benefiting was DaKao Production Ltd., a local women-owned agribusiness company. The import financing provided by the Vietnamese bank, TPBank, gave DaKao the required liquidity to import raw cashews and maintain production, preserving jobs for its 400 employees.

This initial COVID-19 response subsequently led to IFC investing around \$1 billion across Asia and the Pacific through the fast-track facility to support trade flows and preserve jobs.

Helping SMEs keep their doors open and sustain jobs was a key rationale behind IFC's decision to provide a financing package of \$75 million to Phu My Hung Development Corporation in Vietnam through the fast-track COVID-19 facility. An established real estate developer supplying affordable housing and leasing commercial space to over 300 businesses, the corporation is using IFC's support to extend financial relief to its clients.

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