



March 2017

# SOCIAL BONDS

## Introduction and Impact Report

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# IFC Social Bond Introduction

The launch of the Sustainable Development Goals (SDGs) by the United Nations in 2016 has brought the world together in a mission to end poverty, fight inequality, and tackle climate change. The SDGs recognize the immense challenges that must still be overcome and the inter-connectedness of all aspects of sustainable development. The goals address global challenges that span a broad range of issues. Meanwhile, a bond market aimed at financing projects with social issues has emerged and deepened, supported by a growing number of investors who have begun to embed ESG (Environmental, Social, and Governance) standards into their investment decisions.

*“We are meeting at a time of immense challenges to sustainable development. Billions of our citizens continue to live in poverty and are denied a life of dignity. There are rising inequalities within and among countries. There are enormous disparities of opportunity, wealth and power. Gender inequality remains a key challenge. Unemployment, particularly youth unemployment, is a major concern. Global health threats, more frequent and intense natural disasters, spiraling conflict, violent extremism, terrorism and related humanitarian crises and forced displacement of people threaten to reverse much of the development progress made in recent decades...”*

*~United Nations' 2030 Agenda for Sustainable Development*

It is in this context that IFC is streamlining its socially responsible bond programs by merging two existing products into a single new bond program. Beginning in the current fiscal year FY17, IFC's **Banking on Women (BOW)** and **Inclusive Business Bond Programs** are amalgamated into the **IFC Social Bond Program**. Through the new Social Bond Program, IFC will have the scope to issue more liquid benchmark sized Social Bonds along with private placement and retail targeted issues, expanding the opportunity for investors to support select IFC projects that address social issues for targeted populations, such as access to finance for women entrepreneurs, as well as low-income communities in emerging markets. This report provides an overview of the structure of the Social Bond Program and the development impact expected from the underlying programs which are being merged to create the Social Bond Program.

## BACKGROUND

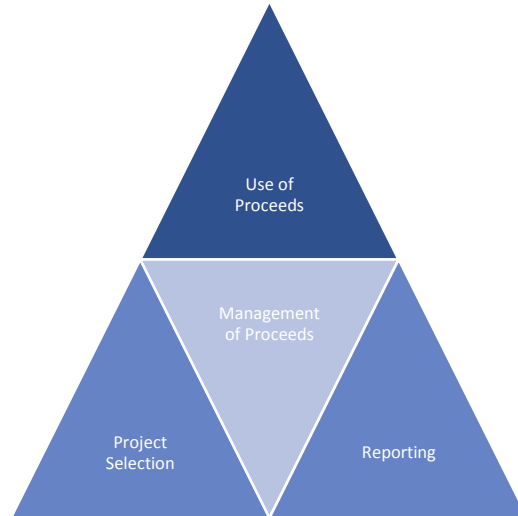
In 2013, IFC enhanced its breadth of thematic bond products with the launch of the **BOW Bond Program**, the first bond program focused on creating opportunities for women entrepreneurs in emerging markets. Two BOW Bonds were issued in 2013 and 2014, which raised USD 268.0 million and have so far supported 16 projects. Subsequently, another program was added to IFC's thematic bond product mix in October 2014 when the **Inclusive Business Bond Program** was launched, the first debt offering to exclusively support businesses which include low-income communities into their value chains. Under the Inclusive Business Bond Program, five bonds were issued, raising USD 296.1 million and the program has so far supported 13 projects. The BOW and Inclusive Business Bonds were sold to institutional and retail investors.

Expected Impact under BOW and Inclusive Business Bond Programs <sup>1</sup>	Baseline	Target
<b>Farmers reached</b>	55,500	122,500
<b>Customers with phone connections</b>	27.1 mil	49.81 mil
<b>Patients / students reached</b>	34,073	5,103,500
<b>Micro loans outstanding</b>	418,455	663,785
<b>Loans outstanding to women-owned SMEs</b>	61,455	109,798

<sup>1</sup> Expected development results are calculated prior to project commitment. Refer to Project Summary sections for more details on descriptions of projects supported and the timeline of the target reach by industry.

## STRUCTURE AND PROCESS

The new Social Bond Program aligns with the Social Bond Guidance published in June 2016 by the International Capital Markets Association (ICMA) as secretariat for the Green Bond Principles (GBP). The program incorporates the four core components of the GBP (use of proceeds, process for project evaluation and selection, management of proceeds, and reporting). See the ICMA website for more information: [www.icmagroup.org/socialbonds](http://www.icmagroup.org/socialbonds)



### Use of Proceeds

The net proceeds of the Social Bond issues will be allocated to support Social Bond Eligible Projects. Eligible Projects are projects funded, in whole or in part, by IFC that involve:

- 1) lending to financial intermediaries with the requirement that the proceeds of IFC's loan be on-lent to women-owned enterprises<sup>2</sup> or
- 2) lending to companies that incorporate people at the "Base of the Economic Pyramid" or "BOP" (defined as people who earn less than the equivalent of \$8 per day<sup>3</sup> or who do not have access to basic goods and services) into its value chain as suppliers, distributors, or customers as part of such company's core business in a commercially viable and scalable way.

Examples of Eligible Projects include:<sup>4</sup>

- Investments in companies that source directly from smallholder farmers
- Investments in utilities (e.g. electricity, gas, water) that provide low-income households with better access to services
- Investments in companies that provide health services, education services or housing to low-income populations in more affordable ways
- Investments in companies that provide goods and services to low-income populations
- Investments in companies that provide access to telecommunication and payment platforms in markets that include the low-income segment

<sup>2</sup> For purposes hereof, a women-owned enterprise is (a) a business that is at least 51% owned by a woman or women, or (b) a business in which a woman or women hold at least 20% of the ownership interests; and has at least 1 woman of the senior executive roles (e.g. Chief Executive Officer, Chief Operation Officer, President, Vice-President); and women hold at least 30% of seats on the board of directors where a board exists.

<sup>3</sup> The \$8/day income threshold is in purchasing power parity terms (PPP). PPP terms adjust the real figure to equate the relative purchasing powers in different countries.

<sup>4</sup> The above examples of Eligible Projects are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristic will be made by IFC during the term of the notes.

## Project Selection

The Social Bond Eligible Projects described above are selected from a scrutinized loan portfolio of IFC (equity investments and guarantees are ineligible for funding via Social Bonds). Eligible Projects follow IFC's investment process and are implemented in consistency with IFC's Sustainability Framework, including the Performance Standards and World Bank Group Environmental, Health, and Safety (EHS) Guidelines, IFC's Corporate Governance Framework and disclosure requirements of the IFC Access to Information Policy (AIP). All projects have undergone a rigorous ESG due diligence process and are subject to ongoing monitoring and supervision.

In particular, IFC's Environmental and Social Performance Standards define IFC clients' responsibilities for managing their environmental and social risks, and establish standards in the following eight aspects that the clients are to meet throughout the life of investments by IFC:

- Assessment and Management of Environmental and Social Risks and Impacts
- Labor and Working Conditions
- Resource Efficiency and Pollution Prevention
- Community Health, Safety, and Security
- Land Acquisition and Involuntary Resettlement
- Biodiversity Conservation and Sustainable Management of Living Natural Resources
- Indigenous Peoples
- Cultural Heritage



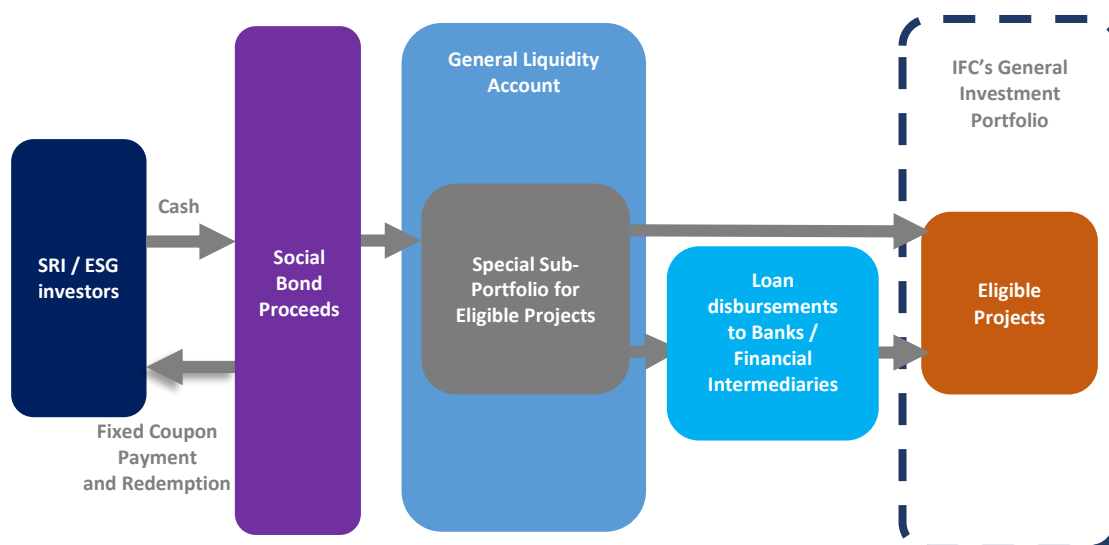
## Management of Proceeds

The net proceeds of the Social Bonds will be allocated within IFC's Treasury to a special sub-portfolio that will be linked to IFC's lending operations for Eligible Projects. The sub-portfolio will be invested by IFC's Treasury in accordance with IFC's liquid asset management investment guidelines. So long as the notes are outstanding, the balance of the sub-portfolio will be reduced by amounts matching disbursements made in respect of Eligible Projects.

IFC is rated triple-A by Standard & Poor and Moody's. The payment of interest and the principal of the Social Bonds is strictly based on the credit quality of IFC and is not directly affected by the result of the underlying investments that IFC makes.

### Social Bond Proceeds Cash Flow Diagram

Only loan portions of the Eligible Projects are available for funding via Social Bond proceeds. IFC can lend directly or indirectly to Eligible Projects.



## Reporting

IFC is committed to transparent reporting on projects included in its Social Bond Program. IFC follows best reporting practices and the Social Bond Guidance, a voluntary guidance on transparency and disclosure.

For each proposed investment, IFC discloses relevant information pertaining to the project, including the project's environmental and social implications, as well as its expected development impact. Information for all IFC financed projects is available at <http://www.ifc.org/projects>.

IFC makes available information concerning its activities according to the AIP. The AIP sets out IFC's policy regarding the scope of information that it makes available to the public either as a routine matter or upon request. The full policy can be found at <http://www.ifc.org/aip>.

On an annual basis, IFC will publish the list of projects which have received funding from Social Bond proceeds in the previous year. Subject to confidentiality approvals, the list of projects may include: a brief description of the project, amount committed, and links to relevant public documents about the project.

In addition, IFC publishes a Socially Responsible Bond newsletter on an annual basis which provides investors highlights of projects, news and updates.

## Inclusive Business Bond Overview

### INCLUSIVE BUSINESS OVERVIEW

Inclusive Businesses are companies that tackle poverty and advance development, while at the same time generating market-rate returns. It is an approach that has been recognized by the G-20 as playing a particularly important role in advancing sustainable development. Inclusive Businesses incorporate people who live at the Base of the Pyramid (BOP) into the value chain of their company, either as suppliers, retailers, distributors, or customers. These companies do this through their core business activities in such a way that is commercially viable and scalable.

The BOP concept takes a multidimensional approach to poverty—considering not only income (the equivalent of \$8 per day) but also access to goods, services, and economic opportunities. It is estimated that there are 4.5 billion people living at the BOP in 92 developing countries.<sup>5</sup>

The women and men living at the BOP often experience economic and social exclusion; they represent a range of vulnerable groups and lack access to products and services at the prices and levels of quality that others rely on. Whether they are slum dwellers, rural villagers, small-scale farmers, informal laborers or micro-entrepreneurs, they are often denied clean water, electrical power, good roads, modern communications, health care, education, financial services, consumer goods, and steady sources of income.

Integrating men and women who live at the BOP into a company's core value chain can be a driving force for inclusive growth and sustainable development. The 4.5 billion people at the BOP spend small amounts individually, but on aggregate they spend \$5 trillion a year—more than half of all expenditure in developing countries. Inclusive Business companies serve basic needs, enhance productivity, create income generating opportunities, and open up choices for women and men at the BOP that can enhance their livelihoods and well-being.

Companies that take an Inclusive Business approach vary in size, range in scope from local to global, and are found in many different industries.



<sup>5</sup> World Bank Group, Global Consumption Database: <http://datatopics.worldbank.org/consumption/>.



## COMMON TYPES OF INCLUSIVE BUSINESS MODELS



### Agribusiness & Forestry

- Sourcing products from BOP farmers
- Developing and/or selling inputs to BOP farmers



### Education

- Teaching BOP students
- Financing BOP students
- Developing products that benefit BOP students



### Financial Institutions

- Providing micro-loans to BOP borrowers
- Providing microinsurance to BOP customers
- Funds investing in microfinance, microinsurance, or other inclusive business



### Health

- Providing health services to BOP patients
- Developing health products and technologies for BOP customers



### Housing

- Developing housing properties for BOP customers
- Financing housing loans for BOP borrowers



### Information & Communication Technology (ICT)

- Providing telecommunication services for BOP customers
- Developing electronic transaction platforms for BOP customers
- Enabling other ICT firms to reach individuals at the BOP



### Retail & Distribution

- Selling foods, beverages, and/or household products to BOP customers
- Selling foods, beverages, and/or household products via BOP retailers
- Distributing foods, beverages, and/or household products via BOP distributors



### Utilities

- Water, electricity, gas distribution, or wastewater services to BOP customers
- Off-grid, community-based systems for BOP customers

## INCLUSIVE BUSINESS BONDS ISSUANCE PROGRAM (FY15-FY16)

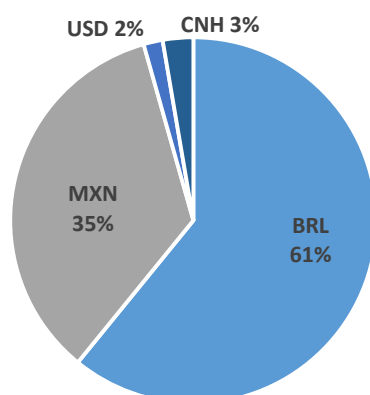
IFC's Inclusive Business Bond Program raised funds from institutional and retail investors to support private sector investments in companies that incorporate the BOP in developing countries. The Program was launched in October 2014 with an inaugural bond sold to Japanese retail investors, which raised USD 104.4 million equivalent. Inclusive Business Bonds were issued in four different currencies, where all non-USD borrowings were swapped into USD, to support lending to IFC's Inclusive Business clients. <sup>6</sup>

### Inclusive Business Bond Issuances

#### Cumulative Issuances

Currency	Amount	Issue Date	Maturity	USD equivalent	Coupon
<b>BRL</b>	260,000,000	10/29/2014	10/25/2018	104,358,995	Fixed
<b>MXN</b>	1,500,000,000	12/22/2014	12/20/2019	102,883,000	Fixed
<b>USD</b>	5,000,000	3/3/2015	3/3/2020	5,000,000	Floating
<b>CNH</b>	50,000,000	3/13/2015	3/13/2018	7,973,464	Fixed
<b>BRL</b>	300,000,000	3/14/2016	3/12/2019	75,891,728	Fixed
<b>TOTAL</b>				<b>296,107,187</b>	

#### Cumulative Issuance by Currency



<sup>6</sup> IFC is a USD based institution and most non-USD borrowings are swapped back into USD floating rate as are our loan assets.

## INCLUSIVE BUSINESS BONDS USE OF PROCEEDS REPORTING

IFC commitments include investments for which IFC and other project sponsors have signed a legally binding agreement. Only debt commitments to Inclusive Businesses on IFC's own account are considered eligible.<sup>7</sup> Disbursements are the outflow of funds from IFC's Inclusive Business Bond proceeds to clients, which occurs after commitments are finalized.

The tables and charts below show the breakdown of eligible commitments as well as bond proceeds disbursements by industry and region in FY15-16.

### Inclusive Business Eligible Commitments

In FY15-16, the combined commitments to Inclusive Businesses amounted to over USD 2.1 billion.

#### Eligible Commitments by Industry

<i>USD millions</i>	<b>FY15</b>	<b>FY16</b>
<b>Financial Markets</b>	806.3	659.3
<b>Telecom, Media, and Technology</b>	-	255.1
<b>Agribusiness &amp; Forestry</b>	47.5	152.6
<b>Health, Education, Life Sciences</b>	38.0	120.0
<b>Manufacturing</b>	-	1.7
<b>Other</b>	47.8	41.7
<b>TOTAL</b>	<b>939.5</b>	<b>1,230.4</b>

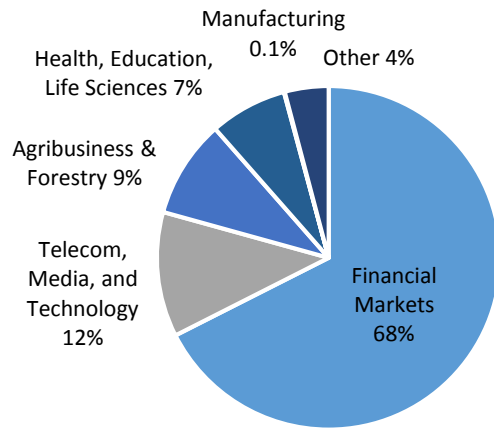
#### Eligible Commitments by Region

<i>USD millions</i>	<b>FY15</b>	<b>FY16</b>
<b>East Asia and the Pacific</b>	426.5	305.7
<b>South Asia</b>	222.9	279.3
<b>Latin America and the Caribbean</b>	184.8	331.7
<b>Sub-Saharan Africa</b>	45.5	149.0
<b>Europe and Central Asia</b>	57.8	151.6
<b>Middle East and North Africa</b>	2.00	9.0
<b>Multi Region</b>	-	4.1
<b>TOTAL</b>	<b>939.5</b>	<b>1,230.4</b>

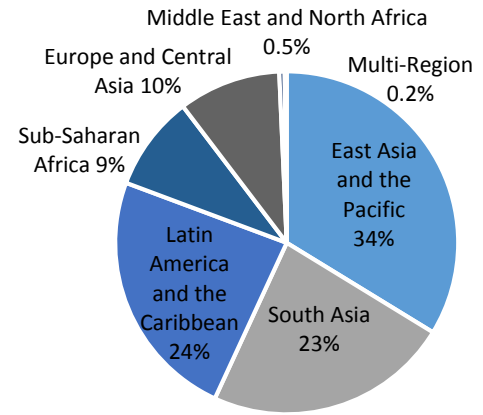
Note: numbers may not add up due to rounding.

<sup>7</sup> This analysis does not cover all of IFC's Inclusive Business commitments and disbursements, which also include non-loan investment vehicles. For more on information on Inclusive Business at IFC, please see [ifc.org/inclusivebusiness](http://ifc.org/inclusivebusiness).

**Eligible Commitments by Industry  
(FY15-FY16)**



**Eligible Commitments by Region  
(FY15-FY16)**



## Inclusive Business Bond Disbursement of Proceeds

In FY15-16, Inclusive Business Bond proceeds were disbursed to 13 Eligible Projects, totaling USD 298.0 million.

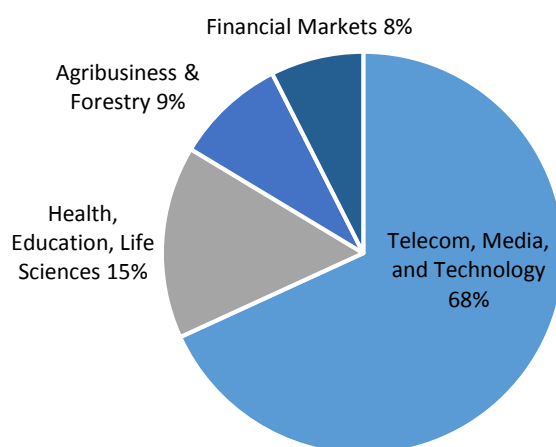
### Disbursement of Proceeds by Industry

<i>USD millions</i>	FY15	FY16
<b>Telecom, Media, and Technology</b>	30.0	173.0
<b>Health, Education, Life Sciences</b>	10.5	35.6
<b>Agribusiness &amp; Forestry</b>	4.0	22.5
<b>Financial Markets</b>	14.3	8.0
<b>TOTAL</b>	<b>58.8</b>	<b>239.1</b>

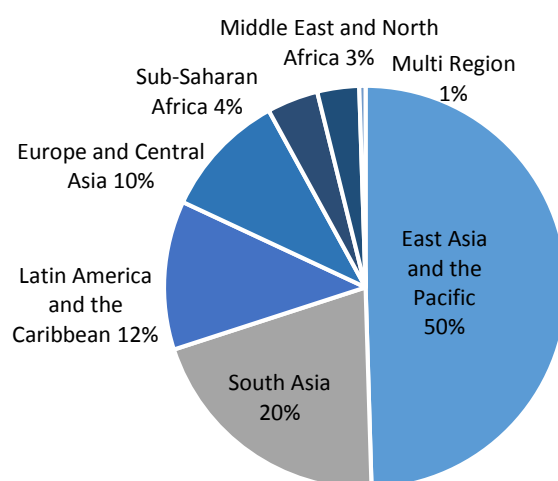
### Disbursement of Proceeds by Region

<i>USD millions</i>	FY15	FY16
<b>East Asia and the Pacific</b>	20.5	127.0
<b>South Asia</b>	-	61.0
<b>Latin America and the Caribbean</b>	-	35.6
<b>Europe and Central Asia</b>	30.0	-
<b>Sub-Saharan Africa</b>	6.3	6.0
<b>Middle East and North Africa</b>	2.0	8.0
<b>Multi Region</b>	-	1.50
<b>TOTAL</b>	<b>58.8</b>	<b>239.1</b>

**Disbursement of Proceeds by Industry  
(FY15-FY16)**



**Disbursement of Proceeds by Region  
(FY15-FY16)**



## INCLUSIVE BUSINESS BONDS PROJECT SUMMARY

Companies funded by the Inclusive Business Bonds do business with people living at the BOP in developing countries. They have a direct impact on the poor, including farmers, patients, students, micro-loan borrowers, micro-retailers, customers, and others.

To monitor the results of each investment, IFC uses its Development Outcome Tracking System (DOTS).<sup>8</sup> This system helps to collect standardized data from IFC clients to track their reach and development results. Examples of industry-specific indicators and aggregate target impacts are provided in the project summary table below.<sup>9</sup> IFC tracks these indicators throughout the lifecycle of each project until project closure.

Reach targets listed in this report are calculated prior to the project being committed and represent expected results.<sup>10</sup>

The project summary table below illustrates the expected development results from projects funded in FY15 and FY16, in whole or in part, with Inclusive Business Bond proceeds. The projects are organized by industry.

**Project Summary Table**

Agribusiness & Forestry				
Country	Institution Name	Project Description	Loan commitment (USD millions)	Project ID
India	Lucid Colloids	Lucid Colloids is a top producer of guar gum, a thickening and stabilizing agent used in food and industrial products. The company sources guar from smallholder farmers in India, providing technical assistance and boosting their productivity and income. This project will expand Lucid Colloid's capacity by setting up a research and development facility, as well as new plants in Gujarat and Rajasthan that will increase its reach to farmers in arid and semi-arid regions.	15.0	<a href="#">34335</a>
Rwanda	AIFHBV (Africa Improved Foods)	The Africa Improved Foods joint venture project will construct a processing plant to produce fortified blended food in Rwanda. The plant will sell to institutional clients as well as local and international markets and will support the prevention and treatment of malnutrition, including for an estimated 700,000 children. The plant will source raw material from smallholder farmers, therefore providing additional income opportunities to rural communities.	7.0	37492/37493 (See the parent project <a href="#">34396</a> for more information)

<sup>8</sup> Refer to [www.ifc.org/developmentimpact](http://www.ifc.org/developmentimpact) for more information.

<sup>9</sup> Aggregate impact numbers may exclude those of some projects where impact is measured using different indicators.

<sup>10</sup> The timeline of the target reach varies by project. The project summary table includes a range of target years to account for these project-level differences.



## IFC SOCIAL BONDS INTRODUCTION AND IMPACT REPORT

Uganda	Pearl Dairy	Pearl Dairy operates the second largest milk processing plant in Uganda, producing mainly milk powder and butter oil. The company is establishing milk collection centers and cold-storage infrastructure to facilitate milk collection from smallholder farmers in remote areas, thus providing market opportunities for farmers. This project will support the operation of Pearl Dairy's milk processing plant.	4.0	<a href="#">33405</a>
Liberia	Wienco Liberia	Wienco imports and distributes fertilizers and crop protection products for cocoa trees, and purchases and exports dry cocoa beans from smallholder farmers. The company partners with farmer associations to provide training, affordable inputs, and long-term financing to farmers. This project will provide funding for capital expenditure and pre-harvest financing of farmers' agricultural inputs, which is expected to increase farmer incomes by 160%.	2.5	<a href="#">36357</a>
<b>Baseline Impact:</b>			<b>55,500 farmers reached</b>	
<b>Target Impact (2018-2020):</b>			<b>122,500 farmers reached</b>	

Telecommunications, Media and Technology				
Country	Institution Name	Project Description	Loan commitment (USD millions)	Project ID
Tajikistan	Indigo Tajik (TCell)	TCell is Tajikistan's first and largest mobile network operator. The company provides coverage to 94 percent of the population through its 2G network and 45 percent through its 3G network. This project will help TCell upgrade its network, increase coverage, and make mobile services more accessible and affordable, especially in remote, sparsely populated regions.	30.0	<a href="#">34211</a>
Bangladesh	Robi Axiata	Robi is a leading mobile network operator in Bangladesh, with 300,000 points of sale. The company provides innovative services that address the needs of low-income people, including life insurance, mAgri, e-education, and e-money. This project will upgrade Robi's 3G network and support its expansion to rural regions.	66.0	<a href="#">36136</a>

# IFC SOCIAL BONDS INTRODUCTION AND IMPACT REPORT

Myanmar	Ooredoo Myanmar	Ooredoo was awarded a license to provide mobile telecommunication services in Myanmar in 2014 following the opening of the sector. Prior to the license award, only 1 in 10 people in Myanmar had a wireless phone. Ooredoo initially launched in 68 towns and cities and now covers more than half of Myanmar population. This project will facilitate the rollout of the company's 3G network in Myanmar, as well as the license fee and operating expenses. The company also aims to utilize a network of small and medium enterprises and local companies as distributors throughout the country.	150.0	<a href="#">34170</a>
<b>Baseline Impact:</b>			<b>27.1 million customers supplied with phone connections</b>	
<b>Target Impact (2018):</b>			<b>49.81 million customers supplied with phone connections</b>	

Health, Education, Life Sciences				
Country	Institution Name	Project Description	Loan commitment (USD millions)	Project ID
Laos	Essilor Lao	Essilor is a leading global manufacturer of prescription lenses with 22 production facilities in 12 countries. In India, China, and Brazil, Essilor has pioneered distribution models to reach base of the pyramid customers. Its innovative models equipped 1 million people at the base of the pyramid with glasses for the first time in 2015. <sup>11</sup> This project will support the company's global operations through the establishment and operations of a greenfield manufacturing facility in Lao PDR for polycarbonate eyeglass lenses, a type of lenses highly resistant to impact and particularly adapted for children.	10.5	<a href="#">32557</a>
Brazil	Mauricio	Mauricio is one of the largest private education groups in Brazil, offering undergraduate, graduate, vocational and distance-learning courses mainly to low- and middle-income students through 37 units spread across 25 cities. This project will support the company's expansion through renovation, acquisitions, implementation of distance learning, and the construction of two new campuses in the northeastern cities of Aracaju and Fortaleza.	40.0	<a href="#">32648</a>
<b>Baseline Impact:</b>			<b>34,073 patients and/or students reached</b>	
<b>Target Impact (2017-2018)</b>			<b>5,103,500 patients and/or students reached</b>	

<sup>11</sup> As reported in Essilor Annual Report 2015-2016. Available at: [http://annualreport.essilor.com/essilor-content/uploads/2016/05/ESSILOR\\_Annual\\_Report\\_2015\\_EN\\_.pdf](http://annualreport.essilor.com/essilor-content/uploads/2016/05/ESSILOR_Annual_Report_2015_EN_.pdf)

Financial Markets				
Country	Institution Name	Project Description	Loan commitment (USD millions)	Project ID
Lebanon	Al-Majmoua	Al-Majmoua is a leading microfinance institution in Lebanon with more than 46,000 active clients, of which 52 percent are women. This project will help Al-Majmoua to grow its loan portfolio and expand outreach to serve more low-income micro entrepreneurs, especially women.	3.0	<a href="#">33931</a>
Rwanda	KCB Rwanda	KCB Bank Rwanda is one of the leading private banks in the country. This project will enable KCB to support farmer cooperatives in Eastern Rwanda that will supply maize and soybeans to a nutritious food processing plant to be established in the country (see Africa Improved Foods above). The financing will be used for farmers' seasonal working capital needs such as input costs (seeds, fertilizers), land preparation, weeding, and harvesting, etc.	2.25	35378 (See the parent project <a href="#">34396</a> for more information)
Cambodia	Prasac MFI	Prasac is the largest microfinance institution in Cambodia, providing loans, savings, ATM, e-Banking, local money transfer, money exchange, payroll, bill payment and mobile top-up services. Approximately 85 percent of Prasac's 200,000 borrowers are women. This project will enable increased lending to micro and small and medium enterprises in the rural and agricultural sectors.	10.0	<a href="#">36280</a>
Tunisia	ENDA Tamweel (former ENDA Inter-Arabe)	ENDA is Tunisia's largest microfinance institution, operating 79 branches that reach 270,000 clients, of which 65 percent are women. ENDA's average loan size is USD1,625. The company is also expanding to non-credit services, including training and financial education. Project is supporting ENDA to increase access to finance for micro and small enterprises.	8.0	<a href="#">35267</a>
Baseline Impact:			418,455 micro loans outstanding	
Target Impact (2017-2021):			663,785 micro loans outstanding	

## Banking on Women Bond Overview

### BANKING ON WOMEN PROGRAM OVERVIEW

Women entrepreneurs are changing the face of the global economy, helping to sustain job creation and economic growth. It is estimated that women-owned entities represent over 30% of registered businesses worldwide. Yet on average only about 10% of women entrepreneurs have access to the capital needed to grow their businesses. The fact that many emerging markets financial institutions have yet to develop sustainable strategy to address this significant market gap represents a missed opportunity and constraints on private sector development.

IFC's BOW program plays a catalyzing role for IFC partners and financial institutions to help them profitably and sustainably serve women-owned businesses. As of end-June 2016, IFC had built a cumulative committed portfolio of USD 1.13 billion, specifically carved out for on-lending to women-owned small and medium enterprises (SMEs) through financial institutions, of which USD 620 million is on IFC's own account and USD 510 million is mobilized from co-financiers.



BOW advisory projects have shown equally strong growth, and our BOW advisory clients are launching dynamic programs for women customers. Since inception, 26 BOW advisory projects have been implemented including completed projects: 8 in Sub-Saharan Africa, 6 in East Asia Pacific, 5 in Middle East and North Africa, 3 in South Asia, and 2 in

Latin America and the Caribbean. As of June 2016, 15 advisory projects are in implementation with a total value of USD 8.5 million and an average size of USD 570,000. These projects are aimed at helping financial institutions recognize the business opportunity of the women-led SME segment, and supporting them to design strategies and value propositions for women customers.

## BANKING ON WOMEN BONDS ISSUANCE PROGRAM (FY14-FY16)

IFC launched the BOW Bond Program in 2013 to attract greater investments to help financial institutions profitably and sustainably serve women-owned businesses. All proceeds from IFC's BOW Bonds are set aside in a designated account for investing exclusively in investment projects under IFC's BOW program. Two BOW Bonds (one in two tranches) were issued in three currencies, swapped into USD, raising USD 268.0 million in total.



### Cumulative Issuance

Currency	Amount	Issue Date	Maturity	USD	Coupon
AUD	86,100,000	11/21/2013	11/20/2018	81,450,600	Fixed
TRY	163,700,000	11/21/2013	11/20/2018	81,039,604	Fixed
BRL	236,000,000	8/4/2014	7/26/2018	105,498,435	Fixed
<b>TOTAL</b>				<b>267,988,639</b>	

## BANKING ON WOMEN BONDS USE OF PROCEEDS REPORTING

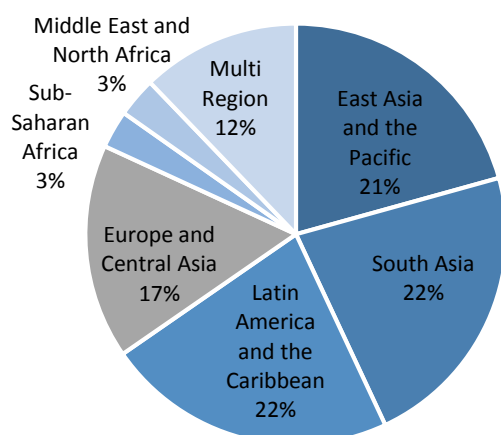
IFC commitments include investments for which IFC has signed a legally binding agreement. Only debt commitments to BOW program are considered eligible. Disbursements are the outflow of funds from IFC's BOW Bond proceeds to clients, which occurs after commitments are finalized.

### BOW Program Eligible Commitments

As of June 30, 2016, 16 Eligible Projects have been committed in total amount of USD 246.2 million with financial institutions in IFC's BOW program under the BOW Bond Program. The table and chart below show the breakdown of Eligible Commitments by region in FY14-16.

#### Eligible Commitments by Region

<i>USD millions</i>	FY14	FY15	FY16
<b>East Asia and the Pacific</b>	-	18.8	32.2
<b>South Asia</b>	5.0	-	50.0
<b>Latin America and the Caribbean</b>	15.0	10.0	30.0
<b>Europe and Central Asia</b>	13.0	27.6	-
<b>Sub-Saharan Africa</b>	-	-	7.1
<b>Middle East and North Africa</b>	-	-	7.5
<b>Multi Region</b>	-	-	30.0
<b>TOTAL</b>	<b>33.0</b>	<b>56.3</b>	<b>156.8</b>





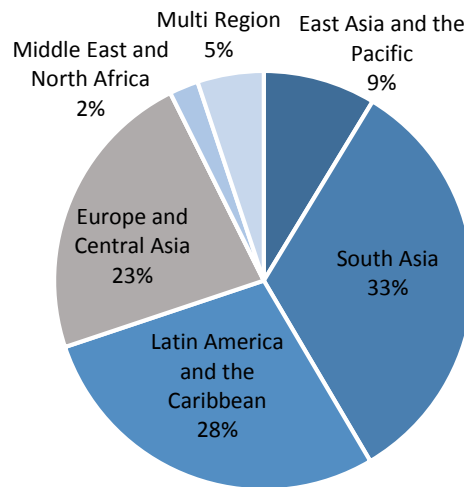
## BOW Bond Disbursement of Proceeds

Of the 16 committed projects, 14 projects in total volume of USD 167.5 million have been disbursed. The breakdown of historical annual disbursement by region is as follows:

### Disbursements of Proceeds by Region

<i>USD millions</i>	FY14	FY15	FY16
<b>East Asia and the Pacific</b>	-	1.6	13.0
<b>South Asia</b>	5.0	-	50.0
<b>Latin America and the Caribbean</b>	10.0	10.0	27.5
<b>Europe and Central Asia</b>	12.0	26.2	-
<b>Sub-Saharan Africa</b>	-	-	-
<b>Middle East and North Africa</b>	-	-	3.8
<b>Multi Region</b>	-	-	8.6
<b>TOTAL</b>	<b>27.0</b>	<b>37.7</b>	<b>102.8</b>

Note: numbers may not add up due to rounding.



## BANKING ON WOMEN BONDS PROJECT SUMMARY

As in the case of Inclusive Business projects, IFC uses its DOTS system to monitor the reach and development results of each investment. The number of loans outstanding to women-owned SMEs is an example of industry-specific indicators. The aggregate target impact of BOW Bond projects is provided in the project summary table below.

The table below illustrates the expected development results, calculated prior to the project being committed, from projects funded, in whole or in part, with BOW Bond proceeds.

**Project Summary Table**

Country	Institution Name	Project Description	Eligible Loan Commitment (USD millions)	Project ID
Cambodia	ACLEDA Bank	The investment consists of an up to USD 210 million senior loan, of which a USD 90 million is allocated towards women-owned SME financing. The purpose of this investment is to support ACLEDA to grow its SME lending business and expand its outreach to women entrepreneurs, who play an important role within the economy and contribute towards job creation in Cambodia.	28.4	<a href="#">37594</a>
Mongolia	SEF XacBank	The investment entails a syndicated senior loan facility to XacBank, including an IFC A loan of up to USD15 million and IFC B loans or parallel loans of up to USD 90 million, in order to promote access to finance in Mongolia and strengthen XacBank's funding position.	3.8	<a href="#">37610</a>
West Bank and Gaza	Bank of Palestine	The project entails a 10-year subordinated debt ("Sub-debt") of up to USD 50 million to Bank of Palestine, the largest national bank in West Bank & Gaza. The Sub-debt will support the bank's expansion of access to finance and banking services for SMEs and women.	7.5	<a href="#">37270</a>
India	Yes Bank	The project comprises a long term financing line for on-lending to women owned small and medium sized enterprises.	50.0	37471
Global	WED Fund	The project aims to address the access to finance challenges faced by women-owned SMEs in emerging markets. The Fund will provides senior debt to commercial banks that are committed to expanding their portfolios of women-owned SMEs in emerging markets.	30.0	<a href="#">36082</a>
Ecuador	Banco Pichincha	As part of a joint Investment Services and Advisory Services strategy, the IFC investment consists of a senior loan for Banco Pichincha, in order to support the growth of climate smart projects and SMEs.	5.0	<a href="#">37502</a>

## IFC SOCIAL BONDS INTRODUCTION AND IMPACT REPORT

Country	Institution Name	Project Description	Eligible Loan Commitment (USD millions)	Project ID
Kenya	Cooperative Bank	IFC offers Cooperative Bank a senior loan of up to USD105 million, the purpose of which is to provide the Bank with long-term funding to (i) support increased lending to SMEs and co-operatives, including Women-owned Enterprises (“WOEs”), and (ii) to promote affordable housing through expansion of mortgage and construction finance.	7.1	<a href="#">35393</a>
Chile	Banco Itau Corpbanca	The project consists of a 5-year loan for up to USD100 million to be provided by IFC to Banco Itau Corpbanca Chile and a 3-year loan for up to US\$100 million to be mobilized from other lenders under IFC's B lender program to support its lending activities to SMEs and women-owned SMEs in Chile.	25.0	<a href="#">36700</a>
Ecuador	Banco Internacional	The transaction aims to partner with Banco Internacional in Ecuador through a senior loan to support the Bank's growth of its SMEs loan portfolio, in particular for women owned enterprises.	10.0	<a href="#">35525</a>
Indonesia	BTPN	PT. Bank Tabungan Pensiunan Nasional Tbk., (“BTPN” or the “Bank”) is a mid-size commercial bank. The project is a part of IFC's inclusion agenda in Indonesia and extends loans in Indonesian Rupiah which will be used to (i) fund the growth of the Bank's micro-small business finance activities and expansion of the Bank's subsidiary, BTPN Syariah's “productive poor” business line which is targeted at women entrepreneurs at the base of the pyramid, and (ii) strengthen its funding base in order to reduce asset and liability mismatch with a longer tenor financing package.	18.8	<a href="#">34329</a>
Romania	Garanti Bank	The IFC investment is a senior loan of up to EUR35 million to an existing IFC client – Garanti Bank S.A. Romania for the purpose of on-lending to micro small and medium enterprises, of which EUR20 million for on-lending to Women-Controlled MSMEs. The Project supports IFC's financial markets strategy in CSE and Romania as it makes a positive contribution by funding a priority sector, SMEs, with most part of the funds being earmarked for gender finance.	27.6	<a href="#">34605</a>
Kyrgyz Republic	Bai Tushum Bank	The project is IFC's third deal with Bai Tushum and aims to strengthen IFC's investment relationship with the Bank and to support the Bank's strategy to scale up its lending activities towards SMEs, including women-owned enterprises.	1.0	<a href="#">33030</a>

## IFC SOCIAL BONDS INTRODUCTION AND IMPACT REPORT

Country	Institution Name	Project Description	Eligible Loan Commitment (USD millions)	Project ID
India	YES Bank	Founded in 2004, YES Bank Ltd. ("YES Bank" or "the Bank") is the 4th largest private sector bank in India, with an asset base of c.USD18 billion (FY13). It is one of the fastest growing private sector banks. The Bank has steadily diversified and increased its SME and retail portfolio, which presently comprises 36% of its loan book. As part of its strategy, the Bank aspires to increase the proportion of the SMEs to 50% over the next five years.	5.0	<a href="#">34478</a>
Russia	TransCapital Bank	IFC provides up to USD50 million (up to 5 years) senior loan to CJSC Transcapitalbank (the Bank or TCB). The proceeds from IFC's investment would be directed towards on-lending to SME and corporate customers to support their investments in eligible Energy Efficiency projects and/or to women-owned or controlled SMEs.	12.0	<a href="#">33690</a>
Chile	Banco Internacional	The project involves supporting Banco Internacional in establishing its agribusiness business unit to originate an SME focused agribusiness portfolio and support the development of a women-owned SME portfolio - high priority segments for IFC.	15.0	<a href="#">33272</a>
<b>Baseline Impact:</b>			<b>61,455 loans outstanding to women owned SMEs</b>	
<b>Target Impact (2018-2020):</b>			<b>109,798 loans outstanding to women owned SMEs</b>	

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