

Funding in the Japanese Market

Investing for impact through IFC's Bond Program



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 Japanese investors

- IFC issues bonds in the global capital markets to fund its investments in the private sector in emerging markets
- Japan is a key partner for IFC; the Japanese government is IFC's second largest shareholder with an 8% ownership stake
- Besides its public bonds in key markets such as USD and AUD, IFC issues in a variety of markets, such as Uridashi and private placements, and across various currencies and structures
- As at FY21-end, IFC had \$55 billion in market borrowings outstanding
- Funding from Japan represents, on average, more than 10% of IFC's total annual issuance
- Tokyo and Singapore-based Treasury staff help IFC expand its name recognition among retail investors

Green and Social Bonds in Japan

- IFC continues to actively respond to demand for green and social bonds and accommodates trades with a green or social label on a reverse inquiry basis from Japanese institutional and retail investors
- In March/April 2020, Nippon Life Insurance and Sumitomo Life Insurance invested AUD 200 million and AUD 100 million, respectively, in IFC's \$1 billion social bond launched after the announcement of the WBG's COVID-19 response
- After a research collaboration with the World Bank Group, the Government Pension Investment Fund (GPIF) began investing in green and social bonds with a debut placement in IFC's green bond in FY19 and in IFC's social bond in FY20

Uridashi Highlights

In FY21, IFC issued

50 Uridashi transactions

across **5** currencies

totaling

\$ 643million
equivalent

- Offerings now include such structures as **equity index- or FX-linked with fixed or digital coupon, dual currency and zero-coupon structures**
- IFC has an active **Uridashi buyback program** with a minimum buyback size of JPY100 million equivalent



"The credit profile of IFC is underpinned by very high intrinsic financial strength, driven by strong capital adequacy and liquidity, and the high creditworthiness of major shareholders, combined with their commitment to support the organization."

Moody's
5 December 2020



"The stand-alone credit profile for IFC is 'AAA', reflecting our assessment of its very strong enterprise risk profile and extremely strong financial risk profile."

Standard & Poor's
25 February 2021

IFC's value proposition

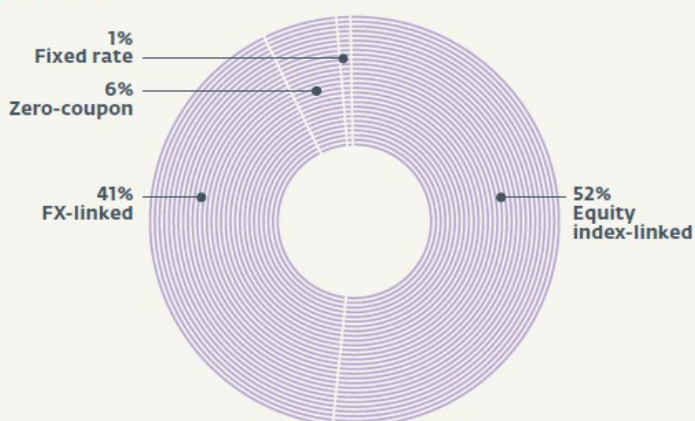
- **Owned by governments of 185 member countries** with 50% of capital held by AAA/AA sovereigns
- **Strong financial profile** with substantial capital and high liquidity
- **Highly diversified global portfolio** with debt and equity exposure in more than 119 countries and 1,800 companies
- 0% risk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

IFC's strong financial fundamentals

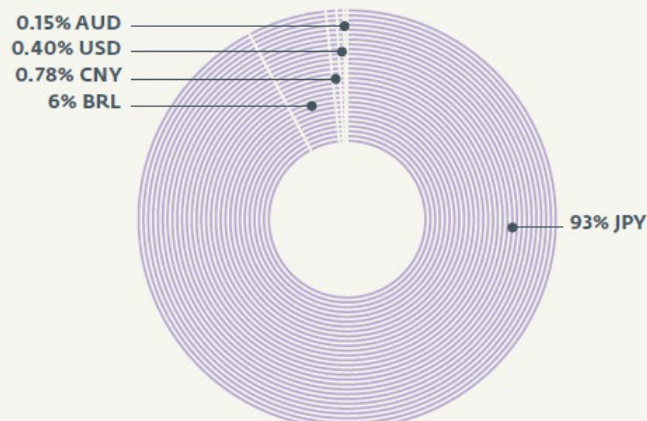
- **IFC has one of the lowest ratios of debt-to-net worth of any supranational**
- **IFC's growth has been financed predominantly by retained earnings**
- **IFC's liquid assets comprise 40% of its balance sheet**
- **IFC's equity investments are funded by its net worth**

FY21 Uridashi issuances

FY21 structures



FY21 currencies



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