

IFC NEWS + VIEWS



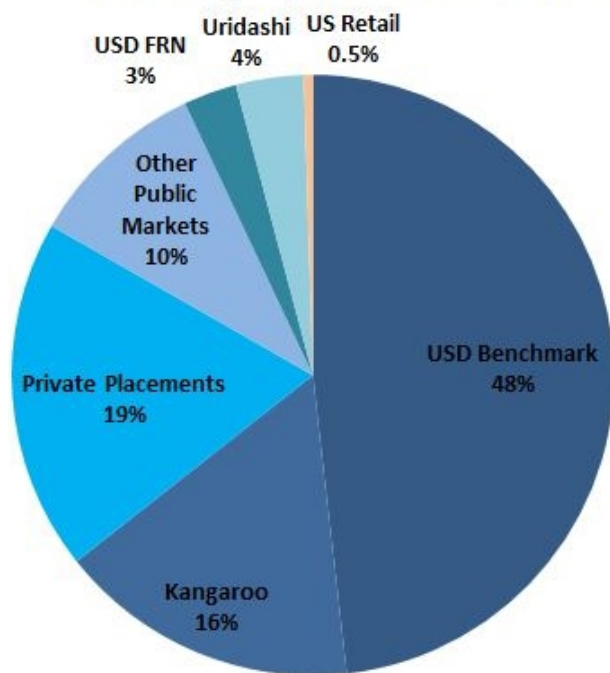
Issue no. 3 - October 8, 2014

A Robust Start

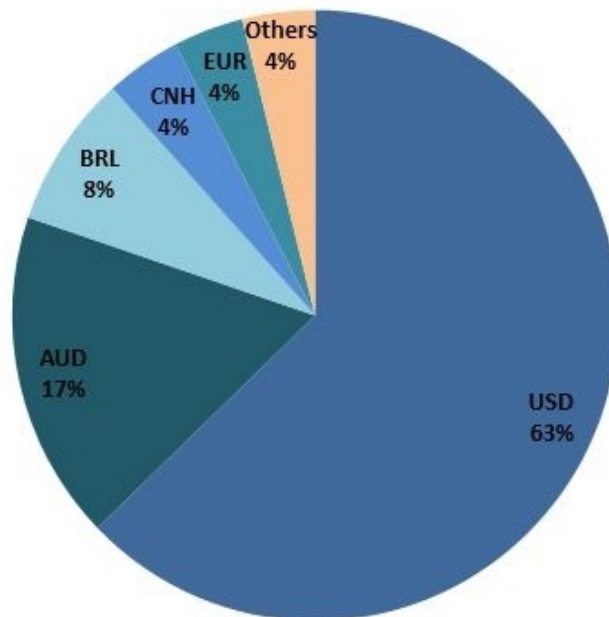
One of IFC's key roles is to build a bridge connecting private sector investors with socially and environmentally sustainable investment opportunities. IFC's Funding team is tasked with ensuring access to capital at costs that permit the corporation to offer the necessary financing required to create jobs, and improve lives. To this end, our strategy is to diversify our borrowings by currency, country, market, and maturity to provide flexibility at optimal costs.

IFC's new fiscal year began July 1, 2014 and we closed the first quarter with good progress towards our funding target of USD18bn for FY15. By October 1, 2014, we had issued USD8.9bn through 73 transactions in 12 currencies, with an average maturity of 4.5 years. Our objectives for the rest of the fiscal year continue to be minimizing our cost of funding and adapting our strategy to tap new markets, while keeping a consistent presence in core markets.

Borrowings by Market Q1, FY15



Borrowings by Currency Q1, FY15



FY14 Financial Highlights

In FY14, IFC achieved significant development impact in some of the world's most challenging environments. Globally, we invested more than USD22bn (including USD5bn mobilized from other investors) in about 100 developing countries. With our support, more than 2,000 IFC clients were able to provide 2.6 million jobs, distribute power, water, and gas to more than 94 million customers, and provide more than USD300bn in loans to micro, small, and medium enterprises.

IFC reported income (before grants to IDA) of USD1.74bn for FY14, up from USD1.35bn for FY13. Net income from treasury operations totaled USD403m. During FY14, IFC borrowed USD15.3bn, compared to USD12.8bn the previous fiscal year. FY14 borrowings were in 17 currencies with an average maturity of approximately 3.7 years.



[Link to IFC Annual Report 2014»](#)

Q1 Bond Issues of Note

July, 2014

IFC kicked off its new financial year with a 5 year USD3bn global bond. The bond priced at mid-swaps + 1 basis point, equivalent to 14.3 basis points over U.S. Treasuries and generated an order book of over USD3.6bn from investors spanning Americas 21%, Asia-Pacific 32%, EMEA 47% and varying by investor type – Banks and Corporates at 47%, Central Banks and Official Institutions at 48% and Fund Managers representing 6%.

August, 2014

IFC became the first institution to issue a green bond denominated in Peruvian soles, raising PEN 42m (USD15m) through a 20-year zero-coupon structure. The sole investor in the twenty-year bond PEN green bond was RIMAC Seguros, Peru's leading insurance company.

September, 2014

For the first time ever, U.S. individual investors are able to buy Green Bonds. IFC's Impact Notes retail program was originally introduced in March 2014 and expanded to offer Green Bonds last month. The Impact Notes are offered through an extensive number of brokers throughout the U.S.

Also in September, IFC became the largest issuer of renminbi denominated bonds on the London Stock Exchange, having issued bonds totaling CNH4.25bn. We issued a second benchmark-sized renminbi bond this year – a 5 year CNH1bn (USD163m) transaction placed in September. The bond priced 6 basis points through the offshore Chinese government bond curve and is also the longest-dated CNH bond by a triple-A rated issuer on the exchange. Investors included central banks, official institutions, commercial banks, insurance companies, and asset managers globally.



We were active in the Australian market in Q1, with a new 10.5-year line, extending IFC's Kangaroo curve beyond its previous longest maturity of August 2023. The AUD250m transaction priced at 29 basis points over semi-quarterly swaps, the equivalent of 50 basis points over the Australian government bond curve and drew 14 accounts - 61% in Australia, 35% in Japan and the remainder to non-Japan Asia. During the quarter, IFC also launched a new 5-year transaction in Australia, raising a total of AUD750m. The issue was distributed 56% to central banks, 31% to banks and the remainder to asset managers. The deal was subsequently tapped by AUD450m in September. In this case, the issue was distributed 58% to Australian accounts, 40% to Asia and 2% to the Americas.

Following the successful completion of an off-shore rupee bond program which raised USD1bn from investors globally, IFC priced an inaugural issuance under the Maharaja domestic Indian rupee bond program, raising Rs6bn (USD100m) in four tranches. The first two tranches of Rs1.5bn each were 5 and 10 year fixed rate notes. Both bonds priced approximately 50 basis points below the Indian government bond (IGB) yields of comparable maturities. This is the first time a bond issuance in the Indian domestic markets has been priced below the IGB benchmark yield curve. The two other tranches were issued under the separately tradable redeemable principal parts (STRPPs) format, a unique structure created by IFC to match the amortizing nature of IFC's infrastructure financing for which the proceeds will be used.

Upcoming Events

The IMF and WBG Annual Meetings
Washington, D.C.,
October 10-12, 2014



IFC Japan Investors Seminar
Tokyo
October 15, 2014

IFC Growing a Green Bond Market in
2014



Mexico: Issuer and Investor
Summit October 26, 2014

IMN's 12th Annual African Capital
Markets Conference
Cape Town
November 13-14, 2014



Recent Awards



Editors Award
Asian FX Debt Pioneer



Editors Award
Innovation in Emerging Currencies Access



Kanganews Kauri Bond Deal of the Year
International Finance Corporation
NZ\$650 million 3.875% February 2018