

A Record Year

For over six decades, IFC has been a leader in private sector development, and fiscal year 2017 stands out as a banner year for IFC. During the year we invested at our highest levels, delivering a record \$19.3 billion in financing to private companies in 75 countries, inclusive of \$7.5 billion mobilized from other investors.

We intensified our focus on the most challenging regions and markets, investing a record amount to help address climate change.

IFC's 3.0. strategy reframes our approach from responding to demand to working proactively – leveraging the strengths of the entire World Bank Group and other development partners – to create markets, and mobilize private sector resources at a greater scale.

- ✓ **Investments: > \$19 billion**
- ✓ **Funding: > 300 bonds issued**
- ✓ **Funding: 25 currencies**



FY17 Funding Review

IFC's FY17 fiscal year ended on June 30, 2017. Over the year, IFC issued \$16.2 billion, which comprised \$13.5 billion in long-term funding as well as \$2.7 billion of net discount notes issuance. For comparison, in FY16 IFC's total funding volumes amounted to \$15.8 billion. The weighted average maturity of new borrowings increased to 4.7 years at the end of FY17 from 4.5 years in FY16.

In FY17, funding was raised **across 25 currencies and 312 trades** - both **historic records**. This was largely driven by an increased amount of private placements, which accounted for 30 per cent of total issuance compared to 20 per cent in the previous year. Zero coupon callable issuance quadrupled, totaling over \$2 billion in FY17 and accounting for a half of IFC's private placement volume. Additionally, we enjoyed a sizeable flow of MTN offerings in rare currencies.

IFC remained active in core markets such as the Australian-dollar Kangaroo market and launched a new 5.5-year line maturing in August 2022, raising AUD 1.5 billion to date. IFC also launched a new

10.5-year line maturing in October 2027, extending IFC's Kangaroo curve beyond its previous longest maturity.

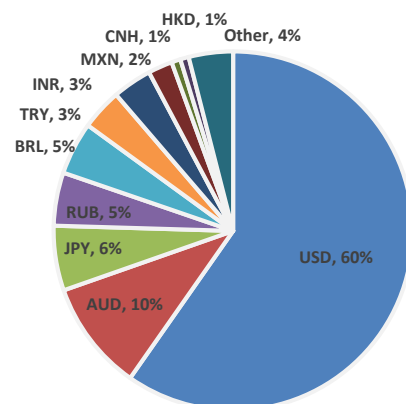
IFC continued its march in the retail space. The Japanese Uridashi market accounted for 10 per cent of IFC's overall issuance. In the US, IFC launched a new Accelerated Return Notes program for retail investors.

In the socially responsible bond space, IFC debuted with a Social Bond Program, offering investors an opportunity to finance underserved communities. IFC stayed active in the green space, offering 19 green bonds to the market.

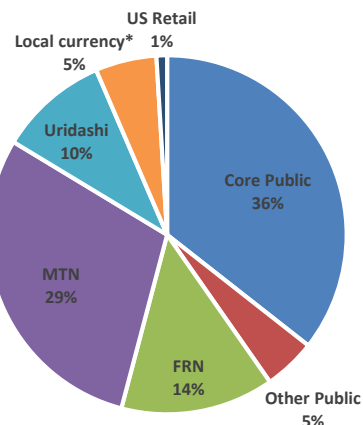
Under IFC's discount note program, we issued a cumulative total of USD\$12.6 billion in 225 trades. New dealers were added to expand the outreach to U.S. state treasury accounts, increasing the participation of this investor base to 49% in FY17 from 13% in FY16.

In FY18, IFC plans to raise up to US\$17 billion across a range of markets and currencies.

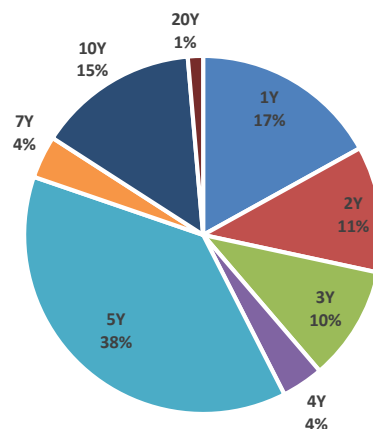
FY17 Core Funding breakdown: by currency



FY17 Core Funding breakdown: by market



FY17 Core Funding breakdown: by maturity



* Includes on-shore local currency trades

New and Rare Currencies

Romanian Lei (RON): In June 2017, IFC issued a RON 70 million 1-year bond, equivalent to approximately \$17 million. This was IFC's first local currency issuance in RON, following the recent consent from the government of Romania allowing IFC to issue in its currency.

Kazakhstan Tenge (KZT): In March 2017, IFC had its first time issuance in KZT. The inaugural KZT 3.5 billion has a three-year tenor and pays 8% coupon.

Peruvian Sol (PEN): In the same month, IFC issued PEN 29 million 5-year bond with a 5% coupon.

Myanmar Kyat (MMK)-linker: In February 2017, IFC brought the first ever identified MMK linker to the market. The synthetic MMK note was denominated in USD, maturing in 2019 with a coupon of 8.75%.

Singapore Dollar (SGD): As part of its strategy to proactively seize opportunities in Asian markets through its new Singapore treasury hub, IFC issued SGD 100 million bond. The bond is IFC's first issuance in the currency in seven years.

New Ghanaian Cedi (GHS): In 1H FY17, IFC issued GHS 34 million 3-year bond, structured as a zero coupon bond.

Additionally, IFC offered notes in CLP, CNH, COP, INR, NGN, MXN, HKD, SEK, UYU and other currencies in the course of the year.

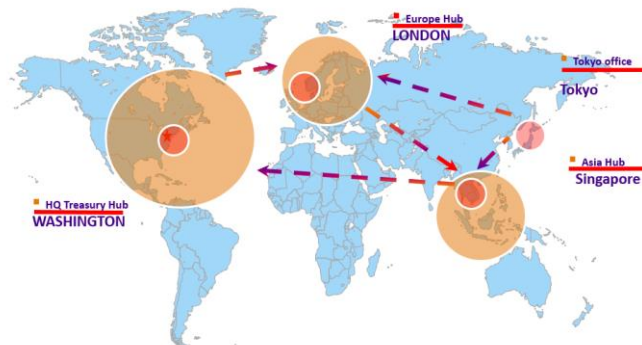
Other News

- ❖ IFC's AAA rating was reaffirmed by both Moody's and S&P
- ❖ IFC was recognized by a number of institutions receiving multiple awards for the corporation's funding program over the year including MTN Issuer of the Year by mtn-i and Most Innovative Issuer by CMD Portal.
- ❖ In September 2017, IFC organized a Global Debt Mobilization Conference in Madrid that brought together nearly 300 delegates from 85 institutions. Participants discussed needs and challenges for capital market development and opportunities for investment in emerging markets over more than two days of plenary discussions and networking. [READ MORE>>>](#)
- ❖ In May 2017, IFC organized a Capital Markets Africa conference in Nairobi to discuss the challenges and opportunities in the regional capital markets and conducted a workshop for 25 regulators. About 350 participants attended the conference.

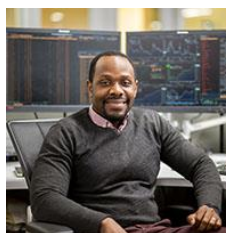


People and Places

FY17 was the first full year of the Funding Team's operations spanning across Tokyo, Singapore, London and Washington. With three fully functional Treasury hubs and Tokyo representation, the team provided real-time execution services in each region. An increased volume of trades in the year has been a testament to this advantage. In fact, we opened a new fiscal year FY18 with 4 new bonds on July 4th, when markets were closed in the US.



An Investment in the Future



Congratulations! The first cohort of the IFC-Milken Institute Capital Markets program graduated in spring of FY17. Over the course of 8 months, 19 practitioners from 13 developing countries have expanded their capital markets knowledge, aiming to make a difference in accelerating capital market development in their countries.

[READ MORE>>>](#)

Farewell, Ben Powell!

Ben Powell, who joined IFC in 2011 and led the funding operations since 2014, left IFC in October 2017 to SEB in Norway. Flora Chao and Marcin Bill, senior funding officers, co-lead funding operations until a new Head of Funding is appointed.



New Products

Social Bond program

In March 2017, IFC created its Social Bond Program with an inaugural USD 500 million 3-year Global Social Bond. [READ MORE >>>](#)

ARN retail program

In October 2016, IFC launched a new Accelerated Return Note (ARN) retail program in the US, offering 14-month maturity notes linked to major US equity indices. In FY17, IFC issued five ARNs totaling USD 107 million.

Italian retail program

Early in FY18, IFC came to Italian retail market with green bond offerings. The bonds had zero coupon structures and were denominated in BRL and TRY.