IFC’s Experience in Capital Markets

2019
Funding in various markets and currencies

- IFC has **issued global benchmarks** each year since 2000
- IFC complements its public issuance by accessing a variety of different markets such as **green bonds**, Uridashi, **private placements** and **discount notes**
- **First non-domestic issuer** in China, India, Dominican Republic, Nigeria, Peru, Zambia, Rwanda, Botswana, Namibia and others
- As a **US dollar-based institution**, most borrowings are swapped into variable-rate US dollars. In some instances, the local currency proceeds are used to fund projects in the private sector.
**IFC as an Issuer - Focus on Domestic Capital Market Development**

**AFRICA**
- **CFA – Kola and Muabi Bonds**
  - 2006 – XOF 22 billion due 2011
  - 2009 – XAF 22 billion due 2014
- **Morocco – Atlas Bond**
  - 2005 – MAD 1 billion due 2012
- **Rwanda – Umuganda Bond**
  - 2014 – RWF 15 billion due 2019
- **Nigeria – Naija Bond**
  - 2013 – NGN 12 billion due 2018
- **Zambia – Zambezi Bond**
  - 2013 – ZMW 150 billion due 2017
- **Rwanda – Twigire Bond**
  - 2015 – RWF 3.5 billion due 2018
- **South Africa – Domestic Green Bond**
  - 2015 – ZAR 1 billion due 2024
- **Namibia – Namib Bond**
  - 2016 – NAD 180 million due 2021
- **Botswana – Kgalagadi Bond**
  - 2017 – BWP 260 million due 2024

**EUROPE**
- **Russia – Volga Bond**
  - 2012 – RUB 13 billion due 2017
- **Armenia – Sevan Bond**
  - 2013 – AMD 2 billion due 2016
- **Georgia – Iveria Bond**
  - 2015 – GEL 30 million due 2017

**MIDDLE EAST**
- **Gulf Cooperation Council – Hilal Sukuk**
  - 2009 – USD 100 million due 2014
- **Sukuk al Wakala**
  - 2015 – USD 100 million due 2020

**CHINA**
- **Dim Sum Bonds**
  - 2014 – CNH 2.75 billion due 2017
  - 2014 – CNH 1 billion due 2019

**LATIN AMERICA**
- **Costa Rica – Irazu Bond**
  - 2014 – CRC 5 million due 2019
- **Dominican Republic – Taino Bond**
  - 2012 – DOP 390 million due 2017
- **Colombia – El Dorado Bond**
  - 2002 – COP 225 billion due 2007
  - 2002 – COP 125 billion due 2007
  - 2004 – COP 269 billion due 2006
- **Peru – Inca Bond**
  - 2004 – PEN 50 million due 2007
  - 2005 – PEN 100 million due 2008
- **Brazil – Amazonian Bond**
  - 2007 – BRL 200 million due 2011

**CHINA (ISSUED IN UK)**
- **Dim Sum Bonds**
  - 2014 – CNH 2.75 billion due 2017
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**INDIA**
- **Marsala Bond**
- **Maharaja Bond**
  - 2014 – INR 6 billion due 2019, 2024, 2027 - 2034

**MALAYSIA**
- **Wawasan-Islamic Bond**
  - 2004 – MYR 500 million due 2007

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IFC as an Issuer - IFC Kgalagadi Bond (Botswana)

- Issued in December 2017
- IFC’s inaugural issuance under the PADMTN in Botswana
- First ever international AAA-rated Botswana Pula bond issuance in Botswana
- Issuance to expand the availability of long-term local-currency finance for local businesses while strengthening the country’s domestic capital markets
- Offer for subscription by way of book-build
- Listed on the Botswana Stock Exchange (BSE)
- Strong participation from both local and international investors: 2.2x oversubscribed
- Issuance managers: Barclays Bank
- The proceeds of the IFC bond issue were used to provide a BWP loan to Botswana Building Society, to help: (i) increase access to financial services by the lower end of the market; (ii) deepen financial inclusion through a focus on underserved clients; and (iii) foster healthy competition in the project country's financial sector
- Bond (Senior Unsecured Notes) Details:
  - 7-year tenor, amortizing, due 2024
  - Semi-annual fixed rate coupon (5.00%)
  - Notional size of BWP 260mn ($25mn equiv.)
  - Regulatory Status: 0% risk weighting for computing capital adequacy; liquid asset status; Repo eligible

First domestic placement by an international triple-A rated issuer

Interactions with various local Regulators

- Botswana Unified Revenue Service (BURS)
- Ministry of Finance and Economic Development (MFED)
- Bank of Botswana (BoB)
- Non-Bank Financial Institutions Regulatory Authority (NBFIRA)
- Botswana Stock Exchange (BSE)
About Bayport Financial Services

• Bayport Financial Services (Bayport) is a non-bank financial institution in Zambia servicing retail customers. The company has experienced a dynamic growth of its portfolio with plans for further expansion.

Accessing the Zambian Domestic Bond Market

• To support its growing business, Bayport needed to diversify its funding sources beyond local banks and tap into the nascent Zambia capital markets.
• Following IFC’s inaugural Zambezi bond issuance in September 2013, Bayport established a domestic Medium-Term Note program to issue Zambian Kwacha (ZMW) denominated bonds.

IFC as an Anchor Investor

• New IFC client.
• IFC committed to investing ZMW 60m (c. USD 9.4m) via a parallel private placement note, thus providing funding and sending a strong signal of support to potential investors.
• IFC’s first anchor investment in Africa and first ZMW-denominated corporate bond investment.

IFC Advisory Support

• IFC shared experience in structuring, collateral and legal arrangements, regulatory approvals, and marketing, in close collaboration with the lead managers and legal advisors.

Achievements

• Issue size was raised to ZMW 172m (c. USD 27m) from ZMW 150m following strong investors’ demand.
• Successful placement with domestic and international investors: diversification of funding sources for Bayport.
• Stimulation of the domestic capital markets: Bayport’s inaugural bond was one of the largest issuances in the Zambian market and one of the very few secured issuances in Zambia.
A pioneer in the Indian bond market
• Issuance to support its growing investments in clean energy
• By establishing a Green Bond program Yes Bank were able to diversify its funding sources and tap into the nascent Green Bond capital markets
• It established its Green Bond Medium-Term Note program that follows the 4 pillars of the Green Bond Principles
• The INR 31.5 billion issued in June 2015 was the second green bond under the bank’s EMTN program
• Able to raise funding from international Social Responsible investors looking for diversification in domestic markets

IFC as an Investor
• Purchased up to US$49.2 million notes
• Aside from funding, it sent a strong signal of support to potential investors looking for diversification into EM
• Supported the issuance by sharing its experience and expertise in Green Bond market
• Helped develop a climate framework that led to drafting the use of proceeds, and impact reporting guidelines

Issuer: Yes Bank, India
Issuance Status: Green Bond, Senior Unsecured
Pricing Date: 16 April 2014
Settlement Date: 25 April 2014
Size: INR 3.15 billion (approx. US$49.2 million)
Maturity: 25 April 2018
Tenor: 10 years
Coupon: 8.95% Fixed
Listing: Not-listed
Arranger: Yes Bank Corporate
Governing Law: New York Law

IFC investment
• Fully Subscribed by IFC
• Pre-committed private placement
• IFC’s first Green Bond investment, and first green bond investment denominated corporate bond investment and local currency in India

Achievement
• Setting the market standard for Green Bonds in India and EM Markets
• Stimulating the domestic capital markets and opening the door for climate change investments