

IFC's Experience in Capital Markets

2019



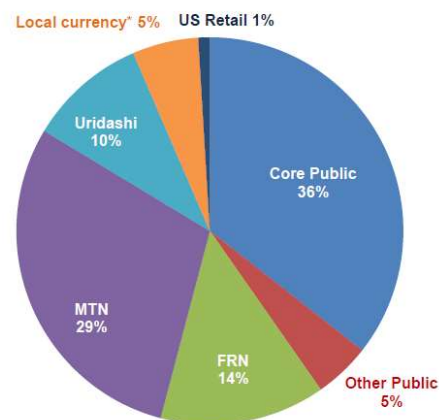
Creating Markets, Creating Opportunities

IFC as an Issuer - Overview of the Funding Program

Funding in various markets and currencies

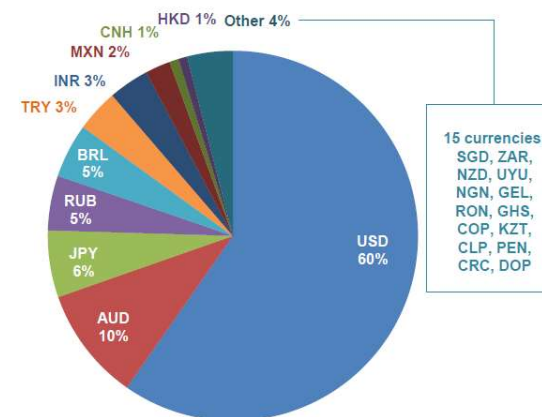
- IFC has issued **global benchmarks** each year since 2000
- IFC complements its public issuance by accessing a variety of different markets such as **green bonds, Uridashi, private placements and discount notes**
- **First non-domestic issuer** in China, India, Dominican Republic, Nigeria, Peru, Zambia, 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.

Borrowings by market in FY17

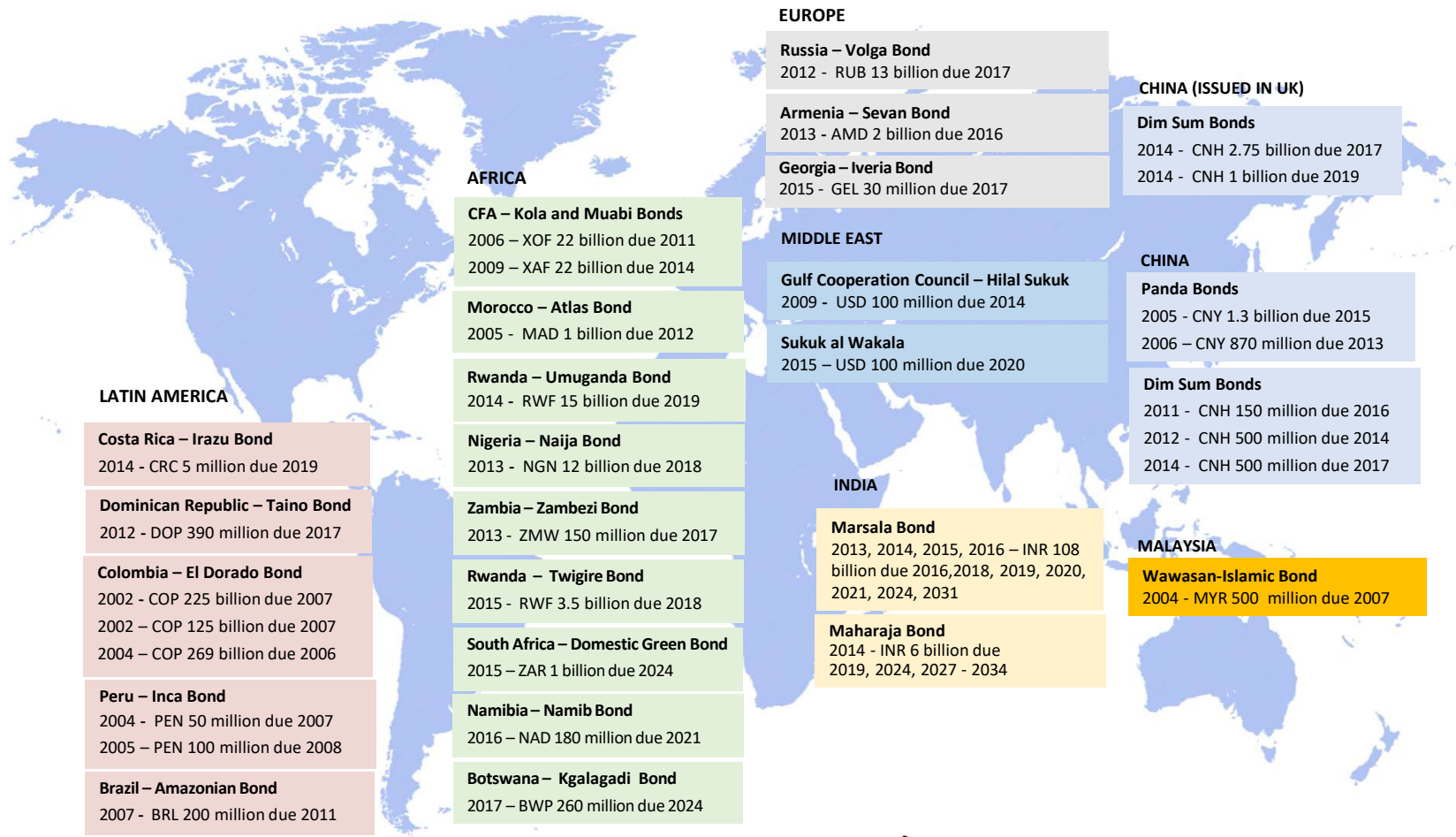


* Includes on-shore local currency trades

Borrowings by currency in FY17



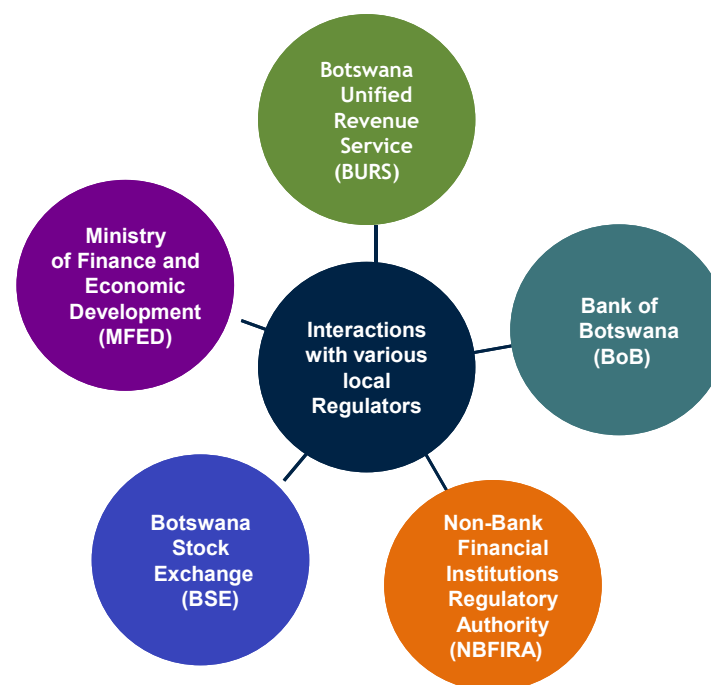
IFC as an Issuer - Focus on Domestic Capital Market Development



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*



IFC as an Investor in Capital Markets - Bayport Financial Services (Zambia)

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.

Issuance Summary

Issuer	Bayport Financial Services Ltd, Zambia
Issuance Status	Senior Secured
Pricing Date	16 April 2014
Settlement Date	25 April 2014
Size	ZMW 172m, approx. USD 27m
Maturity	25 April 2018
Tenor	4 years
Coupon	Tranche 1: 2.50% over 182-T-Bill Tranche 2: 1.52% over 364 T-Bill
Listing	Lusaka Stock Exchange
Arranger	Barclays Bank Zambia, ABSA
Governing Law	Zambian Law

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.

IFC as an Investor in Capital Markets - Yes Bank Green Bond (India)

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

Issuance Summary

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