



Fall Investor Newsletter

Sustainable Finance Edition | December 2024

Funding Highlights

IFC successfully executed its funding program for fiscal year 2024 (from July 1, 2023 to June 30, 2024), raising \$13.1 billion in medium to long-term borrowings across 22 currencies. The U.S. dollar market remained IFC's largest source of funding in FY24, accounting for 44 percent of the total funding volume.

Notably, IFC issued two USD benchmark bonds: a \$2 billion global benchmark bond in July 2023 and a \$1.5 billion social bond in December 2023. IFC also issued benchmark size bonds in several other currencies, including the Australian dollar, Canadian dollar, New Zealand dollar, and British pound sterling.

Building on the success of FY24, IFC kicked off fiscal year 2025 on a positive note with benchmark issuances in U.S. dollar and British pound sterling. In Q1 of FY25 (from July 1 to September 30, 2024), IFC raised \$6.4 billion out of its approved funding target of up to \$15 billion for FY25 (excluding discount notes).

Public issuances have been the preferred funding format so far, raising \$4.2 billion through new issues and taps in three currencies: the Australian dollar, British pound sterling and U.S. dollar. IFC also returned to the floating note market with a new benchmark issuance and taps, raising \$1.1 billion as of September 2024.

MTN reached \$1.1 billion in six currencies, including the Azerbaijani manat, Brazilian real, Mexican peso, Swedish krona, U.S. dollar and Uzbekistani som. IFC also executed two un-swapped local currency transactions in Uzbekistani som and Rwandan franc, which brought in \$30 million.

U.S. DOLLAR MARKET

In the first quarter of FY25, IFC quickly capitalized on favorable conditions in the U.S. dollar primary market by issuing a \$2 billion global benchmark bond, with a 5-year tenor, priced with a spread of Secured Overnight Finance Rate (SOFR) MS + 36 bp, equivalent to + 9.55 bp over the US Treasury Note. The bond attracted \$2.79 billion in orders from a high-quality and diverse investor base. Central banks and official institutions received the largest allocation at 40 percent, followed by banks at 39 percent and asset managers at 21 percent.

IFC continued to access the U.S. dollar primary market with a 4-year floating rate note (FRN) linked to the SOFR index in August 2024. The \$800 million transaction attracted a broad range of global investors seeking high credit quality FRN products, with orders reaching \$1.4 billion. Banks received the largest allocation at 49 percent, followed by central banks and official institutions at 34 percent and asset managers and others at 17 percent. This transaction marks IFC's first FRN benchmark issuance since January 2023.

KANGAROO MARKET

In FY24, issuances in Australian dollar accounted for 19 percent of IFC's total annual issuance volume. IFC continued its regular issuance in the AUD primary market in FY25. In the first quarter of FY25, IFC accessed the Kangaroo market by tapping several AUD lines, bringing the total issuance to AUD 300 million, equivalent to approximately \$200 million. IFC has actively built up its liquid lines by continuously tapping the market, with 12 lines each exceeding AUD 1 billion outstanding.

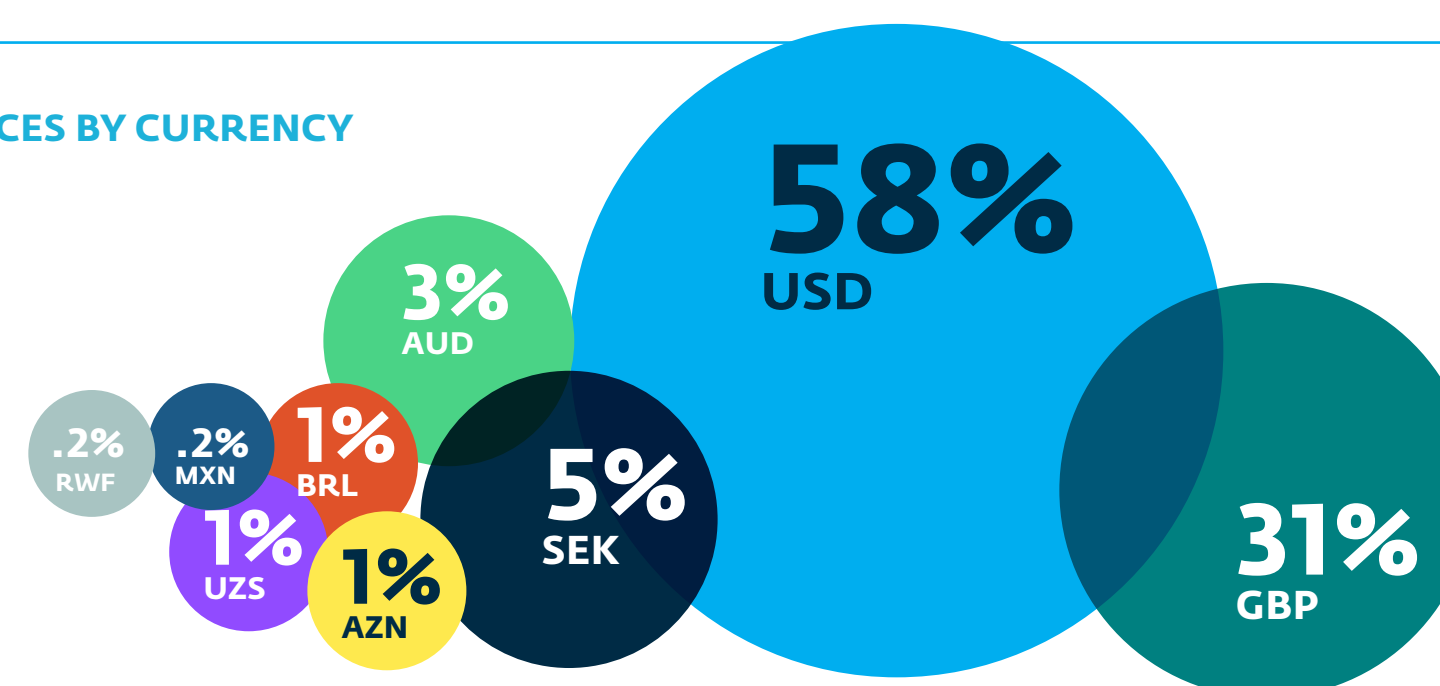
STERLING MARKET

The sterling market was the second largest source of funding for IFC in the first quarter of FY25, accounting for 31 percent of the total volume raised, with a total of £1.6 billion (approximately \$2.0 billion).

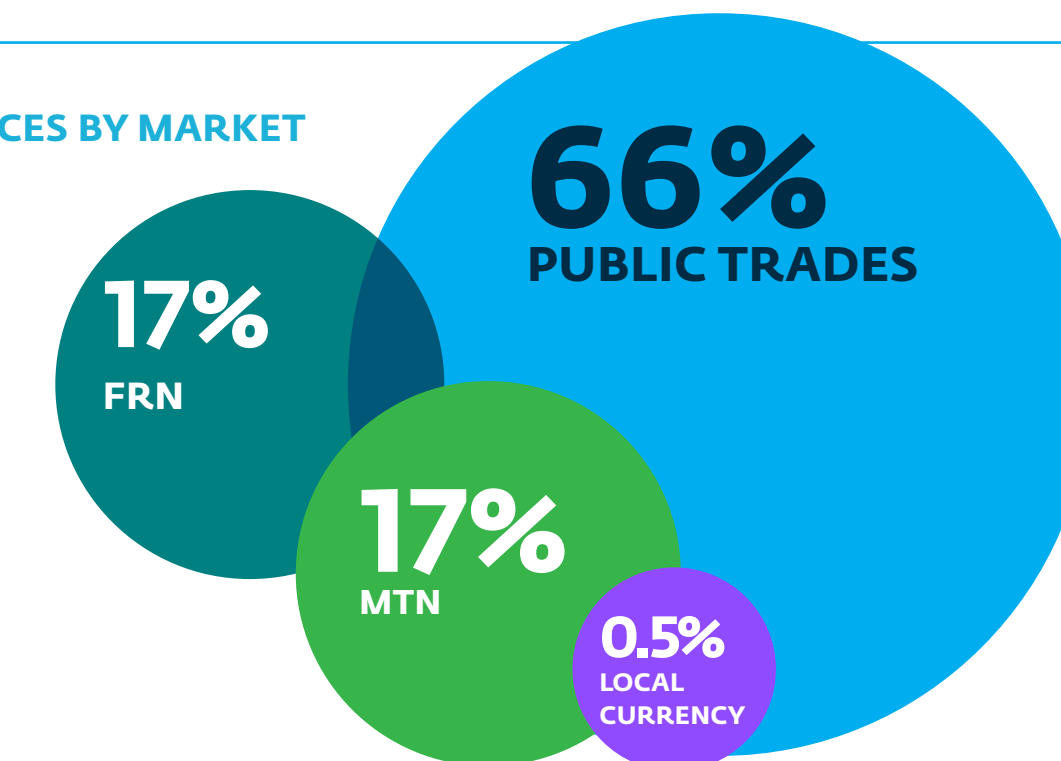
IFC issued three new public bonds in the sterling market during this period. The first bond, issued in July 2024, was a long 5-year £500 million bond priced at SONIA MS + 30 bp, equivalent to + 25.6 bp over the UK Gilt due October 2029. The trade attracted an orderbook of over £540 million across a diverse investor base and achieved the tightest spread to the UK Gilt for a 5-year British pound sterling benchmark in IFC's history.

The second bond, priced in August 2024, was a long 2-year £250 million bond priced at SONIA MS + 24 bp, equivalent to + 34.5 bp over the UK Gilt due October 2026. The third bond, issued in September 2024, was a 6-year £300 million bond priced at SONIA MS + 34 bp, equivalent to + 21.3 bp over the UK Gilt due October 2030. The first two lines were subsequently tapped, bringing the total outstanding amount to £655 million and £465 million, respectively.

ISSUANCES BY CURRENCY
FY25 Q1



ISSUANCES BY MARKET
FY25 Q1

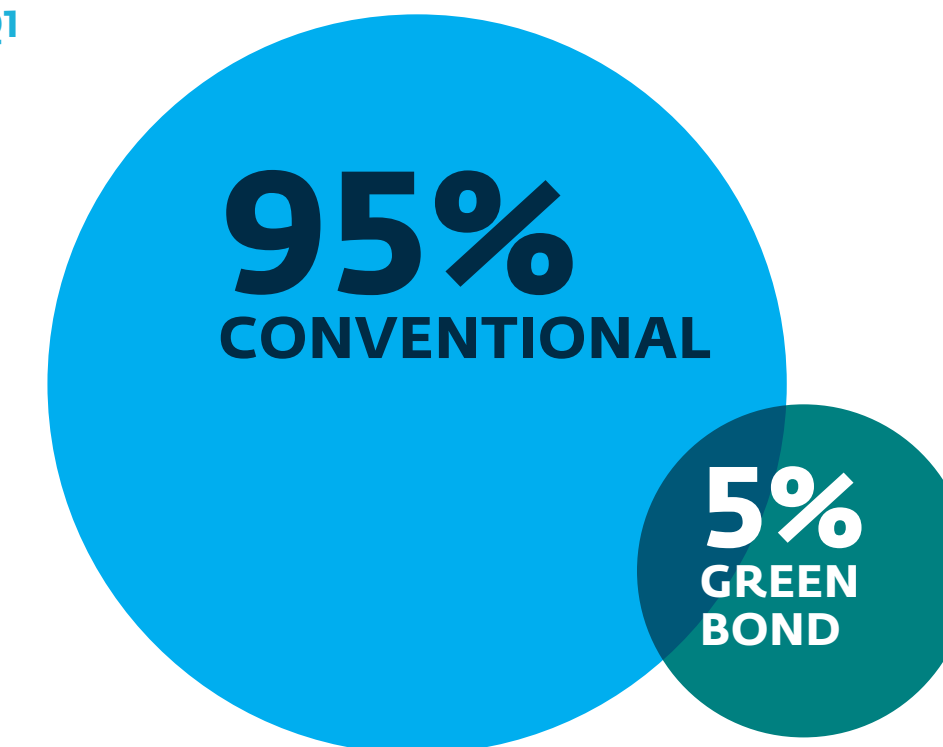




Green and Social Bond Issuances

ISSUANCES BY THEME
FY25 Q1

IFC has been an issuer of sustainable bonds since 2010. In FY24, IFC issued nine green bonds, totaling \$1.3 billion in six currencies and nine social bonds, totaling \$2.3 billion in two currencies. Notably, by the end of FY24, IFC had issued over \$22.2 billion under our Green and Social Bond Program, spanning 304 trades and 25 currencies.



IFC's landmark SEK 2.6 billion green bond: Boosting the blue economy

In the first quarter of FY25, IFC issued a 5-year fixed rate 2.6 billion [Swedish krona green bond](#), underwritten by Skandinaviska Enskilda Banken AB (SEB), to promote ocean-friendly projects, improve the health of marine ecosystems, provide access to clean water, including sanitation, and strengthen climate resilience in emerging markets. The issuance was subsequently tapped to reach an outstanding amount of 3 billion Swedish krona (approximately \$292 million).

The proceeds of this bond will help protect the blue economy whilst scaling up financing for green projects designed to improve water systems, develop aquacultures and promote sustainable fishing. For example, [IFC subscribed \\$400-million](#) to a green and blue bond issued by Bank of Ayudhya Public Company Limited (known as Krungsri), which aims to further support climate action and maintain ocean health.

This illustrates the type of projects IFC would support as part of our blue financing. The issuance follows a successful [Norwegian krone issuance](#) earlier this year and has garnered significant interest from both Swedish and international investors, underscoring the growing appeal of blue finance. Notable investors include AP2, AP3, AP7, The Folksam Group, Handelsbanken Fonder, Länsförsäkringar Liv, LF Västernorrland, National Pension Service, SEB AM, Swedbank Robur, and Skandia.

The bond was issued under [IFC's Green Bond Framework](#), which now includes categories such as biodiversity, ocean and water conservation, and more robust climate adaptation and mitigation processes. This expansion aligns with the [Guidelines for Blue Finance](#) published by IFC in 2022, aimed at supporting the growth of the blue finance market.



Local Currency Issuances

Emerging market economies remain vulnerable to fluctuations in foreign exchange rates. According to the International Monetary Fund (IMF), changes in global monetary conditions are easing pressure on these economies, with emerging markets currencies strengthening against the U.S. dollar and financial conditions improving. However, policy uncertainty remains high, and risks to the global economy are tilted to the downside, as inflationary pressures pose challenges to the prospect of further interest rate cuts.

Private entities in emerging markets face the challenge of raising capital at cost effective rates, often in hard currency, while managing foreign exchange exposure as they earn revenue in local currencies. The lack of adequate derivative tools in local financial markets makes their position even more precarious.

Against this backdrop, IFC has continued to scale up its local currency offerings. In FY24, IFC made a record \$5.8 billion of local currency financing available through 118 commitments in 34 currencies, pushing the ten-year total to over \$30 billion in more than 70 local currencies. On average, about 30 percent of IFC's own account annual long-term debt commitments have been in local currency, with the Indian rupee, Chinese renminbi, Brazilian real, South African rand, Mexican pesos and Colombian pesos among the top currencies lent.

Local currency bond issuances have proven to be an effective method of raising capital. Leveraging its triple-A rating, IFC issues debt in emerging market currencies and simultaneously lends the proceeds to private sector clients in back-to-back transactions. This approach eliminates the need to swap bond proceeds into US dollars, as both currency and interest rate risks are hedged. Not only does this make local currency available at competitive rates, but it also supports the development of capital markets by attracting international investors seeking exposure to the currency and providing issuer diversity.

One example of this initiative is in Uzbekistan, [where IFC issued an Uzbekistani som 250 billion local currency bond](#) – US\$20 million equivalent – to finance the expansion of the country's leading beverage producer and distributor. Issued in July 2024, the six-year bond is IFC's longest-dated UZS bond to date, with proceeds supporting the development of a greenfield bottling plant, renewable energy installations, and green buildings.

In the same month, IFC issued another local currency bond in [Rwanda franc, a RWF 13.3 billion](#) – US\$10 million equivalent – to support the expansion of digital infrastructure in the country. The trade marked IFC's return to the Twigire market since its 2015 debut and was the longest dated offshore bond by a supranational entity in RWF at the time of issuance.

As of June 30, 2024, non-U.S. dollar market borrowings with no associated hedges amounted to \$821 million.





IFC Issues Largest Mongolian Tugrik Bond for a Supranational

In November 2024, IFC issued its first [Mongolian tugrik bond](#), the largest bond denominated in the Mongolian currency issued by a supranational to date.

The three-year bond, which raised 102.5 billion Mongolian tugriks—equivalent to approximately \$30 million—creates additional liquidity in the Mongolian currency offshore market and supports IFC’s ongoing efforts to finance projects that drive economic growth and improve livelihoods.

Danish investment bank Global Evolution was the sole investor and Standard Chartered was the arranger. The bond will be listed on the Luxembourg Stock Exchange. TCX served as the swap provider.

IFC has been a strong supporter of Mongolia’s financial development in the past decade, advising the Mongolian government on green bond regulations and investing in the country’s first green bond in [2023](#).

To date, IFC has issued bonds in 48 currencies. A number of these are emerging-market currencies such as in Rwandan franc, Uzbek som, and Zambian kwacha. IFC has often been among the first non-domestic issuers to borrow in these markets, helping to develop local capital markets and expand liquidity in local currencies.

IFC Day in Japan 2024 (formerly Japan day)

IFC hosted its annual “IFC Day in Japan” on November 6, 2024. The event brought together Japanese investors, dealers, and stakeholders for a day of insightful presentations and discussions. IFC Vice President and Treasurer, Treasury & Mobilization, John Gandolfo, gave opening remarks and thanked Japan based investors for their continued support of IFC’s funding program. The event attracted approximately 60 participants to the seminar and 120 guests to the reception. The day provided a valuable opportunity for attendees to engage with IFC representatives and explore the organization’s latest initiatives and strategies.

Tadashi Yokoyama, Director at IFC’s Tokyo office, kicked off the seminar with a presentation on IFC’s recent developments and challenges. This was followed by a compelling session from Marcin Bill, IFC’s Head of Funding for Asia, who explained IFC’s funding policy and from Obert Limbani, Associate Finance Officer, who demonstrated the application of artificial intelligence in IFC investor relations data analysis.

A highlight of the event was the panel discussion on sustainable finance, titled “Trends and Future Market Outlook.” Moderated by Flora Chao, IFC’s Global Head of Funding, the panel featured experts from Japanese investors, dealers, and IFC as an issuer. The discussion covered key topics such as approaches to ESG integration in financial institutions, sustainable bond market trends, and the challenges and transparency issues in sustainable bond issuance.

In addition to these discussions, IFC’s securitization program was introduced by Rabih Kanaan, Advisor to IFC’s Vice President and Treasurer. This new asset class of MDB-originated assets is designed to mobilize institutional investors and increase private capital flows to emerging markets.

Another significant presentation by Olena Lopantseva, Senior Financial Officer, focused on the Global Emerging Markets Risk Database (GEMs), highlighting the evolution and impact of the GEMs consortium, which pools credit risk data on private and sub-sovereign lending in emerging markets and developing economies.

“IFC Day in Japan” underscored IFC’s commitment to innovation, collaboration, and sustainable finance, providing a platform for meaningful engagement with Japanese financial stakeholders and highlighting the critical importance of Japan to IFC’s mission and long-standing relationship.



Progress and Ambition for the Future: World Bank Group/IMF Annual Meetings 2024

The World Bank Group (WBG) is rapidly advancing on its journey to become a better, bigger, and more effective Bank. That progress—along with a renewed focus on job creation—was showcased at the 2024 Annual Meetings of the WBG and International Monetary Fund (IMF), held from October 21 to 26.



The gathering provided a vital platform for meaningful conversations on pressing challenges, including climate resilience, inclusive growth, job creation, and poverty alleviation. The WBG renewed its commitment to building a more resilient and sustainable future for all by pushing forward bold strategies and innovative financial tools that can address today's development challenges.

The meetings underscored steps that will generate around \$150 billion in additional financing capacity over the coming decade and unveiled the new [WBG Scorecard](#), which goes from 150 items to 22 indicators, and is more oriented on output, not just on input.

The WBG announced ambitious new targets in agribusiness and gender. The Bank committed to doubling its agri-finance and agribusiness investments to \$9 billion annually by 2030. For gender, the Bank Group took the first steps toward implementing the [Gender Strategy 2030](#), which aims to create economic opportunities by connecting 300 million more women to broadband, support 250 million with social protection programs, and provide 80 million more women and women-led businesses with capital by 2030.

Achieving ambitious development targets requires mobilizing significantly more private capital. The private sector must act as a force multiplier to bridge the estimated \$4 trillion annual investment gap needed to achieve the UN Sustainable Development Goals. Public finances, multilateral banks, and philanthropic funds alone cannot meet this demand. Engaging the private sector is essential, and they need to see clear opportunities for returns on their investments.



To build investor confidence, we've shared proprietary investment data in two key ways:

First, Through the Global Emerging Markets Risk Database ([GEMs](#)) Consortium—comprising 26 MDBs and DFIs—we published private sector default and recovery rates by country and sector, alongside sovereign default and recovery statistics spanning 40 years. This data is now accessible via Bloomberg Terminals.

Second, IFC released private sector default metrics categorized by borrower credit ratings, offering deeper insights into investment risk profiles.

You can read Ajay Banga's annual meetings [plenary address](#) where he outlines the Bank's mission for the next phase, emphasizing that job creation is an explicit aim—not just a byproduct—of projects.

Investor Engagement

In November, Marcin Bill and Flora Chao spoke on the MDB panel at JP Morgan's SSA Day in Tokyo

In October 2024 at Barclay's Official Institution Conference in London, Elena Panomarenko spoke on the SSA Issuer Panel.

In October 2024, Flora Chao spoke on the panel to highlight gender equality at the Women in Treasury Forum in New York.

In October 2024, Marcin Bill and Marsha Monteiro attended the CBA Global Markets Conference in Sydney and Victoria, to raise awareness of IFC's ESG initiatives and its funding position in the Kangaroo market.

In September 2024, Elena Panomarenko, Roland Maasen and Marsha Monteiro attended Standard Chartered Bank's Emerging Markets Supra & Agency event in Paris. Elena spoke on the emerging markets issuer panel providing engaging and candid insights on the complexities involved in issuing local currency bonds.

In September 2024, at Environmental Finance Sustainable Debt Americas 2024 conference in New York, Ayelet Perlestein spoke on the panel about IFC's sustainable debt products and how private sector finance can boost developing economies.

In September 2024, Elena Panomarenko joined the SSA Issuer panel at RBC's Central Bank and Public Institutions Seminar and spoke to highlight IFC's sustainable bond issuances and its implications in the sustainable debt market.

In June 2024 at the Euromoney Global Borrowers Forum, Elena Panomarenko spoke on the panel about the challenges of funding supranationals in 2024 and shared insights on global markets and the implications of market volatility.

In June 2024, Yuri Kuroki spoke on the MDB panel at OMFIF's Global Emerging Markets Sovereign Debt Forum and talked about IFC's funding program, short term investor opportunities and sustainable debt products' resilience to changing patterns of core markets.

In June 2024, Marcin Bill shared his insights on Asia Pacific currency and markets during the Westpac sponsored KangaNews high-grade roundtable in Auckland, New Zealand.

Bloomberg Canadian Finance Conference



In October 2024, Flora Chao joined the multilateral panel at the Bloomberg Canadian Finance Conference in New York to illustrate IFC's global funding program, market borrowings and insights, and an overview of IFC in the Maple market.

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