

WORLD BANK INVESTOR BRIEF



The World Bank, an international organization owned by 189 countries, is the world's largest source of development finance. Frequent bond issuer and consistently rated triple-A, World Bank bonds align with socially responsible, sustainable, or ethical investment strategies. These bonds empower investors to combat poverty through education, health, environment, and infrastructure, maximizing both social and financial returns.

ISSUER: "World Bank" or "IBRD" (International Bank for Reconstruction and Development)

RATINGS: AAA/Stable/A-1 + (S&P) and Aaa/Stable/Prime-1 (Moody's)

LOCATION: Washington, DC (Headquarters) and 130+ offices worldwide

PRESIDENT: Ajay Banga

Why does the World Bank issue bonds in the capital markets?

- We provide financial solutions, including financing, guarantees, and risk management tools to support their development related investment programs; and
- Expertise in areas such as agriculture, health, education, transportation, energy, and legal, financial market, and institutional reform, so that they can find solutions to national, regional and global problems

What are the underpinnings of the World Bank's triple-A rating?

- Quality loan portfolio benefits from preferred creditor status
- Prudent risk management
- Substantial liquidity and consistent profitability
- Diversified shareholder base

Who are the World Bank's shareholders and how much capital do they own?

- 189 members countries have subscribed to US \$317.8 billion of subscribed capital (paid in capital + callable capital)
- The largest shareholders include the United States (16.6% of total subscribed capital), Japan (7.6%), China (5.9%), Germany (4.5%), and France and the United Kingdom (with 4.1% each)

What is the World Bank's gearing ratio limit?

- The maximum gearing ratio is 1:1 - outstanding loans and guarantees may not exceed subscribed capital, reserves and surplus

What does the World Bank loan portfolio look like?

- Lending is limited to sovereign or sovereign-guaranteed projects in member countries
- Countries with per capita Gross National Income (GNI) of more than \$1,255 are eligible for new lending from IBRD (countries with lower income receive concessional financing from International Development Association (IDA))
- Currently, the five largest country exposures are India, Indonesia, Brazil, Mexico, and Colombia

What's the World Bank's liquidity policy?

- A large amount of liquidity support flexibility
- Actual liquidity exceeds estimated liquidity requirements. The target liquidity level represents twelve months coverage calculated at the beginning of every fiscal year

Is the World Bank profitable?

- Yes, although we are not a profit-maximizing institution, strong financial performance is important to sustainably support development goals



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How much does the World Bank borrow each year?

- Approximately USD \$45-55 billion per year

What are the key components of the World Bank's funding strategy?

- Meet investor needs by offering a broad product mix with various tenors, sizes, and currency mix
- Ensure high standards of execution

What are the main features of the World Bank's debt offerings?

- The World Bank is rated triple-A and has been issuing sustainable development bonds for over 75 years
- World Bank debt has 0% risk weighting (Basel II and III)
- World Bank liquid bonds are considered level 1 HQLA (High Quality Liquid Assets)
- World Bank bonds are now accepted as collateral by CME Clearing and London Clearing House based on liquidity and high-quality credit
- World Bank bonds have been offered in over 60 different currencies to date, with a wide variety of maturities as "plain vanilla" bonds or structured notes

Does the World Bank issue liquid, global bonds?

- USD \$1-4 billion in size, benchmark maturities
- USD, EUR, and other currencies
- World Bank bonds are part of major indices such as Bloomberg Barclays Global Aggregate Bond Index, Bank of America Merrill Lynch Global Broad Market Quasi-Government, and Citigroup World Broad Investment-Grade (WorldBIG)

What's the World Bank's liquidity policy?

- A wide variety of plain vanilla and structured notes in many different sizes and maturities
- Green and other sustainable development bonus in a different formats to meet specific investor preference

Are World Bank bonds eligible for investors pursuing strategies incorporating Environmental, Social, and Governance (ESG) criteria?

- Yes, based on the World Bank's Environmental and Social Framework (ESF) and its social mandate, investors integrating ESG factors and pursuing various sustainable investment strategies buy World Bank bonds for their portfolios. The World Bank Sustainable Development Bond Impact Report describes the ESF and how the World Bank engages with investors using the Sustainable Development Goals as a framework, and reports on project impacts.

Recent Global Bond Issues



AUD 1.5B 4.40% due 2028



NZD 950M 5.00% due 2026



CAD 900M 3.70% due 2028



NOK 5B 3m Nibor + 1% due 2027



EUR 2.0B 3.10% due 2038



GBP 850M 4.875% due 2030

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