

THE WORLD BANK INVESTOR BRIEF

Who are we?

- International organization owned by 189 countries
- World's largest source of development finance
- World's largest resource for development expertise and coordination services
- Frequent bond issuer rated triple-A

What's our objective?

- Work with our members so they can meet their development goals, and achieve major, sustainable improvements in standards of living for their people

Why does World Bank issue bonds in the capital markets?

- 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



Basic Information

ISSUER:	“World Bank” or “IBRD” (International Bank for Reconstruction and Development)
RATINGS:	AAA/Stable/A-1+ (S&P) Aaa/Stable/Prime-1 (Moody's)
LOCATION:	Washington, DC (Headquarters) and 120+ offices worldwi
PRESIDENT:	David Malpass Former U.S. Under Secretary of the Treasury for International Affairs



The U.S. is the largest shareholder of the World Bank with 16.57% of its capital shares. Every World Bank president since its inception has been a U.S. citizen.



The World Bank's mission to fight poverty in a sustainable way, through education, health, environment, and infrastructure make World Bank bonds suitable for investors with investment strategies that aim to maximize social and financial returns. These strategies are known as "socially responsible", "sustainable", or "ethical" investment strategies.

Financial Position

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

- Quality loan portfolio that 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 member countries have subscribed to US\$280 billion of subscribed capital (paid in capital + callable capital)
- The largest shareholders include the United States (16.57% of total subscribed capital), Japan (8.32%), China (4.59%), Germany (4.16%), and France and the United Kingdom (with 3.90% 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's loan portfolio look like?

- Lending is limited to sovereigns or sovereign-guaranteed projects in eligible member countries
- Only countries with at least US\$1,006 of annual per capita income are eligible (poorer countries receive concessional financing from a separate entity in the World Bank Group)
- Currently, the six largest country exposures are Indonesia, Brazil, China, Mexico, India, and Turkey.

What's the World Bank's liquidity policy?

- Large amount of liquidity supports flexibility
- Actual liquidity exceeds estimated liquidity requirement. 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

Capital Markets

How much does the World Bank borrow each year?

- Approximately USD 55-60 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 70 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?

- USD1-6 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 tailor-made products does the World Bank offer?

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



Recent Issues

USD 2 billion 1.7% global bond due 10/2029
 USD 3.5 billion 1.526% global bond due 08/2024
 USD 4 billion 2.249% global bond due 7/2022
 USD 4.5 billion 2.5% global bond due 03/2024
 USD 5 billion 2.0% global bond due 01/2022
 USD 4 billion 3.0% global bond due 09/2023
 USD 5 billion 2.750% global bond due 07/2021



Website

General

<http://www.worldbank.org>

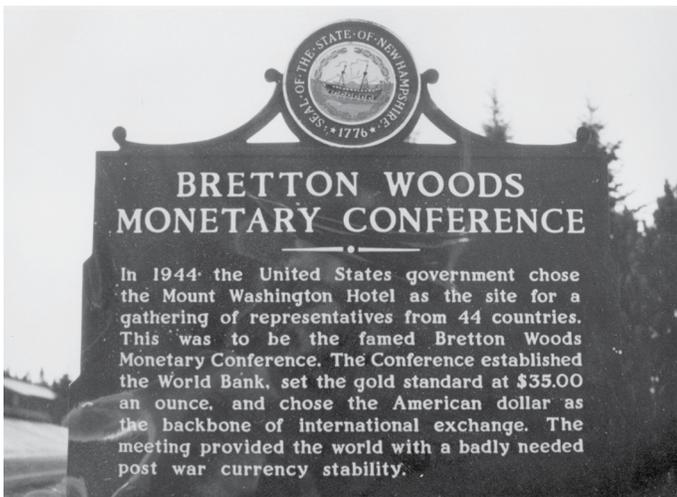
Investors

<http://treasury.worldbank.org/capitalmarkets>



History

- IBRD was created in 1944 to rebuild Europe after World War II
- IBRD has been referred to as “World Bank” almost as soon as it was established. The term was initially coined by the media -- including The Economist and The Washington Post
- IBRD approved its first loan in the amount of USD250 million to France for reconstruction purposes. This was one of the largest loans in real terms made by the World Bank in its first fifty year



U.S. Treasury Secretary Henry Morgenthau speaking at the Bretton Woods Conference on July 8, 1944.

PHOTO: © THE WORLD BANK; CURT CARNEMARK/THE WORLD BANK

The United States and the World Bank

The relationship between the U.S. government and the World Bank is most similar to that between the government and an instrumentality.

The US Secretary of the Treasury sits on the World Bank's Board of Governors, the World Bank's highest governing body.

The World Bank is treated as an “exempt issuer” under the US securities laws since 1949 in recognition of its status as an international organization in which the U.S. is the largest shareholder (with about 17%).

The United States' membership in the World Bank was authorized by a federal statute known as the Bretton Woods Agreements Act (22 U.S.C. 286 et seq.).

The World Bank looks forward to continuing to provide support to US investors so that they may consider supranationals when looking for safe investments.

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