

The World Bank Treasury Banking team designs and implements financial products and provides advisory services that help clients maximize access to development financing and mitigate risks.

The team helps clients find the most suitable financing sources and financial terms for projects.

Depending on financing source and financing terms our clients may be exposed to **currency, interest rate and/or refinancing risks**. They may also be vulnerable to **natural disasters or commodity price volatility** that have severe economic impacts.

The World Bank offers a suite of financial products ranging from loans, credits and guarantees; to risk management products, contingent credit lines, and insurance/reinsurance and derivatives. The Banking team also offers advisory services to help our clients on a variety of topics.

Why work with the World Bank Treasury?

The World Bank Treasury has deep relationships with major financial institutions and unmatched financial sector expertise, anchored in years of capital markets and structured funding activities.

The team leverages the World Bank's (IDA and IBRD) AAA credit rating, market presence, and convening power to identify and help implement the right solution for our clients.

FINANCING

The World Bank offers a wide variety of loans at highly competitive rates depending on the borrower's income classification and other criteria.

- IBRD Flexible Loan (IFL),
- IBRD Enclave Loans for IDA borrowers
- IDA Grants, Credits
- IDA non-concessional loans
- Local currency financing

CREDIT ENHANCEMENT

The World Bank guarantees help sovereign and sub-sovereign clients attract direct private sector investment; enhance private sector participation in privatizations and public-private partnerships, and help governments access international capital markets on more favorable terms.

- Project-Based Guarantees
- Policy-Based Guarantees

CONTINGENT FINANCING

Contingent financing allows borrowers to rapidly meet financing requirements following adverse economic events, natural disasters or health related emergencies.

- The Development Policy Loan (DPL) with a Deferred Drawdown Option (DPL DDO) -- IBRD only
- The Development Policy Loan with a Catastrophe Deferred Drawdown Option (Cat DDO) -- IDA and IBRD

FINANCIAL RISK MANAGEMENT

Stand-alone hedging products for risk management help clients manage financial risks related to IBRD debt or third-party liabilities.

- Currency Swaps
- Interest Rate Swaps
- Commodity Price Swaps
- Interest rate Caps & Collars

INSURANCE FOR DISASTER RISK MANAGEMENT

Market-based insurance instruments leverage capacity from the capital markets and global insurance/reinsurance sector. These instruments can be tailored to protect countries against disaster and climate risks, and health related emergencies.

- Catastrophe bonds
- Weather derivatives
- Insurance/reinsurance

ADVISORY SERVICES

The World Bank Treasury partners with other units across the World Bank to provide technical assistance to countries on:

- IDA to IBRD transition
- Access market-based disaster risk transfer instruments
- Issuance of thematic bonds such as Green Bonds, Blue Bonds, Social Bonds, Sustainable Bonds, Social Impact Bonds, etc.
- Derivatives for hedging purposes

WORLD BANK TREASURY CLIENT SOLUTIONS

GREEN BOND ADVISORY

Provided technical assistance to:

- Malaysian solar power company Tadau Energy to issue the first green sukuk (US\$59 m) in the world
- Fijian government to issue the first sovereign green bond (FJ\$100 m) by an emerging market
- Nigerian government to issue the first African green bond
- Indonesian state-owned enterprise (PT SMI) to issue an IDR 1.3 tn green bond

INSURANCE FOR DISASTER RISK MANAGEMENT

- Issued the largest sovereign catastrophe bond in market history to provide US\$1.36 bn in earthquake coverage to members of the Pacific Alliance: Chile, Colombia, Peru and Mexico.
- Executed the first catastrophe risk insurance transaction in local currency (USD eq. 205 m) to protect the Philippines from typhoons and earthquakes

IDA FINANCING

- Structured an EUR163 m IBRD Enclave Loan for Côte d'Ivoire to access IBRD financing. The project aims to increase cashew productivity and quality and promote the cashew processing industry in the country
- Customized a US\$155 m IDA Scale Up Facility loan-grant combination to help the West African Development Bank extend long-term affordable loans to banks and microfinance companies to serve households with limited or no access to the banking/mortgage system

CONTINGENT FINANCING

Designed the financial package for:

- A US\$2 bn Development Policy Loan with a Deferred Drawdown Option (DPL-DDO) to help Indonesia respond to financial market turbulence in the aftermath of the 2008 global financial crisis
- A EUR1 bn DPL DDO to help Romania meet the fiscal sustainability goals defined by the European Union Fiscal Compact and implement its financing strategy
- A US\$200 m customized a contingent credit line (IPF-DDO) for Brazil to catalyze private sector investment for energy efficiency projects in cities and municipalities

FINANCIAL RISK MANAGEMENT

Converted:

- A US\$3.75 bn loan from US dollar into rand to protect for South Africa's Eskom from foreign exchange volatility
- US\$12.5 bn of variable interest rate into fixed interest rate loans to protect Mexico from interest rate volatility

CREDIT ENHANCEMENT

- Structured an EUR80 m guarantee to help mobilize EUR250 m in financing for Montenegro from a syndicate of offshore banks
- Structured a guarantee to help Serbia return to the global capital market, raise EUR292.6 m from a global lender, and double the average life of market borrowing at a reduced cost

FINANCIAL OPTIMIZATION

Customized a US\$400 m financing package, comprising a US\$100 m special IDA allocation, US\$51 m Global Concessional Financing Facility amount, and a US\$149 m IBRD loan, for the Economic Opportunities for Jordanians and Syrian Refugees Program

Contact us:

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