

Morgan Stanley



## World Bank Launches USD 550 million Green Bonds

**Washington, DC, August 9, 2013** - Today, the World Bank (International Bank for Reconstruction and Development, IBRD, rated Aaa/AAA) launched a USD 550 million 2-year fixed rate World Bank Green Bond. World Bank Green Bonds support World Bank's lending to eligible development programs that are designed to address the challenges of climate change in the developing world.

The bonds were placed with 17 investors, including AP2, AP3, Blackrock, California State Treasurer's Office, CalSTRs, Deutsche Asset and Wealth Management, Everence, Nikko Asset Management, SEB Wealth, SSGA, TIAA-CREF, and Trillium Asset Management. The lead order for this transaction was from the California State Treasurer's Office.

The distribution by investor type and geography was as follows: 44% of the bonds were placed with asset managers, 35% with pension funds and insurance companies, 19% with official institutions, and 2% with corporates; 61% of the bonds were placed with US, 38% with European, and 1% with Japanese investors. In addition to the traditional investment considerations such as safety of investment and risk-adjusted returns, all investors purchased the bonds due to their interest in supporting climate-friendly projects within their investment mandates.

Morgan Stanley and SEB are the joint-lead managers for this transaction.

"World Bank Green bonds act as a catalyst for the growing green bond market that helps mobilize increased private capital flows to climate-focused projects. We are grateful for the support from pioneering investors, banks, issuers and others who are working to help expand this market and work towards a goal that benefits us all," says **Doris Herrera-Pol, Director and Global Head of Capital Markets at the World Bank.**

"This transaction is the result of active engagement with a growing group of investors who want to address climate concerns alongside their fiduciary investment duties. The World Bank's efforts to introduce green bonds and support the growth of the market have resulted in a number of mainstream investors adopting explicit green strategies which embed green bonds as a core holding. It is both enriching and fun to be a part of this process," says **Hans Beyer, Global Head of Capital Markets at SEB.**

"The World Bank's return to the Green Bond market was strategically targeted towards a growing community of diverse investors with sustainable and responsible mandates. This successful transaction shows the World Bank's leading role in the further development of the green Bond and SRI debt capital markets overall. Morgan Stanley is strongly committed to the global sustainable finance effort and we are thrilled to contribute to it through this transaction," says **Andrea Dorfzaun, Head of Sovereign/Supranational/Agency Debt Coverage at Morgan Stanley.**

The World Bank was the first to issue green bonds in 2008, responding to requests from large institutional investors looking for a liquid, plain vanilla product that explicitly supports the financing of climate-related projects. Since then, the World Bank has mobilized over USD 4 billion equivalent through almost 60 green bond transactions that support the financing of eligible projects in its borrowing member countries around the world. Examples of the types of projects supported by World Bank Green Bonds include renewable energy installations, energy efficiency projects, new technologies in waste management and agriculture that reduce greenhouse gas emissions, forest and watershed management, and infrastructure to prevent climate-related flood damage.

### **Transaction Summary:**

**Issuer:** World Bank (International Bank for Reconstruction and Development, IBRD)

**Amount:** USD 550 million

**Settlement date:** August 22, 2013

**Maturity date:** August 24, 2015

**Issue price:** 99.976%

**Issue yield:** 0.387% (equivalent to a spread of +8.3 basis points over the 0.25% U.S. Treasury due July 2015)

**Coupon:** 0.375% semi-annual (long first coupon on February 24, 2014)

**Denomination:** USD 1,000

**Listing:** Luxembourg Stock Exchange

**Joint-Lead Managers:** Morgan Stanley and SEB

**ISIN:** US45905UNJ96

For more information on World Bank Green Bonds, please see the World Bank's dedicated green bond investor page at: <http://treasury.worldbank.org/greenbonds>

### **About the World Bank**

The World Bank (International Bank for Reconstruction and Development, IBRD), rated Aaa/AAA (Moody's/S&P), is an international organization created in 1944. It operates as a global development cooperative owned by 188 nations. It provides its members with financing, expertise and coordination services so they can achieve equitable and sustainable economic growth in their national economies and find effective solutions to pressing regional and global economic and environmental problems. The overriding goal is to achieve major, sustainable improvements in standards of living worldwide. It has been issuing bonds in the international capital markets for over 60 years to fund its activities. Information for investors is available on the World Bank Treasury website: (<http://treasury.worldbank.org/capitalmarkets>).