The International Finance Facility for Immunisation

VACCINE BONDS
The International Finance Facility for Immunisation

VACCINE BONDS
MARCH 2021

Overview of IFFIm & Gavi, the Vaccine Alliance
IFFIm supports Gavi
Addressing the COVID-19 pandemic
IFFIm’s financial strength
Why invest in IFFIm
What IFFIm does

With Vaccine Bonds, IFFIm makes money available immediately by frontloading long-term sovereign pledges accelerating the delivery of life-saving vaccines to children in the poorest countries

1. DONORS
Long-term pledges from 10 sovereign governments enable IFFIm to raise money in the capital markets

2. IFFIm
Issues Vaccine Bonds to accelerate funding for vaccine delivery to children in poor countries

3. GAVI
Accelerates development of vaccines and access to immunisation in poor countries

4. THE WORLD BANK
As IFFIm’s treasury manager, the World Bank manages IFFIm’s finances to the same prudent standards as it does its own finances
Gavi, the Vaccine Alliance is a public private global health partnership created to

• Address stagnating immunisation rates in the poorest countries

• Provide new and underused vaccines to the most vulnerable children

• Save lives, vaccinating >822 million children and preventing >14 million deaths since 2000

Immunisation partnership: Gavi’s impact draws on the strengths of its core partners
**IFFIm: supporting Gavi**

**IFFIm** issues bonds on global capital markets to:

- Fund Gavi programmes, accelerating access to vaccines
- Rapidly scale up of immunisation to over half the world’s children
- Provide a long-term and flexible funding source
- Strengthen Gavi’s ability to make long-term commitments encouraging more vaccine production and reducing prices

**The impact of Vaccine Bonds is considerable** enabling Gavi to immunise 80 million children ahead of receiving donors’ grants

IFFIm disbursed **US$ 3.1 billion** to support Gavi’s life-saving vaccination programmes

*As of December 2020*
**Spotlight on core Gavi programmes**

**Pentavalent vaccine:** Protects against 5 vaccine preventable diseases
- IFFIm market shaping impact reduced price of the vaccine from US$2.98 to US$ 0.86

**Typhoid conjugate vaccine:** first typhoid vaccine for children as young as 6 months
- Disproportionally affects young people in sub-Saharan Africa and South Asia

**Health System Strengthening**
- Strong health systems prevent disease outbreaks and
- Address COVID-19 response and vaccine preventable diseases in hard-to-reach communities
Vaccine development

IFFIm, Gavi and the Coalition of Epidemic Preparedness Innovations (CEPI) work together to accelerate the timeline for COVID-19 vaccine development to a record 12-18 months

IFFIm frontloaded a NOK 2 billion pledge from Norway and EUR 5 million pledge from Italy to CEPI, a Gavi programme

IFFIm provides the flexible financing needed by Gavi and CEPI to respond to needs during the uncertainty of a fast-moving epidemic

Photo: CEPI
The COVAX Facility

**COVAX**: Vaccines Pillar of the Access to COVID-19 Tools (ACT) Accelerator
Ensuring countries have equal access to vaccines regardless of their ability to pay

**COVAX** in 5 metrics

- **31.8 million doses** delivered from 188 million doses allocated
- **57 countries** received doses of 190 confirmed and eligible participants
- **$6.3 billion** Resources mobilized for COVAX AMC in 2020 & 2021
- **7 vaccine candidates** have signed COVAX agreements
- **2.3 billion doses** secured, with signed agreements or in negotiation, for delivery in 2021
The Gavi COVAX Advance Market Commitment is a key component of the COVAX Facility with one central goal: providing safe, effective vaccines for those who need them most - regardless of their wealth - on the same urgent timeline.

**Objective**
- Accelerating the availability of effective vaccines
- Securing at least 1 billion doses by the end of 2021 for 92 lowest income countries
- Making vaccines affordable

**Impact**
- Protect health care workers and the most vulnerable populations
- Help prevent the transmission of COVID-19 around the world
- Help restart the world’s economy by mitigating the impact of the pandemic
**The Gavi COVAX AMC**

**AMC-supported countries and number of doses, to end of 2021**

- **26 MILLION** doses
  - Latin America & Caribbean
- **54 MILLION** doses
  - Europe & Central Asia
- **136 MILLION** doses
  - Middle East & North Africa
- **583 MILLION** doses
  - Sub-Saharan Africa
- **608 MILLION** doses
  - South Asia
- **329 MILLION** doses
  - East Asia & Pacific

**COVAX AMC** will support participation of 92 low- and middle- income economies

**IFFIm is integral** for Gavi to help fund the COVAX AMC through its frontloading
A unique tool to immunise the most vulnerable

Government donors
Long-term financial pledges

$IFFIm$

$\text{\$\$\$}$

Capital market investors

The World Bank is IFFIm’s treasury manager
IFFIm’s high credit strength, solid financial management

<table>
<thead>
<tr>
<th>Highly rated grantor countries</th>
<th>Treasury management by the World Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>- The UK is the largest donor, pledging around 47% of remaining donor payments</td>
<td>- Treasury assets are conservatively invested</td>
</tr>
<tr>
<td>- France, Norway, Italy, and the Netherlands accounting for 21%, 10%, 9%, 8% respectively</td>
<td>- Foreign exchange risk is mitigated through hedging activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legally binding pledges</th>
<th>Innovative &amp; effective financing instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Irrevocable and legally binding long-term contributions are IFFIm’s asset base</td>
<td>- Vaccine bonds provide a portfolio diversification opportunity with attractive risk-adjusted returns in an award-winning socially responsible investment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strong donor commitment</th>
<th>Conservative financial policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Donors committed to disburse grants over more than 20 years up to 2037</td>
<td>- Liquidity buffer under which IFFIm must maintain a portfolio of liquid assets that cover debt service over the next 12 months</td>
</tr>
<tr>
<td>- Nominal value of pledges totaled US$ 8.1b as of December 2020</td>
<td>- Maximum leverage limit at 70.5% as of 4Q 2020</td>
</tr>
<tr>
<td></td>
<td>- Gearing ratio at 31 December 2020 was 16.5%</td>
</tr>
</tbody>
</table>

Note: contains numbers based on unaudited figures
**Strong support from donors**

**IFFIm Vaccine Bonds** are backed by long-term, irrevocable and legally binding pledges from 10 sovereign governments

<table>
<thead>
<tr>
<th>Country (S&amp;P/Moody’s/Fitch)</th>
<th>Amount committed (US$m equiv.)</th>
<th>Grant Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom (AA/Aa3/AA-)</td>
<td>3,652</td>
<td>23 years</td>
</tr>
<tr>
<td>France (AA/Aa2/AA)</td>
<td>1,884</td>
<td>20 years</td>
</tr>
<tr>
<td>Italy (BBB/Baa3/BBB-)</td>
<td>821</td>
<td>25 years</td>
</tr>
<tr>
<td>Norway (AAA/Aaa/AAA)</td>
<td>647</td>
<td>25 years</td>
</tr>
<tr>
<td>Australia (AAA/Aaa/AAA)</td>
<td>284</td>
<td>20 years</td>
</tr>
<tr>
<td>Spain (A/Baa1/A-)</td>
<td>240</td>
<td>20 years</td>
</tr>
<tr>
<td>The Netherlands (AAA/Aaa/AAA)</td>
<td>487</td>
<td>20 years</td>
</tr>
<tr>
<td>Sweden (AAA/Aaa/AAA)</td>
<td>38</td>
<td>15 years</td>
</tr>
<tr>
<td>South Africa (BB/Ba1/BB)</td>
<td>20</td>
<td>20 years</td>
</tr>
<tr>
<td>Brazil (BB-/Ba2/BB-)</td>
<td>20</td>
<td>20 years</td>
</tr>
</tbody>
</table>

Expected pledges being completed: Norway and Spain  

561  
Up to 10 years

Total including new pledges  

8,655
IFFIm maintains a strong balance sheet

December 2019 audited financials

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>US$m</th>
<th>Total Liabilities</th>
<th>US$m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sovereign pledges</td>
<td>2,074</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds held in trust</td>
<td>428</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>1,388</td>
<td>NET ASSETS</td>
<td>1,114</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>510</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants payable</td>
<td>357</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>521</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Credit rating linked to donor ratings

IFFIm ratings by:

**Fitch Ratings**  AA- (negative outlook)

**Moody’s**  Aa1 (stable)

**S&P**  AA (stable)

Close link of IFFIm’s ratings to ratings of largest donors:

**Fitch Ratings (February 2021):** “IFFIm’s ratings rely primarily on support from donors as their grant payments ultimately back IFFIm’s repayment of its bond issuances.”

**S&P (January 2021):** “We affirmed our ratings on IFFIm based on our view of the commitment of its highly rated contributors to its mandate of supporting child immunization programs in the world’s poorest countries.”

**Moody’s (July 2020):** “The credit profile of IFFIm reflects very high liquidity, the strong commitment from donor governments and the involvement of the World Bank as treasury manager.”
IFFIm in the capital markets

Funding needs driven by Gavi requirements and refinancing needs

- Almost US$ 7 billion issued in 37 transactions in 8 currencies

A diversified funding strategy aimed at maximizing efficiency and flexibility

- Broad range of currencies
- Variety of markets and investors
- Range of maturities typically 3-5 years

Most recent transactions

- 2020: NOK2b / 10 yr / Zero coupon
- 2020: US$ 500m / 3 yr / $MS+16bps
- 2021: US$750m / 5 yr / $MS+11bps

<table>
<thead>
<tr>
<th>Year</th>
<th>Bond</th>
<th>Total US$ equiv mil</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>Benchmark (USD)</td>
<td>1,000</td>
</tr>
<tr>
<td>2008</td>
<td>Uridashi (ZAR)</td>
<td>223</td>
</tr>
<tr>
<td>2009</td>
<td>Uridashi (AUD/ZAR/NZD) Dual Tranche Retail &amp; Institutional (GBP) Uridashi (USD/AUD) &amp; (ZAR/AUD)</td>
<td>1,102</td>
</tr>
<tr>
<td>2010</td>
<td>Uridashi (ZAR) &amp; (AUD/BRL/ZAR) &amp; (AUD) Eurobond (AUD) AUD Kangaroo Bond Benchmark</td>
<td>851</td>
</tr>
<tr>
<td>2011</td>
<td>Uridashi (BRL) &amp; (AUD/BRL/ZAR)</td>
<td>394</td>
</tr>
<tr>
<td>2012</td>
<td>Uridashi (AUD/ZAR) &amp; (AUD)</td>
<td>137</td>
</tr>
<tr>
<td>2013</td>
<td>Uridashi (TRY/ZAR) Floating Rate Benchmark (USD)</td>
<td>839</td>
</tr>
<tr>
<td>2014</td>
<td>Sukuk (USD)</td>
<td>500</td>
</tr>
<tr>
<td>2015</td>
<td>Sukuk (USD)</td>
<td>200</td>
</tr>
<tr>
<td>2016</td>
<td>Floating Rate Benchmark (USD)</td>
<td>500</td>
</tr>
<tr>
<td>2017</td>
<td>Floating Rate Benchmark (USD)</td>
<td>300</td>
</tr>
<tr>
<td>2019</td>
<td>Sukuk private placement Zero Coupon Note (NOK)</td>
<td>116</td>
</tr>
<tr>
<td>2020</td>
<td>Zero Coupon Note (NOK) Fixed Rate Benchmark (USD)</td>
<td>700</td>
</tr>
<tr>
<td>2021</td>
<td>Fixed Rate Benchmark (USD)</td>
<td>750</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>7,612</td>
</tr>
</tbody>
</table>
Why invest in IFFIm

**Pure social bond**
- Unique Vaccine Bond accelerates vaccinations
- Converts funding directly to impact
- Critical role in COVID-19 response

**Financial strength**
- Support from 10 sovereign donors
- Conservative financial policies
- AA/Aa1/AA- rating (S&P/Moody’s/Fitch)

**Robust governance**
- Multilateral development agency
- Experienced board of directors
- World Bank as treasury manager

**Attractive returns to investors**
- Investors receive market-based returns
A child not immunised today may be a life lost tomorrow. Let’s invest in life now.

Cyrus Ardalan, IFFIm Board Chair

IFFIm makes a difference. With every person vaccinated, we get closer to the end of COVID-19, and when we get there, we can build a stronger future for everyone.

Ken Lay, IFFIm Board Chair
Contact IFFIm

IFFIm media inquiries
Carol Piot
cpiot-external-consultant@iffim.org
+1 202 403 9490

World Bank media inquiries
The World Bank
debtsecurities@worldbank.org
+1 202-477-2880

International Finance Facility for Immunisation Company
2 Lambs Passage
London EC1Y 8BB

www.iffim.org

Company limited by guarantee.
Registered in England and Wales with number 5857343.
Registered as a charity with number 1115413.
Disclaimer

This presentation has been prepared by the International Bank for Reconstruction and Development ("IBRD"), as Treasury Manager for International Finance Facility for Immunisation Company ("IFFIm") for information purposes only, and neither IBRD nor IFFIm makes any representation, warranty or assurance of any kind, express or implied, as to the accuracy, completeness or reliability of any of the information contained herein. The information contained in this material may be subject to change without notice. Neither IBRD nor IFFIm accept any obligation to update any recipient of this presentation as to any such changes. Past performance is not indicative of future results. None of IFFIm, IBRD, or any of its affiliates, advisers (including the lead managers) or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this material or otherwise arising in connection with this material. The IFFIm board of directors has not approved this presentation. This presentation is not an offer for sale, or a solicitation of an offer to buy, any notes or other securities of IFFIm.

Neither IBRD nor IFFIm makes any representation, warranty or assurance of any kind, express or implied, as to the accuracy, completeness or reliability of any of the information contained herein. The information contained in this material may be subject to change without notice. Neither IBRD nor IFFIm accept any obligation to update any recipient of this presentation as to any such changes. Past performance is not indicative of future results. None of IFFIm, IBRD, or any of its affiliates, advisers (including the lead managers) or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this material or otherwise arising in connection with this material. The IFFIm board of directors has not approved this presentation. This communication is only being distributed to and is only directed at persons: (i) who are outside the United Kingdom; (ii) to investment professionals falling within Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 19 of the Order (all such persons together being referred to as “Relevant Persons”). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

This presentation and the information contained herein is not for publication, distribution or release, in whole or in part, in or into, directly or indirectly, the United States or to a U.S. Person (as defined in Rule 902 of Regulation S under the U.S. Securities Act of 1933 (the “Securities Act”)). Any Notes which have been or will be issued by IFFIm under its Global Debt Issuance Programme or otherwise have not been and will not be registered under the Securities Act and have been, and will only be, offered or sold (1) in the United States or to, or for the account or the benefit of, U.S. persons in a transaction exempt from, or not subject to, the registration requirements of the Securities Act or (2) to non-U.S. purchasers in offshore transactions pursuant to Regulation S adopted under the Securities Act. This presentation includes “forward-looking information” within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the U.S. Securities Exchange Act of 1934. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Statements that describe IFFIm’s objectives, plans or goals are or may be forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause IFFIm’s actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Such forward-looking statements speak only as of the date on which they are made. This presentation is for distribution only to persons who are not a “retail client” within the meaning of section 761G of the Corporations Act 2001 of Australia and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 of the Corporations Act 2001 of Australia and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction in which an investor may be located. Each person accessing this presentation confirms that they are a person who is entitled to do so under all applicable laws, regulations and directives in all applicable jurisdictions. Neither IFFIm nor any of their directors, employees, agents or advisers accepts any liability whatsoever for any loss (including, without limitation, any liability arising from any fault or negligence on the part of IFFIm or its respective directors, employees, agents or advisers) arising from access to this presentation by any person not entitled to do so.

Each recipient of this presentation is deemed to acknowledge that this presentation is a proprietary document of IFFIm and by receipt hereof agrees to treat it as confidential and not reproduce, redistribute or disclose it, or permit reproduction, redistribution or disclosure of it, to third parties without the prior written consent of the IFFIm. All content (including, without limitation, the graphics, icons, and overall appearance of the presentation and its content) are the property of IFFIm. IFFIm does not waive any of its proprietary rights therein including, but not limited to, copyrights, trademarks and other intellectual property rights.