



Fitch Downgrades International Finance Facility for Immunisation to 'AA+' Ratings

Endorsement Policy
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Fitch Ratings-London-22 April 2013: Fitch Ratings has downgraded the International Finance Facility for Immunisation's (IFFIm) Long-term Issuer Default Rating (IDR) to 'AA+' from 'AAA'. The Outlook is Stable. The 'F1+' Short-term IDR is affirmed. The ratings have been removed from Rating Watch Negative.

KEY RATING DRIVERS

The rating action on IFFIm is prompted by Fitch's downgrade of the United Kingdom's (UK) IDRs to 'AA+'/Stable and by the affirmation of its Short-term rating at 'F1+' on 19 April 2013. IFFIm's ratings rely primarily on support from donors, which have committed to disburse grants over a period of up to 20 years, and to a lesser extent on its gearing ratio, which is the ratio of net debt (outstanding bonds minus funds placed in trust) to net present value of pledged grants.

RATING SENSITIVITIES

As the UK and France are the largest contributors, with 47.5% and 27.4% of the total pledged grants, respectively, Fitch has linked IFFIm's ratings to the sovereign ratings of these two countries. In the event of a downgrade of the sovereign rating of France or the UK below 'AA+', IFFIm's rating will therefore be downgraded.

Beyond the potential future revision of the ratings of France or the UK, the other factor that could lead to a negative action over the medium term is a breach of the limit set by IFFIm on its gearing ratio. Although not a near-term risk, given the substantial headroom within the limit that currently exists, a future breach of the gearing ratio limit could trigger a rating downgrade of IFFIm.

KEY ASSUMPTIONS

The ratings are sensitive to a number of assumptions:

- Fitch assumes that the eurozone will remain intact.
- Fitch assumes there will be no materialisation of severe tail risks to global financial stability which would affect donor countries' capacity to pay the grants they have pledged.

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Additional information is available on www.fitchratings.com.

Applicable criteria, 'Rating Multilateral Development Banks', dated 12 May 2012, are available at www.fitchratings.com.

Applicable Criteria and Related Research

Rating Multilateral Development Banks

Additional Disclosure

Solicitation Status

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