



To: IFFIm Board of Directors

From: The World Bank, as IFFIm Treasury Manager

Subject: **Treasury Manager Report – Third Quarter of 2024**

The Treasury Manager's quarterly report on the financial management activities of IFFIm for the third quarter of 2024 is attached. Questions concerning this report may be referred to Andrea Dore ([adore@worldbank.org](mailto:adore@worldbank.org)) or Karen Pillay ([kpillay@worldbank.org](mailto:kpillay@worldbank.org)).

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# IFFIm: Treasury Manager Report

## Third Quarter of 2024

### I. International Capital Market Environment

The Federal Reserve cut interest rates by 25 basis points in November, in a unanimous decision. In his statement, Jerome Powell did not rule out the possibility of a further rate reduction in December. He also mentioned that it is too early to determine the timing or specific details of any potential fiscal policy changes.

The European Central Bank (ECB) lowered its key rate by 25 basis points (bps) to 3.25% in October. While acknowledging the ongoing disinflationary process, ECB President Christine Lagarde cautioned that the euro-area economy is performing slightly weaker than expected.

The Bank of England (BoE) cut its key interest rate by 25 basis points to 4.75% in November. However, it refrained from signaling faster easing, citing concerns about inflationary pressures from the recent budget, which could potentially drive inflation up by as much as half a percentage point.

### II. Funding Activities

#### a. Issuance of Notes (as of September 30, 2024)

Since IFFIm's inception, the Treasury Manager has arranged for IFFIm to issue a total of USDeq 8.7 billion through 41 transactions in eight currencies: AUD, BRL, GBP, NZD, NOK, TRY, USD and ZAR.

#### b. Issuances from other Supranationals

Table 1 shows issuance activities of Supranationals in the third quarter of year 2024 and, indicative benchmark issuance costs for IFFIm as of September 30, 2024.

**Table 1 – Selected Supranational/Non-U.S. Agency Benchmark Issuance  
Third Quarter of 2024**

#### USD

Issuer	Amount (\$ billion)	Issue date	Maturity Date	Maturity (years)	All-in Spread (bps)
ADB	3.5	8/29/2024	8/28/2029	5	SOFR + 41
EIB	5.0	8/27/2024	11/15/2029	5	SOFR + 41
IBRD	2.0	7/24/2024	6/15/2027	3	SOFR + 30
IFC	2.0	7/2/2024	7/2/2029	5	SOFR + 39
<i>IFFIm Indications as at 9/30/2024*</i>					<b>All-in Spread (bps)</b>
<i>IFFIm</i>	<i>0.5 min</i>			3	<i>SOFR + 45</i>
<i>IFFIm</i>	<i>0.5 min</i>			5	<i>SOFR+ 53</i>

(\*) Estimates do not include World Bank swap intermediation charge, swap execution cost.

### c. Marketing and Investor Outreach

**Rating Agencies:** Table 2 sets out the credit ratings of IFFIm and its main donors as of November 2024. In October 2024, Moody's affirmed IFFIm's credit rating at Aa1 with stable outlook and Fitch revised IFFIm's outlook to negative from stable following its decision to revise France's outlook. IFFIm's credit rating and outlook remain the same for S&P at AA with stable outlook. IFFIm is set to have its annual credit rating meeting with S&P in November 2024.

**Table 2 – IFFIm and Main Donor Credit Ratings as of November 13, 2024**

Donor Name	S&P	Outlook	MOODY	Outlook	FITCH	Outlook
FRANCE	AA-	Stable	Aa2	Stable	AA-	Negative
UNITED KINGDOM	AA	Stable	Aa3	Stable	AA-	Stable
IFFIm	AA	Stable	Aa1	Stable	AA-	Negative

**Investor and media outreach:** The Treasury Manager continued to reach out to potential investors and responded to ad hoc investor related requests for information.

### III. Investment Activities and Performance

At the end of the quarter, the size of IFFIm's liquid investment portfolio was USD 685 million. The portfolio is divided into two tranches: Operational and Stable.

**Table 3 - IFFIm Investment Activity and Performance**

## IFFIm - International Finance Facility for Immunisation

September  
20  
24

### Portfolio Performance

#### Portfolio Returns and Excess Returns Before Fees

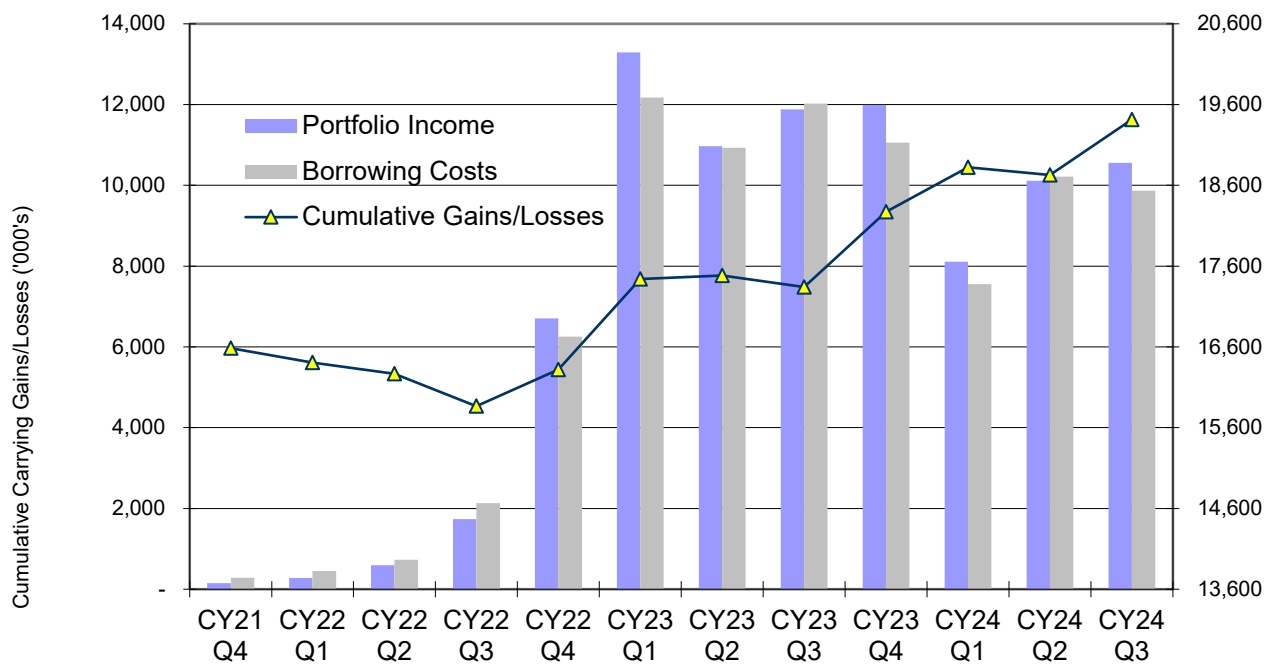
	Benchmark Description	Current Benchmark Effective Date	30-Sep-24	Q3FY24		Client FY to date <sup>1/</sup>		Rolling One-Year		Rolling Five-Year	
				Size (USD)	Non-annualized Portfolio Return (%)	Excess Return (bps)	Non-annualized Portfolio Return (%)	Excess Return (bps)	Portfolio Return (%)	Excess Return (bps)	Annualized Portfolio Return (%)
IFFIm			684,847,926	1.55	19	4.63	52	6.26	72	2.82	41
Operational Cash	SOFR Overnight Rate Index	11/1/16	264,393,627	1.37	2	4.24	14	5.71	19	2.45	17
Stable Cash	SOFR Overnight Index	3/31/22	420,454,299	1.59	23	4.72	60	6.48	93	2.95	51

<sup>1/</sup> Client Fiscal Year: January - December. Inception November 6, 2006

<sup>2/</sup> Total liquidity for Stable Cash was transferred from Libor Plus Strategy to SOFR Plus Strategy along with change of its benchmark to ICE BofA SOFR Overnight Rate Index effective 31st March 2022

Since inception, IFFIm's cumulative carrying gain is over \$19.4 million.

**Chart 1 - IFFIm’s cumulative carrying gain since inception as of September 30, 2024 (USD, Thousands)**



**IV. Implementation of IFFIm’s Risk Management Strategy**

Under its liquidity policy, IFFIm maintains a minimum level of liquid assets equivalent to its cumulative contracted debt service payments for the next 12-month period. IFFIm’s primary liabilities are the bonds that it has issued. IFFIm’s balance sheet is managed to ensure that, at a very high confidence level, its multi-currency, long-term payment asset base will cover its liabilities.

## V. Disbursements and Available Funding Balance

IFFIm's total fund balance decreased from USD 752.5 million as of June 30, 2024 to USD 747.8 million as of September 30, 2024<sup>1</sup>. The decrease is primarily due to debt service and administrative costs of USD 15.3 million which were partially offset by donor inflows from Australia and United Kingdom.

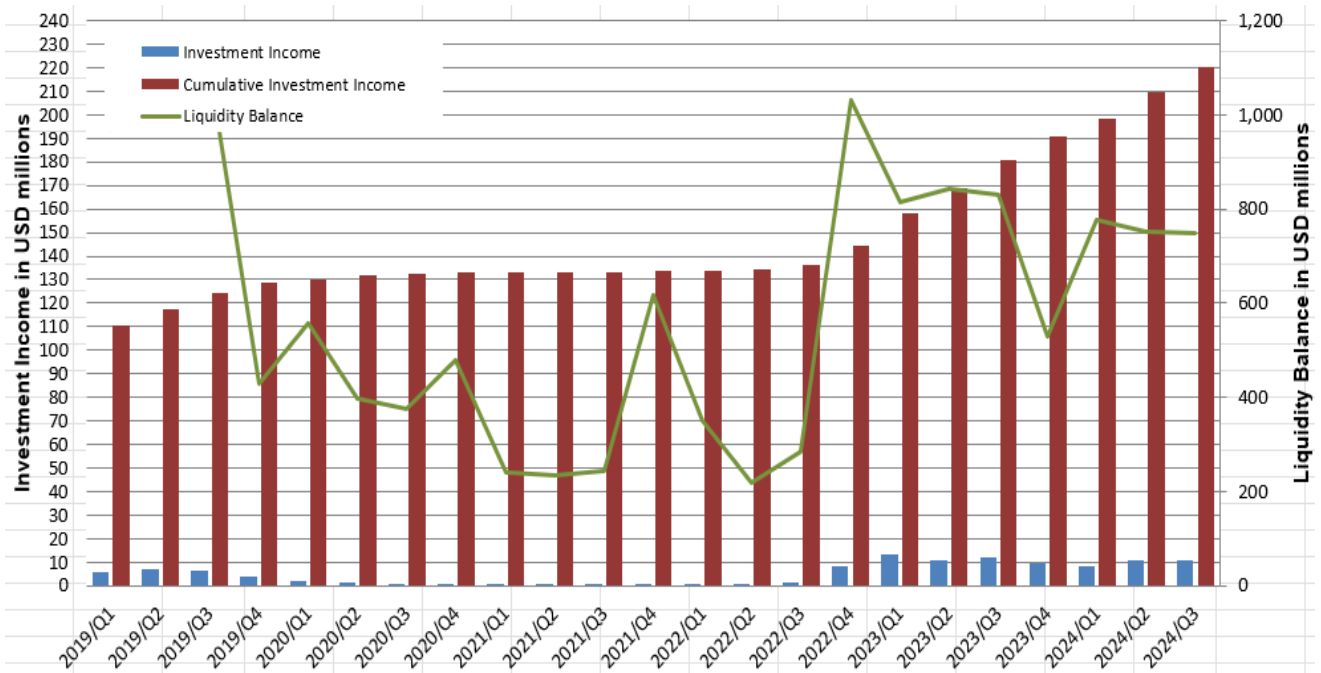
Table 4 - Summary of Cash Flows for IFFIm<sup>2</sup>

In USD millions		
<b>Balance, June 30, 2024</b>	<b>(A)</b>	<b>752.5</b>
Inflows from bonds (including related swaps)		0.0
Inflows from donors (including related swaps)		-70.9
Investment income		81.4
Swap recouping		0.0
<b>Total inflows</b>	<b>(B)</b>	<b>10.6</b>
Disbursement for approved programs		0.0
Debt service		14.6
Bond repayment		0.0
Administrative costs		0.7
<b>Total outflows</b>	<b>(C)</b>	<b>15.3</b>
<b>Balance, September 30, 2024</b>	<b>(A)+(B)-(C)</b>	<b>747.8</b>

<sup>1</sup> IFFIm's investment portfolio balance (as mentioned in Paragraph III) may be different from the total fund balance due to the inclusion of the outstanding balances in IFFIm's bank accounts in contribution currencies, which are valued at the end of quarter exchange rates.

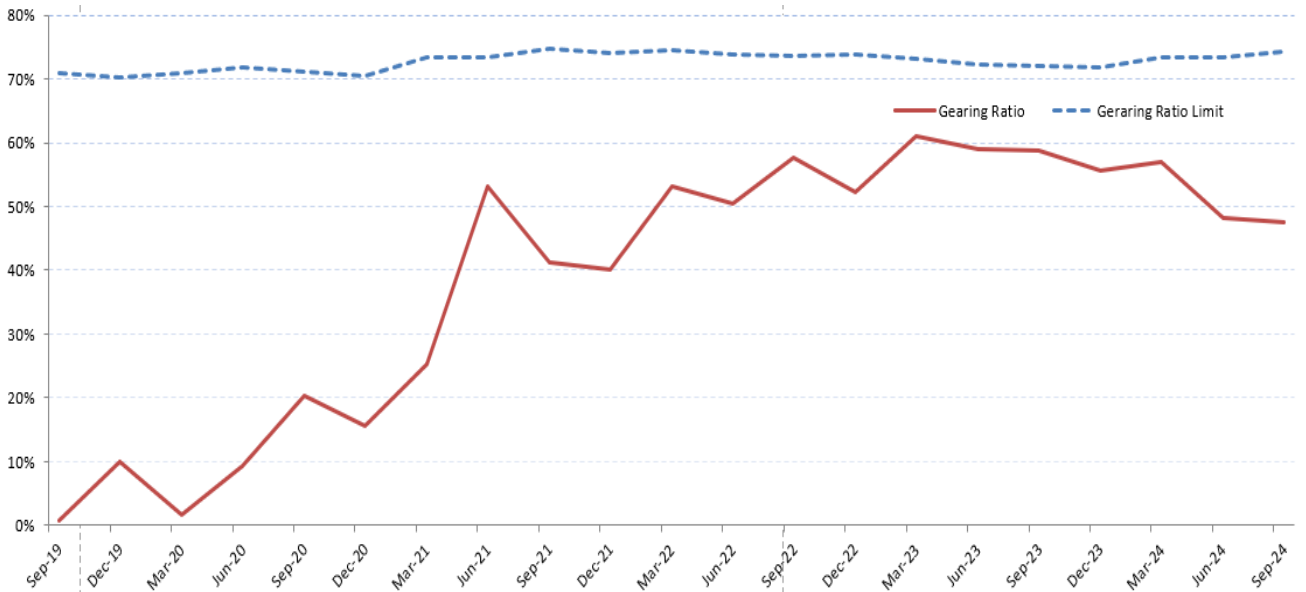
<sup>2</sup> The figures provided in this table may differ from those that will appear in IFFIm's financial statements.

**Chart 2 - Investment income and liquidity balance**



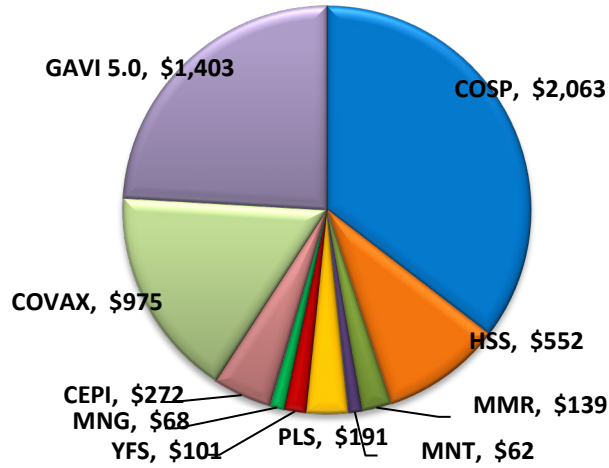
The Gearing Ratio Limit approved by the IFFIm Board for the third quarter of 2024 was 74.3%. The Risk Management Buffer (RMB) was adjusted down to zero after the swap re-coupons transaction in 2020, as such the approved Gearing Ratio Limit less the RMB is at 74.3%. The end-September 2024 actual gearing ratio decreased to 47.6% from the end-June 2024 level of 48.1%.

**Chart 3 - Gearing Ratio and Gearing Ratio Limit**



**Disbursements from IFFIm to GAVI for approved programs.** As of September 30, 2024, cumulative program disbursements from IFFIm to GAVI since inception amounted to USD 5,826 million. The breakdown of these transfers by program is summarized below.

**Chart 4 - Transfers from IFFIm to GAVI Alliance  
Inception to September 30, 2024 - amount in USD million**



*YFS - Yellow Fever Stockpile; MMR - Measles, Mumps & Rubella; MNT-Maternal & Neonatal Campaign; MNG - Meningitis  
PLS - Polio Stockpile Campaign; HSS - Health Systems Strengthening; COSP - Core GAVI Immunizations; CEPT – CEPI Arrangement*

## VI. Treasury Manager's costs update

The actual Treasury Manager's costs for the third quarter of 2024 amounted to USD 524,967. Compared with 1/4th of the billed amount, the actual costs were lower by USD 158,283. The detailed breakdown of the costs by categories can be found in table 5.

**Table 5 - Comparison of Treasury Manager's actual costs vs. billed estimates, Q3 CY2024**  
*Amounts in USD*

Client: International Finance Facility for Immunization				
Billing period: 2024 Q3 Actuals				
Services	Staff Costs	Travel	Swap Fees/ Investment Fees	Final Total
<b>A. Financial Service Cost</b>				<b>255,372</b>
• Bond Issuance – market research, design, execution	36,664	-		36,664
• Investment management fee (4.5 bps on average liquidity)			72,565	72,565
• Financial risk management	83,283		62,859	146,142
<b>B. Treasury Manager Administration and Support Costs</b>				<b>269,595</b>
• Donor Relations, Management of Donor Pledges and Payments	12,947	-		12,947
• Fund Management	14,386	-		14,386
• Ratings maintenance including gearing ratio analysis, liquidity	112,451	-		112,451
• Accounting and Reporting	83,604	-		83,604
• Legal	28,410			28,410
• Preparation and reporting for IFFIm Board Meetings	17,798			17,798
<b>Total invoice</b>	<b>389,543</b>	<b>-</b>	<b>135,424</b>	<b>524,967</b>
Client: International Finance Facility for Immunization				
Billing period: 2024 Q3 Estimates billed				
Services	Staff Costs	Travel	Swap Fees/ Investment Fees	Final Total
<b>A. Financial Service Cost</b>				<b>314,500</b>
• Bond Issuance – market research, design, execution	84,500	-	-	84,500
• Investment management fee (4.5 bps on average liquidity)	-	-	92,500	92,500
• Financial risk management	50,000	-	87,500	137,500
<b>B. Treasury Manager Administration and Support Costs</b>				<b>368,750</b>
• Donor Relations, Management of Donor Pledges and Payments	33,250	-	-	33,250
• Fund Management	37,000	-	-	37,000
• Ratings maintenance including gearing ratio analysis, liquidity	98,250	-	-	98,250
• Accounting and Reporting	102,500	-	-	102,500
• Legal	50,750	-	-	50,750
• Preparation and reporting for IFFIm Board Meetings	47,000	-	-	47,000
<b>Total invoice</b>	<b>503,250</b>	<b>-</b>	<b>180,000</b>	<b>683,250</b>
Client: International Finance Facility for Immunization				
Billing period: 2024 Q3 Actuals vs. Estimates billed				
Services	Staff Costs	Travel	Swap Fees/ Investment Fees	Final Total
<b>A. Financial Service Cost</b>				<b>(59,128)</b>
• Bond Issuance – market research, design, execution	(47,836)	-	-	(47,836)
• Investment management fee (4.5 bps on average liquidity)	-	-	(19,935)	(19,935)
• Financial risk management	33,283	-	(24,641)	8,642
<b>B. Treasury Manager Administration and Support Costs</b>				<b>(99,155)</b>
• Donor Relations, Management of Donor Pledges and Payments	(20,303)	-	-	(20,303)
• Fund Management	(22,614)	-	-	(22,614)
• Ratings maintenance including gearing ratio analysis, liquidity	14,201	-	-	14,201
• Accounting and Reporting	(18,896)	-	-	(18,896)
• Legal	(22,340)	-	-	(22,340)
• Preparation and reporting for IFFIm Board Meetings	(29,202)	-	-	(29,202)
<b>Total invoice</b>	<b>(113,707)</b>	<b>-</b>	<b>(44,576)</b>	<b>(158,283)</b>