



To: IFFIm Board of Directors

From: The World Bank, as IFFIm Treasury Manager

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

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

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# IFFIm: Treasury Manager Report

## Fourth Quarter of 2024

### I. International Capital Market Environment

The Federal Reserve voted unanimously to keep rates on hold in January 2025, maintaining the target range for the federal funds rate at 4.25%-4.50%. Jerome Powell stated that the central bank does not need to rush to adjust policy. Officials removed a reference to having made progress toward their 2% goal and added that "labor market conditions remain solid."

The ECB cut its deposit rate by 25 basis points to 2.75% in January 2025 and reiterated its expectation that inflation will return to its 2% target this year.

The Bank of England lowered its key interest rate by 25 basis points (bps) in February 2025. Following this third rate cut in the current cycle, the Base Rate now stands at 4.50%.

### II. Funding Activities

#### a. Issuance of Notes

IFFIm issued a 3yr \$1bn bond in October 2024. The bond marked a fantastic return to the US\$ market with the largest issuance size since the inaugural transaction of IFFIm in 2006.

Since inception, the Treasury Manager has arranged for IFFIm to issue a total of USDeq 9.7 billion through 42 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 fourth quarter of year 2024 and, indicative benchmark issuance costs for IFFIm as of December 31, 2024.

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

#### USD

| Issuer                                     | Amount (\$ billion) | Issue date | Maturity Date | Maturity (years) | All-in Spread (bps)        |
|--|---------------------|------------|---------------|------------------|----------------------------|
| IDA  | 3.5                 | 11/27/2024 | 11/27/2029    | 5                | SOFR + 50                  |
| IBRD                                       | 5.0                 | 10/16/2024 | 10/16/2029    | 5                | SOFR + 42                  |
| KBN  | 1.5                 | 10/1/2024  | 9/4/2029      | 5                | SOFR + 51                  |
| <i>IFFIm Indications as at 12/31/2024*</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 + 58</i>           |

(\*) Estimates do not include 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 February 2025. In December 2024, S&P affirmed IFFIm's long-term credit rating of AA with stable outlook. 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.

**Table 2 – IFFIm and Main Donor Credit Ratings as of February 10, 2025**

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

**Investor and media outreach:** The Treasury reached out to potential investors in preparation of IFFIm’s USD bond during the quarter. The Treasury Manager also 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 1,491 million. The portfolio is divided into two tranches: Operational and Stable.

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

## IFFIm - International Finance Facility for Immunisation

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### Portfolio Performance

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#### Portfolio Returns and Excess Returns Before Fees

|          |
|----------|
| December |
| 20       |
| 24       |

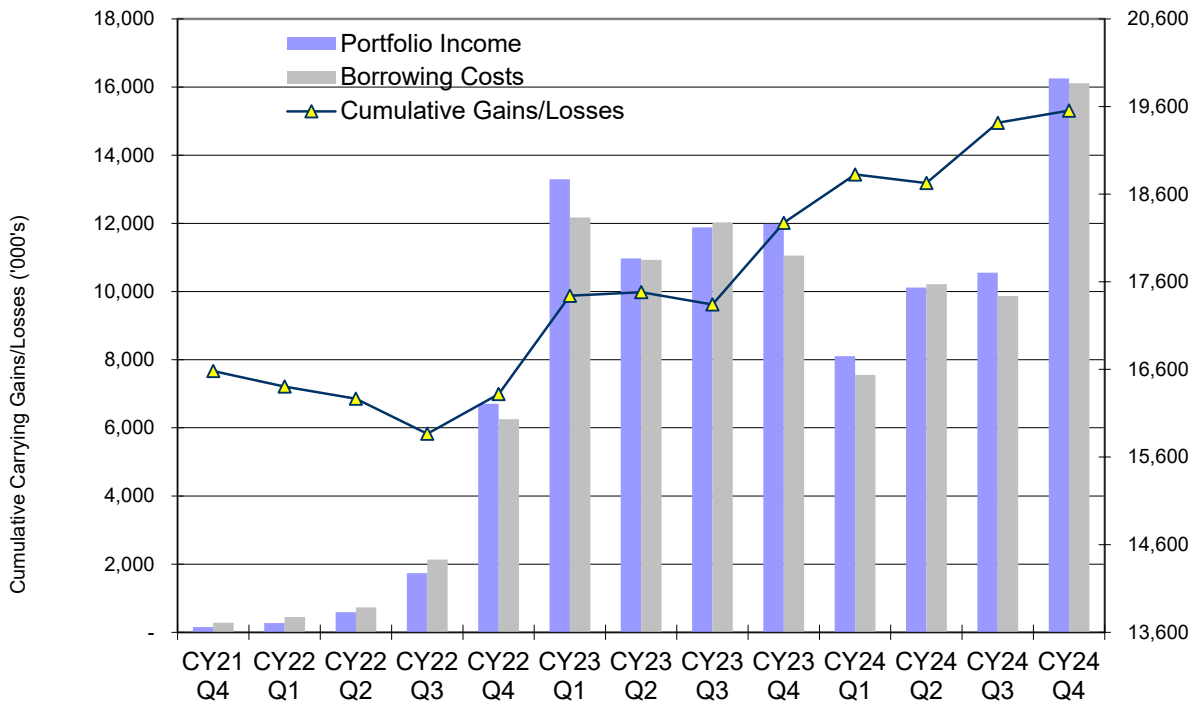
|                  | Benchmark Description     | Current Benchmark Effective Date | 31-Dec-24     | Q4FY24               |                     | Client FY to date <sup>1/</sup> |                     | Rolling One-Year     |                     | Rolling Five-Year               |                                |
|------------------|---------------------------|----------------------------------|---------------|----------------------|---------------------|---------------------------------|---------------------|----------------------|---------------------|---------------------------------|--------------------------------|
|                  |                           |                                  |               | Portfolio Return (%) | Excess Return (bps) | Portfolio Return (%)            | Excess Return (bps) | Portfolio Return (%) | Excess Return (bps) | Annualized Portfolio Return (%) | Annualized Excess Return (bps) |
| IFFIm            |                           |                                  | Size (USD)    | 1.21                 | 0                   | 5.90                            | 53                  | 5.90                 | 53                  | 2.94                            | 38                             |
| Operational Cash | SOFR Overnight Rate Index | 11/1/16                          | 81,911,741    | 1.25                 | 5                   | 5.55                            | 19                  | 5.55                 | 19                  | 2.60                            | 16                             |
| Stable Cash      | SOFR Overnight Index      | 3/31/22                          | 1,409,091,497 | 1.19                 | (1)                 | 5.97                            | 59                  | 5.97                 | 59                  | 3.07                            | 49                             |

<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 \$19.6 million.

**Chart 1 - IFFIm’s cumulative carrying gain since inception as of December 31, 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 increased from USD 685.9 million as of September 30, 2024 to USD 1,496.3 million as of December 31, 2024<sup>1</sup>. The increase is primarily due to bond proceeds of USD 1,000 million from the 3-year bond issued in October 2024 and donor inflows from United Kingdom, Netherlands, Spain and Brazil which were partially offset by disbursements for GAVI 5.1.1 and CEPI.ES.2024 programs and debt service costs.

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

| In USD millions                                  |                    |                |
|--|--------------------|----------------|
| <b>Balance, September 30, 2024**</b>             | <b>(A)</b>         | <b>685.9</b>   |
| Inflows from bonds (including related swaps)     |                    | 1,000.0        |
| Inflows from donors (including related swaps)*** |                    | 191.4          |
| Investment income***                             |                    | 15.9           |
| Swap recouping***                                |                    | 8.1            |
| <b>Total inflows</b>                             | <b>(B)</b>         | <b>1,215.4</b> |
| Disbursement for approved programs               |                    | 365.8          |
| Debt service                                     |                    | 38.1           |
| Bond repayment                                   |                    | 0.0            |
| Administrative costs                             |                    | 1.0            |
| <b>Total outflows</b>                            | <b>(C)</b>         | <b>405.0</b>   |
| <b>Balance, December 31, 2024</b>                | <b>(A)+(B)-(C)</b> | <b>1,496.3</b> |

\*\* After adjustment of total balance in Q2 2024 and Q3 2024 due to a classification error of donor inflows and associated swap amounts by US\$61.9 million.

\*\*\* Previous quarter Q2 2024 and Q3 2024 amounts reclassified between donor inflows, investment income and swaps with no impact on the total inflow amounts.

<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.

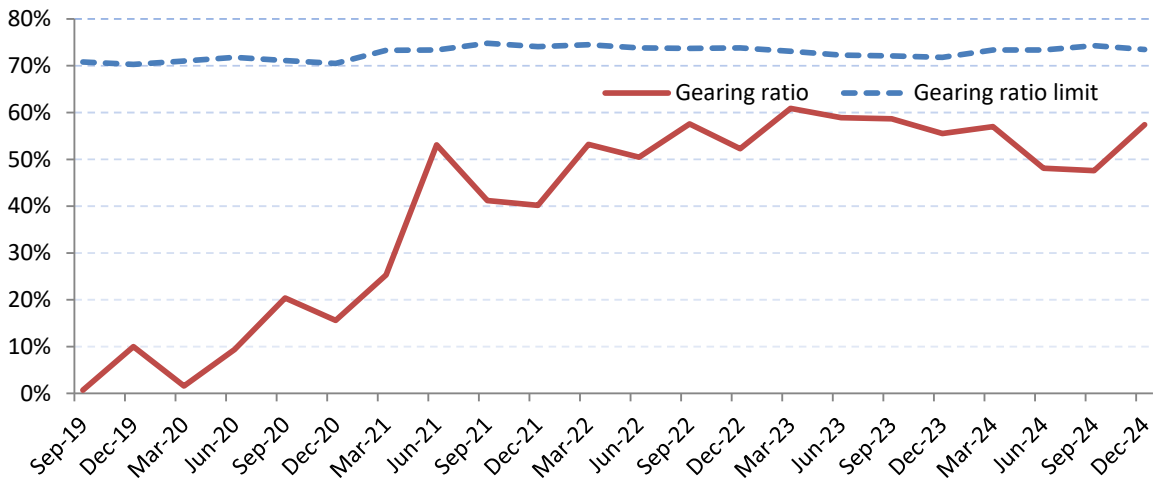
<sup>2</sup> The figures provided in this table may differ from those that will appear in IFFIm's financial statements.

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



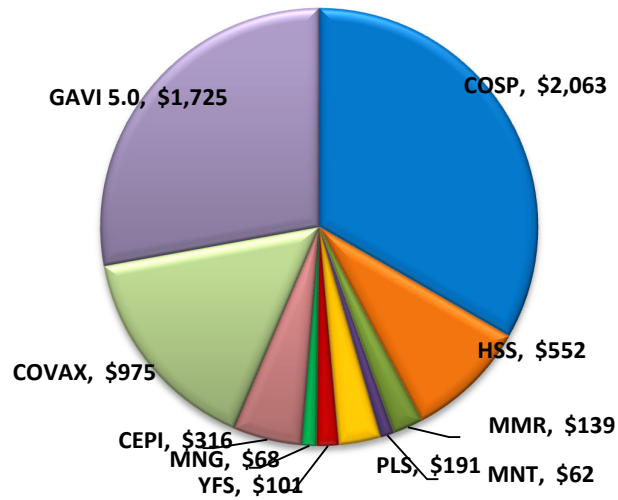
The Gearing Ratio Limit approved by the IFFIm Board for the fourth quarter of 2024 was 73.5%. The Risk Management Buffer (RMB) was adjusted down to zero after the swap re-coupons transaction in 2020, as such the approved Gearing Ratio Limit less the RMB is at 73.5%. The end-December 2024 actual gearing ratio increased to 57.4% from the end-September 2024 level of 47.6%.

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



**Disbursements from IFFIm to GAVI for approved programs.** As of December 31, 2024, cumulative program disbursements from IFFIm to GAVI since inception amounted to USD 6,192 million. The breakdown of these transfers by program is summarized below.

**Chart 4 - Transfers from IFFIm to GAVI Alliance  
Inception to December 31, 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 fourth quarter of 2024 amounted to USD 641,793. Compared with 1/4th of the billed amount, the actual costs were lower by USD 41,457. 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, Q4 CY2024  
Amounts in USD

| Client: International Finance Facility for Immunization           |                |          |                                  |                |
|---|----------------|----------|----------------------------------|----------------|
| Billing period: 2024 Q4 Actuals                                   |                |          |                                  |                |
| Services  | Staff Costs    | Travel   | Swap Fees/<br>Investment<br>Fees | Final<br>Total |
| <b>A. Financial Service Cost</b>                                  |                |          |                                  | <b>321,137</b> |
| • Management of IFFIm's funding program and ALM risk*             | 38,952         | -        |                                  | 38,952         |
| • Investment management fee (4.5 bps on average liquidity)        |                |          | 175,210                          | 175,210        |
| • Financial risk management                                       | 50,298         |          | 56,676                           | 106,974        |
| <b>B. Treasury Manager Administration and Support Costs</b>       |                |          |                                  | <b>320,656</b> |
| • Donor Relations, Management of Donor Pledges and Payments       | 27,179         | -        |                                  | 27,179         |
| • Fund Management   | 30,199         | -        |                                  | 30,199         |
| • Ratings maintenance including gearing ratio analysis, liquidity | 119,908        | -        |                                  | 119,908        |
| • Accounting and Reporting  | 96,883         | -        |                                  | 96,883         |
| • Legal   | 18,629         |          |                                  | 18,629         |
| • Preparation and reporting for IFFIm Board Meetings              | 27,857         |          |                                  | 27,857         |
| <b>Total invoice</b>  | <b>409,907</b> | <b>-</b> | <b>231,886</b>                   | <b>641,793</b> |

\* Earlier titled "Bond Issuance – market research, design, execution"

| Client: International Finance Facility for Immunization           |                |          |                                  |                |
|---|----------------|----------|----------------------------------|----------------|
| Billing period: 2024 Q4 Estimates billed                          |                |          |                                  |                |
| Services  | Staff Costs    | Travel   | Swap Fees/<br>Investment<br>Fees | Final<br>Total |
| <b>A. Financial Service Cost</b>                                  |                |          |                                  | <b>314,500</b> |
| • Management of IFFIm's funding program and ALM risk*             | 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> |

\* Earlier titled "Bond Issuance – market research, design, execution"

| Client: International Finance Facility for Immunization           |                 |          |                                  |                 |
|---|-----------------|----------|----------------------------------|-----------------|
| Billing period: 2024 Q4 Actuals vs. Estimates billed              |                 |          |                                  |                 |
| Services  | Staff Costs     | Travel   | Swap Fees/<br>Investment<br>Fees | Final<br>Total  |
| <b>A. Financial Service Cost</b>                                  |                 |          |                                  | <b>6,637</b>    |
| • Management of IFFIm's funding program and ALM risk*             | (45,548)        | -        | -                                | (45,548)        |
| • Investment management fee (4.5 bps on average liquidity)        | -               | -        | 82,710                           | 82,710          |
| • Financial risk management                                       | 298             | -        | (30,824)                         | (30,526)        |
| <b>B. Treasury Manager Administration and Support Costs</b>       |                 |          |                                  | <b>(48,094)</b> |
| • Donor Relations, Management of Donor Pledges and Payments       | (6,071)         | -        | -                                | (6,071)         |
| • Fund Management   | (6,801)         | -        | -                                | (6,801)         |
| • Ratings maintenance including gearing ratio analysis, liquidity | 21,658          | -        | -                                | 21,658          |
| • Accounting and Reporting  | (5,617)         | -        | -                                | (5,617)         |
| • Legal   | (32,121)        | -        | -                                | (32,121)        |
| • Preparation and reporting for IFFIm Board Meetings              | (19,143)        | -        | -                                | (19,143)        |
| <b>Total invoice</b>  | <b>(93,343)</b> | <b>-</b> | <b>51,886</b>                    | <b>(41,457)</b> |

\* Earlier titled "Bond Issuance – market research, design, execution"



The actual Treasury Manager's costs for 2024 were USD 2,377,832 as reflected in table 6 below. The total actual costs were USD 355,168 lower than the 2024 billed amount, primarily due to lower costs for management of IFFIm's funding program and ALM risk, lower legal and accounting costs, and lower costs for the preparation and reporting for IFFIm Board meetings. The 2024 under-run will be adjusted in the fee paid for year 2025.

**Table 6 - Comparison of Treasury Manager's actual costs vs. billed estimates, CY2024**  
*Amounts in USD*

| Client:   |                  | International Finance Facility for Immunization |                               |                                 |                  |  |
|---|------------------|---|-------------------------------|---------------------------------|------------------|--|
| Billing period:   |                  | 2024 Actuals                                    |                               |                                 |                  |  |
| Services  | Staff Costs      | Travel  | Swap Fees/<br>Investment Fees | Paid<br>Third<br>Party<br>Costs | Final<br>Total   |  |
| <b>A. Financial Service Cost</b>                                  |                  |   |                               |                                 | <b>1,042,825</b> |  |
| • Management of IFFIm's funding program and ALM risk*             | 183,745          | -   |                               |                                 | 183,745          |  |
| • Investment management fee (4.5 bps on average liquidity)        |                  |   | 380,252                       |                                 | 380,252          |  |
| • Financial risk management                                       | 227,287          |   | 251,542                       |                                 | 478,829          |  |
| <b>B. Treasury Manager Administration and Support Costs</b>       |                  |   |                               |                                 | <b>1,335,006</b> |  |
| • Donor Relations, Management of Donor Pledges and Payments       | 114,704          | 16,523  |                               |                                 | 131,227          |  |
| • Fund Management   | 127,448          | 16,523  |                               |                                 | 143,972          |  |
| • Ratings maintenance including gearing ratio analysis, liquidity | 449,299          | -   |                               |                                 | 449,299          |  |
| • Accounting and Reporting  | 325,210          | 15,914  |                               |                                 | 341,124          |  |
| • Legal   | 146,979          |   |                               |                                 | 146,979          |  |
| • Preparation and reporting for IFFIm Board Meetings              | 122,405          |   |                               |                                 | 122,405          |  |
| <b>Total invoice</b>  | <b>1,697,077</b> | <b>48,961</b>                                   | <b>631,794</b>                | <b>-</b>                        | <b>2,377,832</b> |  |

\* Earlier titled "Bond Issuance – market research, design, execution"

| Client:   |                  | International Finance Facility for Immunization |                               |                                 |                  |  |
|---|------------------|---|-------------------------------|---------------------------------|------------------|--|
| Billing period:   |                  | 2024 Estimates billed                           |                               |                                 |                  |  |
| Services  | Staff Costs      | Travel  | Swap Fees/<br>Investment Fees | Paid<br>Third<br>Party<br>Costs | Final<br>Total   |  |
| <b>A. Financial Service Cost</b>                                  |                  |   |                               |                                 | <b>1,258,000</b> |  |
| • Management of IFFIm's funding program and ALM risk*             | 338,000          | -   | -                             | -                               | 338,000          |  |
| • Investment management fee (4.5 bps on average liquidity)        | -                | -   | 370,000                       | -                               | 370,000          |  |
| • Financial risk management                                       | 200,000          | -   | 350,000                       | -                               | 550,000          |  |
| <b>B. Treasury Manager Administration and Support Costs</b>       |                  |   |                               |                                 | <b>1,475,000</b> |  |
| • Donor Relations, Management of Donor Pledges and Payments       | 133,000          | -   | -                             | -                               | 133,000          |  |
| • Fund Management   | 148,000          | -   | -                             | -                               | 148,000          |  |
| • Ratings maintenance including gearing ratio analysis, liquidity | 393,000          | -   | -                             | -                               | 393,000          |  |
| • Accounting and Reporting  | 410,000          | -   | -                             | -                               | 410,000          |  |
| • Legal   | 203,000          | -   | -                             | -                               | 203,000          |  |
| • Preparation and reporting for IFFIm Board Meetings              | 188,000          | -   | -                             | -                               | 188,000          |  |
| <b>Total invoice</b>  | <b>2,013,000</b> | <b>-</b>  | <b>720,000</b>                | <b>-</b>                        | <b>2,733,000</b> |  |

\* Earlier titled "Bond Issuance – market research, design, execution"

| Client:   |                  | International Finance Facility for Immunization |                               |                                 |                  |  |
|---|------------------|---|-------------------------------|---------------------------------|------------------|--|
| Billing period:   |                  | 2024 Actuals vs. Estimates billed               |                               |                                 |                  |  |
| Services  | Staff Costs      | Travel  | Swap Fees/<br>Investment Fees | Paid<br>Third<br>Party<br>Costs | Final<br>Total   |  |
| <b>A. Financial Service Cost</b>                                  |                  |   |                               |                                 | <b>(215,175)</b> |  |
| • Management of IFFIm's funding program and ALM risk*             | (154,255)        | -   | -                             | -                               | (154,255)        |  |
| • Investment management fee (4.5 bps on average liquidity)        | -                | -   | 10,252                        | -                               | 10,252           |  |
| • Financial risk management                                       | 27,287           | -   | (98,458)                      | -                               | (71,171)         |  |
| <b>B. Treasury Manager Administration and Support Costs</b>       |                  |   |                               |                                 | <b>(139,994)</b> |  |
| • Donor Relations, Management of Donor Pledges and Payments       | (18,296)         | 16,523  | -                             | -                               | (1,773)          |  |
| • Fund Management   | (20,552)         | 16,523  | -                             | -                               | (4,028)          |  |
| • Ratings maintenance including gearing ratio analysis, liquidity | 56,299           | -   | -                             | -                               | 56,299           |  |
| • Accounting and Reporting  | (84,790)         | 15,914  | -                             | -                               | (68,876)         |  |
| • Legal   | (56,021)         | -   | -                             | -                               | (56,021)         |  |
| • Preparation and reporting for IFFIm Board Meetings              | (65,595)         | -   | -                             | -                               | (65,595)         |  |
| <b>Total invoice</b>  | <b>(315,923)</b> | <b>48,961</b>                                   | <b>(88,206)</b>               | <b>-</b>                        | <b>(355,168)</b> |  |

\* Earlier titled "Bond Issuance – market research, design, execution"