SSA YEARBOOK

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AUSTRALASIAN FIXED INCOME: GLOBAL REACH, LOCAL EXPERTISE

SSA OUTLOOK

KangaNews's *annual guide to global high-grade borrowers – market-leading credits in a changing world.*

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KangaNews is proud to present key data and information on 33 of the most significant issuers in global capital markets.

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2019 SUMMARY OF SSA ISSUERS' KEY DATA

Back to the future

Benchmark mid-curve issuance has re-emerged as the tenor of choice in the Kangaroo supranational, sovereign and agency (SSA) market in 2019. Technical factors are driving supply and demand in Australian dollars, and while domestic investors are having a harder time seeing value, global volatility is augmenting Antipodean markets' appeal for offshore borrowers.

BY MATT ZAUNMAYR

Supply of SSA deals with 0-7 year tenor in Australian dollars in 2019 is already approaching double the total volume for 2018 and is primed to challenge a decade-high for volume set in 2010. Meanwhile, volume at the longer end of the curve is well below the run rate set over the last 10 years (see chart 1).

Supply from the sector in 2019 started in typical fashion, with a flood of issuers pricing deals in Q1. However, the market fell out of favour towards the end of March. According to KangaNews data, between early March and mid-May there were no benchmark SSA Kangaroos at any tenor. At the same time, SSA supply to the Kauri market – which had a near-record year in 2018 – was suppressed (see box on p10).

However, Kangaroo supply picked up again between mid-May and mid-August (see chart 2), with the majority of benchmark deals being at five-year tenor.

Benchmark deals have come from issuers which have consistently maintained a mid-curve presence in Australian dollars such as Asian Development Bank (ADB), European Investment Bank, Inter-American Development Bank, International Finance Corporation (IFC), KfW Bankengruppe (KfW) and World Bank.

Deals have also come from those less active in Kangaroo mid-curve issuance. BNG Bank priced its first mid-curve deal since 2014 with a A$300 million (US$201 million), long six-year sustainability bond on 29 May. NRW.BANK printed a A$450 million, five-year deal on 19 July – its first Australian dollar deal in the belly of the curve since before the financial crisis.

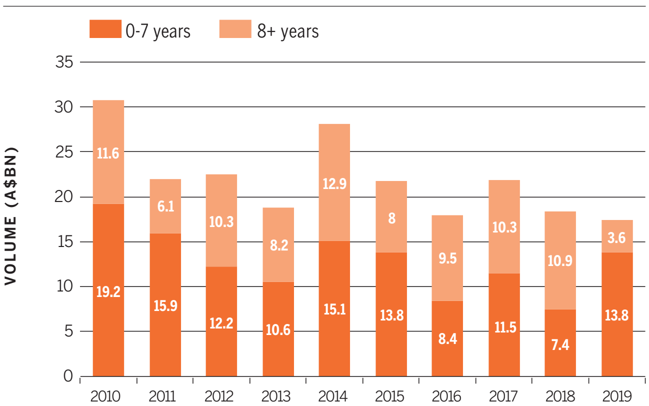
TECHNICAL DRIVERS

The resurgence of mid-curve SSA Kangaroo issuance has been part of a risk-on tone in the Australian dollar and global markets, induced by dovish positioning from central banks. The Reserve Bank of Australia (RBA) cut the cash rate in June and July, and market participants expect more to come before the end of the year.

Meanwhile, the Reserve Bank of New Zealand (RBNZ) decided on a 50-basis-point cash-rate cut at its August meeting. Yuriy Popovych, director, international fixed income at TD Securities in Singapore, says this move may reinforce market expectations that the RBA will cut its cash rate again sooner rather than later as central banks globally look to give their currencies an advantage.

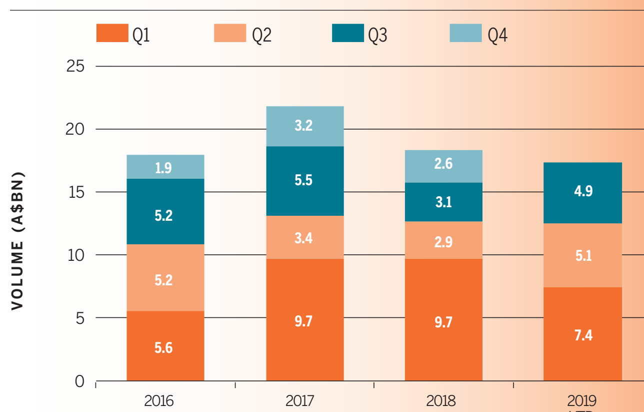
The RBA's dovish outlook caused a significant rally in Australian dollar government-bond spreads during June and July – increasing the relative value of the SSA sector. "SSAs broadly have been offering a good pick-up to government bonds in a

CHART 1. SSA KANGAROO VOLUME BY TENOR



SOURCE: KANGANEWS 20 AUGUST 2019

CHART 2. SSA KANGAROO VOLUME



SOURCE: KANGANEWS 20 AUGUST 2019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"Given geopolitical instability currently and going forward, it is possible that some borrowers will look to undertake a significant amount of their funding sooner rather than later – and away from US dollars where the possibility of volatility is currently higher."

YURIY POPOVYCH TD SECURITIES

low-rate environment, which has been particularly attractive for investors in Asia," says Popovych.

Petar Bogdanovic, Brisbane-based portfolio manager and Australian fixed-interest strategist at QIC, confirms that with Australian government bond yields below 1 per cent out to 12 years' maturity the SSA sector has become increasingly attractive. He says QIC is aware of increasing engagement from its domestic peers with SSA names.

Spread to government bonds has been particularly important in demand levels for deals such as NRW.BANK's, which priced at 52 basis points over semi-quarterly swap. According to Yieldbroker, on the day prior to NRW.BANK's launch the April 2024 Australian Commonwealth government bond was marked at 10.6 basis points below semi-quarterly swap.

Tatjana Beuer, director, capital markets funding at NRW.BANK in Düsseldorf, told *KangaNews* after the deal priced: "Being a relatively new Kangaroo issuer with a lack of liquid outstanding lines we still have to pay some basis points in premium compared with our euro targets. This is worthwhile for us, however – and our aim is to match our euro or US dollar pricing in due course."

SSA spreads in general became more attractive compared with semi-government bonds from late June into early August, giving a good pick-up for investors. However, according to Popovych this dynamic has deteriorated slightly since the beginning of August.

Nevertheless, issuance in Australian dollars remained attractive for SSAs into the middle of Q3. Spread movement in the five-year part of the curve is exemplified by new lines placed by ADB in January and August, which priced at 42 and 35 basis points over semi-quarterly swap, respectively.

Furthermore, Popovych says: "US dollar swap spreads have tightened, increasing the cost of US dollar issuance and making other markets comparatively more attractive."

Large US dollar tier-two capital deals priced by National Australia Bank and Westpac Banking Corporation in the wake of the Australian Prudential Regulation Authority (APRA)'s total loss-absorbing capacity equivalent announcement in July further widened the Australian dollar basis swap for offshore issuers.

Local-market constraints in Australia mean that market users expect the major banks will need to raise most of the capital uplift in offshore markets such as euros and US dollars. Popovych says the recent supply in US dollars and the expectation of more to come in other markets has been sufficient to move basis spreads and has added further to the momentum in the Australian dollar market.

Given the majority of tier-two issuance is expected to come at the long end of the curve, in the long run this may be where the greatest benefit also comes for Kangaroo SSA supply. However, Popovych says in early September demand for Australian dollars from Japanese investors was not sufficient to stoke issuance, while the mid-curve gains ancillary benefit.

DEMAND SOURCES

Other technical factors – such as Australian dollar redemptions for SSAs in Q3 being higher than at any other point during 2019 (see chart 3) and a cheapening Australian dollar – are also creating significant tailwinds for Australian dollar demand with various investor sets. Deal distribution statistics show that issuers are receiving demand from an array of different sources.

In the past, mid-curve SSA issuance has attracted the widest on- and offshore bid for the sector while the long end of the curve has been primarily the domain of Japanese and other offshore interest. The recent flurry of mid-curve SSA Kangaroos has also focused on domestic and offshore investors, although some of the transactions have been placed predominantly outside Australia (see chart 4).

"For us the SSA sector is always a play relative to semi-government bonds. Recently, we have seen more reason for semi-government spreads to come in relative to governments rather than for SSAs."

DARREN LANGER NIKKO ASSET MANAGEMENT


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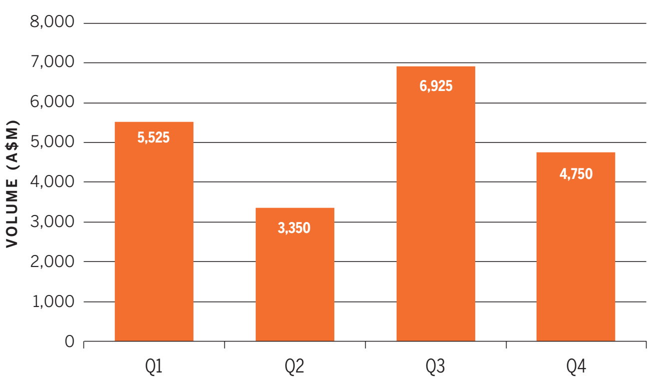
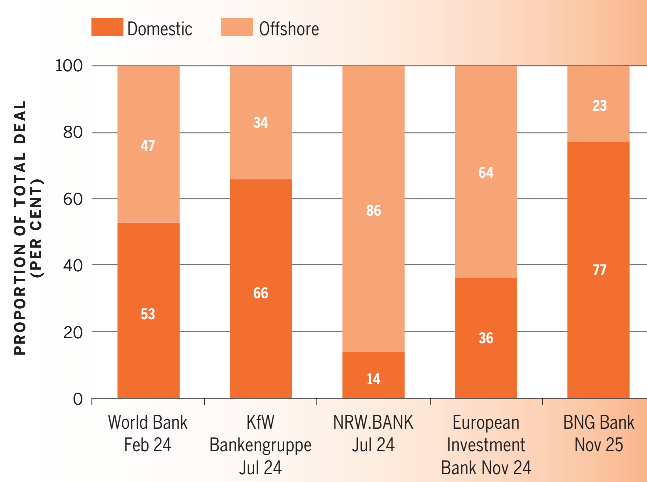
CHART 3. SSA KANGAROO REDEMPTIONS 2019



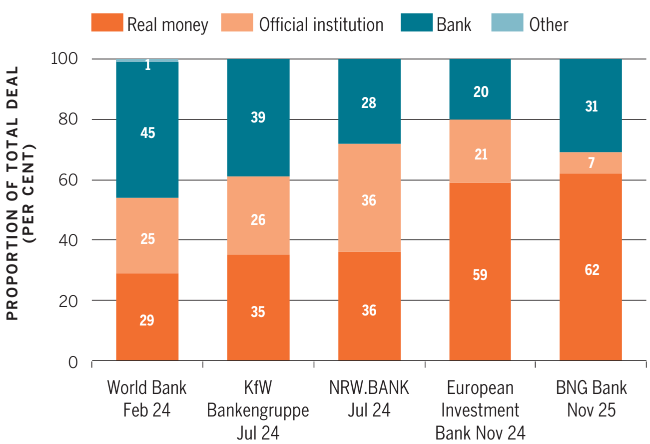
SOURCE: KANGANEWS 20 AUGUST 2019

CHART 4. SELECTED SSA KANGAROO DEALS ISSUED IN 2019: GEOGRAPHIC DISTRIBUTION



SOURCE: EUROPEAN INVESTMENT BANK, KFW BANKENGRUPPE, NRW.BANK, RBC CAPITAL MARKETS, WORLD BANK 20 AUGUST 2019

CHART 5. SELECTED SSA KANGAROO DEALS ISSUED IN 2019: DISTRIBUTION BY INVESTOR TYPE



SOURCE: EUROPEAN INVESTMENT BANK, KFW BANKENGRUPPE, NRW.BANK, RBC CAPITAL MARKETS, WORLD BANK 20 AUGUST 2019

Marayka Ward, senior credit manager and ESG champion at QIC in Brisbane, says despite the influx of issuance, SSA paper with 2024 maturity has been the least attractive point on the curve relative to semi-government bonds.

The addition of green, social or sustainability overlays has tended to augment Australian fund-manager demand for SSAs in recent years. This appears to be the case with regard to BNG Bank and KfW's recent deals. NRW.BANK's deal, on the other hand, had only a 14 per cent allocation to domestic investors – although Beuer told *KangaNews* at the time of pricing that some of these investors were new to the issuer.

Darren Langer, Sydney-based senior portfolio manager at Nikko Asset Management, comments: "For a manager like us with a composite mandate the SSA sector does not stack up, as pricing has not been attractive relative to other sectors in 2019 at any tenor."

He continues: "The SSA sector is always a play relative to semi-government bonds. Recently, we have seen more reason for semi-government spreads to come in relative to government bonds compared with for SSAs, given we believed the banks will have more demand to buy semi-government paper into financial year-end to balance their high-quality liquid-asset requirements."

In theory, the large forthcoming funding requirements for many of Australia's semi-government borrowers could change relative-value dynamics in favour of SSAs. However, Ward says increased semi-government issuance has been well flagged and is thus priced in. For now, relatively low supply in the near term and a recalibration of the RBA's committed-liquidity facility in June should stoke balance-sheet demand for semi-government paper.

Bogdanovic adds: "The uplift in semi-government borrowing requirements means these issuers are likely to extend their maturities. As a result, relative value for the long end of the SSA curve could benefit."

"With the uplift in semi-government borrowing requirements, they are likely to extend the duration of their maturities. As a result, relative value for the long end of the SSA curve could benefit."

PETAR BOGDANOVIC QIC

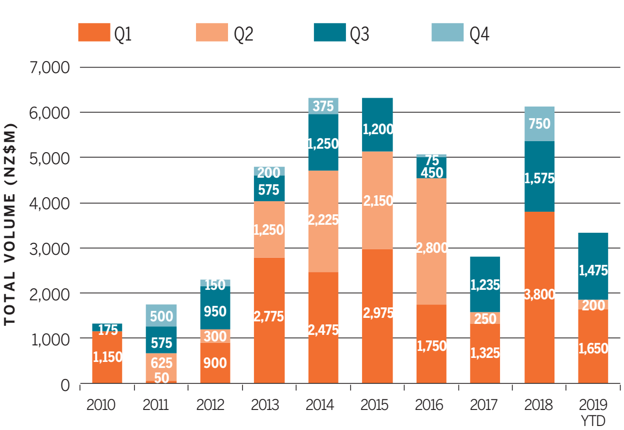
KAURI DEVELOPMENTS

Kauri issuance from supranational, sovereign and agency (SSA) borrowers has lagged the long-run average so far in 2019 (see chart 6). Demand is evident but swap levels have not made issuance possible even for some of the market's more consistent borrowers.

Given the Kauri is a noncore market for SSA borrowers, the weighting towards the front end of the year that is evident in the Kangaroo market tends to be less consistent. Deal flow comes if and when pricing makes sense. For most of 2019, it seems pricing has not been favourable for issuers.

Having said this, International Finance Corporation (IFC) printed a NZ$600 million (US$377.4 million), five-year deal in July – the market's first deal since early April. At the time, senior financial officer at IFC in Washington, Marcin Bill, told *KangaNews* that the New Zealand dollar deal priced inside five-year US dollar levels on an asset-swapped basis.

CHART 6. SSA KAURI ISSUANCE



SOURCE: KANGANEWS 20 AUGUST 2019

The fact remains, though, that deal flow has been stunted so far this year. The next transaction after IFC did not come until Asian Development Bank (ADB) priced a NZ$425 million, January 2023 tap on 16 August.

The rates story in New Zealand is similar to Australian dollars. A 50-basis-point cash-rate cut in August brought the official cash rate to 1 per cent and sent government bond yields plunging.

The pickup for investors in SSAs over government bonds could encourage issuance from the sector.

Following ADB's transaction, its Manila-based treasury specialist, Anthony Ruschpler, told *KangaNews* that opportunities for liquid high-quality paper were emerging in New Zealand dollars as market conditions have become more challenging and investors begin a flight to quality.

Recent deal flow suggests there is the potential to tap further demand. IFC and Inter-American Development Bank followed ADB to the market in mid-August.

Yuriy Popovych, director, international fixed income, origination and syndication at TD Securities, says opportunities could well come around amid heightened global-market volatility. "With the US dollar curve pushing out, more opportunities may open in the Kauri space."

> "With the US dollar curve pushing out, more opportunities may open in the Kauri space."
>
> **YURIY POPOVYCH** TD SECURITIES

According to Popovych, the pick-up offered by the SSA sector over government bonds has been more attractive for investors in Asia, with central banks and commercial banks particularly active in transactions. Deal statistics reflect this, as bank-balance-sheet and official-institution investors have played a large part in recent deals (see chart 5). Australian dollar demand from this investor set in 2019 has been resolute despite Australian dollar yields plummeting. Deal sources have told *KangaNews* that growing natural holdings of Australian dollars are coming to the fore with investors in Asia.

SHIFT PERMANENCE

How long supportive technical factors will remain in place to steer borrower and investor preferences towards mid-curve Kangaroo SSA issuance is difficult to ascertain.

Some factors – such as the effect of offshore major-bank tier-two issuance on cross-currency basis swaps and relative value to semi-government bonds – will play out over the medium and long term. Popovych says the expected tenor of offshore tier-two issuance from Australia's major banks is also likely to provide more impetus for long-end Kangaroo deals from SSA borrowers going forward. However, investors from Japan which have supported this tenor in Australian dollars in recent years have become less involved in Australian dollar deals.

The back end of the year is often quieter for SSA supply, with the majority preferring to front-load issuance. However, in the current environment this does not necessarily mean Australian and New Zealand dollar (see box on this page) SSA issuance will be muted for the rest of the year. In fact, if pricing remains favourable there are reasons to foresee continued strong levels of supply.

"Given geopolitical instability currently and going forward, it is possible that some borrowers will look to undertake a significant amount of their funding sooner rather than later – and away from US dollars where the possibility of volatility is currently higher," Popovych tells *KangaNews*.

During the volatility which hit global markets early in August, Australian dollar spreads in all asset classes followed the global trend wider albeit to a lesser extent than most other markets. This bodes well for attracting further issuance from offshore. •

SSAs TAKE GSS BONDS TO THE NEXT STAGE

Supranational, sovereign and agency (SSA) issuers were among the global pioneers of the green, social and sustainability (GSS) bond market. As the sector prepares for its next quantum leap, some of the Kangaroo market's most prominent GSS issuers (see chart) talk to *KangaNews* about their programmes and what comes next.

PARTICIPANTS

■ **Lars Ainsley** Senior Manager, New Issues KFW BANKENGRUPPE ■ **Marcin Bill** Senior Financial Officer INTERNATIONAL FINANCE CORPORATION ■ **Andrea Dore** Head of Funding WORLD BANK ■ **Laura Fan** Head of Funding INTER-AMERICAN DEVELOPMENT BANK ■ **Willem Littel** Senior Manager, Capital Markets and Investor Relations BNG BANK ■ **Evan Morgan** Vice President – International Funding KOMMUNALBANKEN NORWAY ■ **Aldo Romani** Head of Sustainability Funding EUROPEAN INVESTMENT BANK

MODERATOR

■ **Chris Rich** Staff Writer KANGANEWS

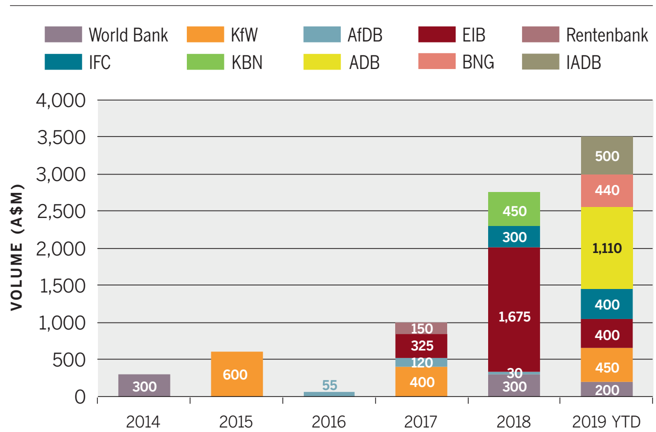
PROGRAMME EVOLUTION

Rich The GSS market has become more codified over the years through the adoption of various principles and standards, now including the EU taxonomy. How have your programmes evolved alongside these market developments?

■ **DORE** Supranational issuers like World Bank were pioneers in the early days of the green-bond market. Alongside our green-bond issuance – together with other multilateral development banks – we played an instrumental role in defining market best practice for transparency and reporting.

This was by engaging with investors on the process of green-bond issuance and reporting, as well as being a founding member of the executive committee of the green-bond principles (GBP), coordinated by the International Capital Markets Association (ICMA). We initiated harmonised impact reporting and still contribute to the evolution of green-bond impact reporting.

SSA KANGAROO GSS BOND ISSUANCE

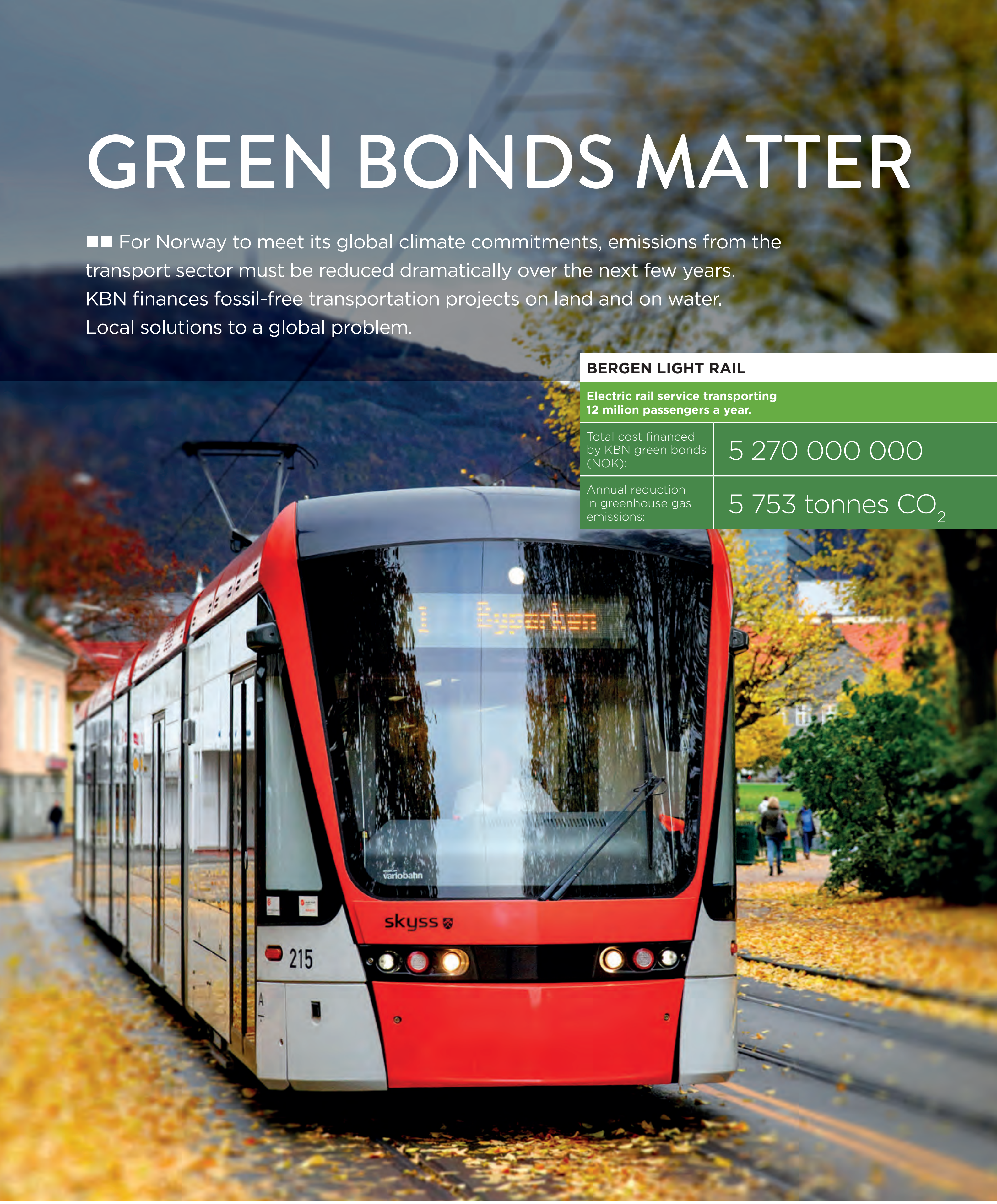


SOURCE: KANGANEWS 30 AUGUST 2019

■ **ROMANI** We view the development of the GSS bond market – starting with our own programme – as both a trigger and an instrument of an incremental process that brings clarity to

"As in other markets, the success of green bonds is drawing Australian investors' attention beyond the traditional financial and risk considerations to include the investment's purpose and ESG considerations."

ANDREA DORE WORLD BANK



KBN Kommunalbanken Norway

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"The Australian dollar market was the first non-European market in which we issued a CAB with new use-of-proceeds criteria linked to the EU taxonomy. This shows how important the Kangaroo market has become for EIB's GSS funding, and it would not have been possible without investors' engagement."

ALDO ROMANI EUROPEAN INVESTMENT BANK

GSS finance. This clarity is a prerequisite for the much-needed transition to a low-carbon and sustainable economy.

A few milestones have already been reached along the way, providing guidance on issuance process, reporting and verification. These include the GBPs, the international financial-institution framework for green-bond impact reporting harmonisation and the EU green-bond standards (GBS).

The EU taxonomy is a crucial step forward and establishes an important reference for concrete cooperation among policymakers, project specialists, market practitioners and civil society grappling with the question of what should qualify as green or sustainable.

For the bank of the EU, this particular initiative is very relevant and a dedicated sustainability funding team has been created within European Investment Bank (EIB)'s capital-markets department to adapt our funding to these structural developments.

Having shaped the very first green bond in 2007, I am heading this team. It is directly responsible for issuance of climate-awareness bonds (CABs) and sustainability-awareness bonds (SABs) in all currencies, ensuring continuity as the framework evolves. Our first initiative has been to revise use-of-proceeds language to allow for the gradual alignment of CAB and SAB eligibility criteria with the EU taxonomy as it takes shape.

■ **MORGAN** Since we issued our first public green bond in 2013, the development in the market, including size and of course codification and reporting, has been tremendous.

Kommunalbanken Norway (KBN) has been proactive, updating our original 2013 green-bond framework in June 2016 to meet the developing market standards.

We are also currently reviewing the framework in line with the release of the EU taxonomy. Our eligible-project categories have not changed dramatically over the years. But the eligibility criteria for each category have evolved in line with the technological frontiers.

In addition, our process for project evaluation and selection is more stringent. Also, of course, the focus on quality of impact reporting has increased.

Rich How has the process of developing the EU taxonomy and the report's release informed the development of issuers' green-bond programmes?

■ **AINSLEY** KfW Bankengruppe (KfW) actively contributed to the working groups on the EU taxonomy and EU GBS. While the final details of the taxonomy are still in the discussion phase, we strive to fulfill the criteria of a future EU GBS.

■ **ROMANI** EIB has been part of the European Commission (EC)'s technical expert group (TEG) on sustainable finance, directly contributing to the EU taxonomy and EU GBS work streams.

Being the bank of the EU, EIB intends to align its activities with the EU taxonomy as it evolves over time. This applies to loans and bonds. On the funding side, we have already reflected this in our CAB and SAB use-of-proceeds documentation.

We are now working closely with our project experts on the infrastructure needed to establish a reliable link between EIB's sustainable lending and funding. Project-finance activities need to be mapped, selected, marked, allocated, monitored and reported to the capital-market audience according to their contribution to the sustainability objectives set by the EU.

■ **LITTEL** The TEG reports are a starting point for a common taxonomy in order to facilitate and stimulate green lending in Europe. Of course, this will have an effect on the further development of our programme but also, and not less important, legislation and regulation will have an impact on new lending.

"We had domestic and international investor participation in our Kangaroo EYE-bond from accounts that had never before bought an IADB bond."

LAURA FAN INTER-AMERICAN DEVELOPMENT BANK


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SSAs' GLOBAL GSS ***PROGRAMME UPDATES AND PLANS***

Supranational, sovereign and agency (SSA) issuers' green, social and sustainability (GSS) bond programmes are not static objects. Some of the market's biggest players update *KangaNews* on global and issuer-level developments.

RICH Can you update on SSAs' GSS programmes – specifically how large they are and what types of labelled bonds you issue?

FAN Inter-American Development Bank (IADB) has a social-bond programme called EYE – for education, youth and employment – which had US$1.5 billion outstanding as of July 2019.

The EYE-bond programme focuses on the lifecycle approach to building human capital from early childhood care and education through formal primary and secondary education, as well as programmes that facilitate labour-market placement by improving the transition from school to work through vocational training.

We anticipate launching a UN sustainable-development goal (SDG)-bond programme in the near future. This will focus on IADB's strategic priorities of social inclusion and inequality, productivity and innovation, and economic integration. There are three cross-cutting issues: gender equality and diversity, climate change and environmental sustainability, and institutional capacity and the rule of law. Each strategic priority aligns to at least one of the SDGs.

AINSLEY KfW Bankengruppe is one of the largest green-bond issuers in global capital markets and we focus on this segment. In May 2019, we expanded our green-bond asset pool, which now includes loans for energy efficiency excluding renewable energy. Since then we have issued green bonds totalling €4.9 billion (US$5.4 billion) equivalent.

ROMANI European Investment Bank (EIB)'s sustainability-funding programme makes use of two products: climate-awareness Bonds (CABs) and sustainability-awareness bonds (SABs).

The proceeds raised from CABs, which we inaugurated in 2007, are allocated to EIB-financed projects that contribute to climate-change mitigation. SABs, inaugurated in 2018, complement CABs by extending the same accountability and administration to further areas of environmental and social sustainability beyond climate-change mitigation. So far, EIB has issued around €27 billion equivalent of CABs and SABs. This makes us one of the largest GSS issuers worldwide.

LITTEL Our client base consists mainly of public-sector institutions in the Netherlands – for which BNG Bank provides balance-sheet financing. A large part of public spending nowadays is either social or sustainable.

Since 2014, BNG Bank has issued sustainability bonds in a best-in-class format based on a framework created by Telos, the sustainability centre of Tilburg University.

To date, nine such bonds have been issued for a total amount exceeding US$6 billion. This year BNG Bank issued its inaugural, A$400 million (US$268.6 million) Kangaroo sustainability bond.

MORGAN Through its green-lending programme, which began in 2010, Kommunalbanken Norway (KBN) aims to finance the Norwegian local-government sector's transition to a climate-resilient, low-carbon society.

By the end of H1 2019, KBN had a total of NOK20.6 billion (US$2.3 billion) outstanding in green loans to investments that are aligned with our green-bond framework. Financing this green lending, KBN has issued public green bonds since 2013 and currently has five green bonds outstanding, totalling US$1 billion, NOK1.35 billion and A$450 million.

BILL Since the launch of International Finance Corporation (IFC)'s green-bond programme in 2010, IFC has raised billions of dollars to finance projects that combat climate change.

In financial year 2019, we issued 37 green bonds—a record number— in 11 currencies for total volume of more than US$1.6 billion. This brings IFC's cumulative volume raised to US$9.2 billion across 148 bonds in 18 currencies.

We launched IFC's social-bond programme in 2017 and we have issued more than US$1.5 billion since. We have been active in Australia, where we launched a 2023 Kangaroo social-bond line with a current outstanding notional volume of A$700 million.

DORE Since the first green bond in 2008, we have issued more than US$13 billion equivalent in green bonds through 158 transactions in 21 different currencies.

We introduced the "sustainable-development bond" label to engage with investors on the entire portfolio of World Bank and raise awareness of the SDGs.

Starting in July 2017, we introduced use-of-proceeds language in our bond documentation to explain the sustainable-development activities that bond proceeds support. Since then, we have issued almost US$90 billion.

A large part of public spending is nowadays already either social or sustainable – and this part will grow.

MORGAN It remains to be seen how deep an influence the EU taxonomy and the EU GBS will have on the market, so we are not currently throwing everything old overboard. But we assume some investors will be curious about how our green-bond programme fits into the definitions established through the EU sustainable-finance package.

We aim for a smooth transition. In the first round, we will assess how well our current criteria match the criteria of the taxonomy and what is needed to make our framework 'EU compliant'.

We have scheduled an update of our eligibility criteria and our green-bond framework for later this year, where clearly we will bear the current version of the taxonomy as well as the EU GBS in mind.

“In the years to come GSS bonds will have to be labelled as such to bring sustainability issues to the fore. Over time ESG bonds should become the norm rather than the exception.”

LARS AINSLEY KFW BANKENGRUPPE

BILL The EU taxonomy brings harmonisation and standardisation to what is still a very compartmentalised market. We are long way from achieving uniformity of definitions and standards. But this is certainly a move in the right direction and Europe is clearly leading this effort.

Rich Do you expect the EU taxonomy to provide the basis for a common global language for green bonds?

BILL Further development of the green-bond market requires standardisation. At the same time, it still has a lot of room to grow and one needs to be cautious not to suffocate development with requirements that are too strict.

LITTEL A common global language has been in the making for some time already. The ICMA GBPs are the best example of this but there are more initiatives. The EU taxonomy is in this respect a logical and valuable addition to market development and will eventually evolve into a common language.

ROMANI As long ago as 2016, the G20 *Green Finance Synthesis* report identified lack of clarity as a major obstacle in green finance. It encouraged the development of internationally comparable indicators to unlock cross-border capital flows.

We believe comparability in GSS finance may be achieved if the individual approaches to sustainability, while reflecting local challenges and priorities, are aligned in their classification structure or architecture – in other words, their core objectives, activities and technical screening parameters.

Different significance thresholds may still be adopted as technical-screening criteria in the context of different, though converging, paths. This is what we understand to be common language in green finance.

DORE The EU taxonomy is an important classification tool to help investors and companies make informed investment decisions on climate-related economic activities. We see it as a useful instrument for investors to identify what can be considered environmentally applicable. But in its current form its applicability is mostly restricted to Europe and developed economies.

Rich Is the move towards a common language being driven more by issuers or investors?

MORGAN I don’t think it will be driven by either issuers or investors alone but rather in combination. The European market is already quite developed with issuers and investors collaborating closely since the inception of green bonds. I don’t see this changing.

What is changing, though, is that the TEG process initiated by the EC facilitated the opinions of NGOs, think tanks and regulators to be incorporated into the development of the green-bond market. This may add some complexity, as these actors do not necessarily have the same pragmatic approach as market actors do. This makes it even more important that issuers and investors join the conversation even if they are outside the relatively small TEG – as we are.

THE KANGAROO MARKET

Rich What have been the main developments in the Australian dollar market for GSS bonds?

AINSLEY When we issued our first green bond in Australian dollars the market was in its infancy. Since then, issuance volume for GSS bonds in Australia has reached new heights and numerous issuers have ‘joined the band’. The sustainable-finance roadmap for Australia and New Zealand paves the way for continued development of what is still a relatively nascent market segment.

“Despite the great growth the green-bond market has experienced it still constitutes only a fraction of the financing needs which would help the global transition to a low-carbon economy. In our view there is room for innovative initiatives like a transition-bond market.”

MARCIN BILL INTERNATIONAL FINANCE CORPORATION

GREEN CAPEX IS NOT ENOUGH

While green, social and sustainability (GSS)-labelled bonds are providing assurance to the market, capex projects alone are not enough for a two-degree world. Amy West, head of sustainable finance at TD Securities in New York, discusses market growth.

Supranational, sovereign and agency (SSA) issuers have been at the forefront of financing sustainability-linked technologies and projects since the start of the market, including being pioneering issuers of GSS bonds.

But if the committed two-degree limit above pre-industrial levels laid out in the Paris Agreement on Climate change is to be fulfilled markets will have to keep evolving to a broader approach towards environmental impact, West says.

Indicative of this, investors – having already turned in greater numbers to GSS bonds – are increasingly embracing a more all-encompassing appreciation of issuers' environmental, social and governance (ESG) profile, taking them beyond the use-of-proceeds scope of GSS bond transactions.

"If an issuer comes to market with a GSS bond, investors intuitively look at what else the company has done in the ESG space. It is not a surprise that many of the world's largest investors look at ESG beyond labelled GSS bonds," West explains.

She continues:"While investors like the additional granularity of what GSS bonds are funding – and therefore may have added value – incorporating holistic assessments of companies' ESG initiatives is a credible approach until supply meets demand."

The emergence of a credible transition-bond market has a place going forward, says West. But she argues that this should be limited to issuers in higher-carbon industries transitioning to a two-degree world.

Acknowledging the efforts in other jurisdictions to establish definitive standards defining and monitoring green bonds, West also tells *KangaNews* the GSS market needs to establish a common language if it is fully to deliver on its potential to redirect capital flows.

"Differing standards from jurisdiction to jurisdiction complicate efforts to establish credibility and will increase the burden on investors to decipher impact," she says.

In time, and given the size of the euro market, West believes the EU taxonomy will become "the de facto basis for global GSS markets". As well as directing capital towards ESG-linked economic activities, West says the EU taxonomy will further encourage issuers, at a company-wide level, to focus on how they can make a real contribution to climate-change mitigation or adaptation.

"Ideally, these guidelines will provide credible benchmarks as well as practical recommendations on how best to report the impact that companies' activities are having on the climate – as well as the impact of climate change on their businesses," she explains.

"IF AN ISSUER COMES TO MARKET WITH A GSS BOND, INVESTORS INTUITIVELY LOOK AT WHAT ELSE THE COMPANY HAS DONE IN THE ESG SPACE. IT IS NOT A SURPRISE THAT MANY OF THE WORLD'S LARGEST INVESTORS LOOK AT ESG BEYOND LABELLED GSS BONDS."

AMY WEST TD SECURITIES

DORE As in other markets, the success of green bonds is drawing Australian investors' attention beyond traditional financial and risk considerations to include the investment's purpose and environmental, social and governance (ESG) considerations.

GSS supply from supranationals has been complemented by issuance from state treasuries, domestic and international banks and corporates. This is providing more issuer diversity to the market.

BILL The Kangaroo market has seen a great deal of development in its issuance and investors. There are several active, high-quality ESG funds in Australia. Their presence incentivises issuers to supply thematic bonds on a regular basis.

MORGAN KBN didn't issue its first green bond in Australian dollars until August 2018. It must be said that, after the initial SSA Australian dollar green bonds back in 2014 and 2015, the SSA market saw relatively limited activity until last year when issuance really picked up.

The main development we have noticed is that investor focus and engagement in the sustainability space has really taken off. More and more Australian investors are now also looking at ESG factors as part of their overall investment strategies.

BILL We see incremental demand for labelled products in virtually all the markets in which we are active. Demand continues to outgrow supply and this is certainly also the case in Australia. GSS bonds reflect issuers' efforts to broaden the cloud of supply as well as to promote sustainability overall.

MORGAN KBN's experience is exactly the same. The green bond we issued in August 2018 was at the time our largest book and remains KBN's largest print in Australian dollars. The green format, and therefore the incremental demand we saw, was a major factor in the success of the trade.

"It remains to be seen how deep an influence the EU taxonomy and the EU GBS will have on the market, so we are not currently throwing everything old overboard."

EVAN MORGAN KOMMUNALBANKEN NORWAY

In addition to seeing some specific green-focused accounts in the book, the ticket sizes from many of our regular investors reflected a green focus. It is also worth noting that more than 60 per cent of this trade went to Australian investors. This domestic engagement was particularly pleasing to see.

■ **FAN** This was also our experience with our inaugural Kangaroo EYE [education, youth and employment] bond. Domestic investors comprised 50 per cent of the geographical distribution. There was also greater participation from asset managers as they took 50 per cent of the transaction, followed by central banks at 30 per cent. We had domestic and international investor participation in our Kangaroo EYE bond from accounts that had never before bought an Inter-American Development Bank bond.

■ **ROMANI** The Australian dollar market was the first non-European market in which we issued a CAB with new use-of-proceeds criteria linked to the EU taxonomy. This shows how important the Kangaroo market has become for EIB's GSS funding, and it would not have been possible without investors' engagement.

The domestic bid appears stronger for CABs than our regular Kangaroos. Reflecting the same trend, GSS-focused interest out of Japan has also been key to our CAB placements, in particular in the longer end of the curve. Overall, our interaction with the investor base in Kangaroo GSS bonds has been very positive.

GSS EVOLUTION

Rich There is ongoing debate globally about whether labelled bonds are doing as much as can be done to redirect capital to fund the transition to a low-carbon economy. Do SSAs have a role to play in developing things like transition bonds in the same way as they have done with GSS bonds?

■ **LITTEL** It depends on their core business models but I see development institutions and public-sector institutions playing a key role in the further development of the market.

■ **AINSLEY** Sustainability has always been an important part of KfW's DNA – and that of other SSA issuers as well. Our role is to be engaged in global initiatives, continue the dialogue with market participants and incentivise others to join our efforts towards a low-carbon world. GSS bonds and transition bonds can only be one tool to reach this goal.

■ **ROMANI** Clarification of the status quo of sustainability is an essential condition for steering change effectively. This means what contributes substantially, what is compatible *ad interim* and what is not compatible.

The report of the EC's TEG has, for example, retained the principle that "transition activities" – those that contribute to a transition to the EU's goal of a zero net-emissions economy in 2050 but are not yet operating at that level – are part of the transformation effort and therefore deserve to be mapped via GSS issuance.

■ **DORE** As with green bonds, supranationals will continue to play a key role in building sustainable capital markets. For the sustainable capital market to grow, it needs labelled and unlabelled, purpose-driven fixed-income instruments that allow investors to connect with the purpose of the projects and programmes their money is supporting without taking project risk.

■ **BILL** Despite the great growth the green-bond market has experienced it still constitutes only a fraction of the financing needs which would help the global transition to a low-carbon economy. In our view there is room for innovative initiatives like a transition-bond market, which could allow new issuers to benefit from the increase in overall demand for thematic bonds.

"A common global language has been in the making for some time already. The ICMA GBPs are the best example of this but there are more initiatives. The EU taxonomy is in this respect a logical and valuable addition to market development."

WILLEM LITTEL BNG BANK

Rich Do you think the market will evolve towards a more broad-based understanding of issuers' environmental impact – perhaps in such a way that specifically labelled bond issuance is no longer required? Or will highlighting particular projects in the way GSS bonds do always have a value?

■ **DORE** The GSS bond market is essentially about purpose and transparency. There is growing focus on ESG investment factors and how these labelled bonds fit with ESG strategies and sustainable investing. Labels are a useful first step in this direction.

What we are working towards is broader transparency and increasing information and data so investors have better information for decision-making. With improved data and technology, investors can extend their focus on risk management to take climate and social risks into account – or purposeful investing to include a wider range of investments.

Labels are helpful. But at the end of the day what matters is that sustainable activities are financed, not how bonds are labelled.

■ **FAN** Eventually, the market could evolve from the purchase of GSS labelled bonds to a more holistic view of issuers. Rating agencies are working on incorporating ESG issues into their credit-rating models. As this aspect develops, investors can more accurately evaluate an issuer's commitment to ESG factors. The rating agencies could also to some extent standardise a methodology which would allow investors better to compare issuers across all ESG factors.

An important consideration is to understand the purpose of the institution and how that institution achieves its objectives. It could be sufficient for investors if an institution is transparent and publishes information on all its lending projects rather than just highlighting a select amount.

In future, investors could focus more on the issuer itself. If the issuer's mission supports ESG and provides transparent reporting and evaluation for its lending projects, technically any bond from that issuer could be considered as fulfilling the socially-responsible-investment requirement.

■ **AINSLEY** In the years to come GSS bonds will have to be labelled as such to bring sustainability issues to the fore. Over time ESG bonds should become the norm rather than the exception.

■ **ROMANI** Labelled bond issuance is instrumental to holistic understanding and the ratio of GSS issuance to total issuance is bound to become a core instrument of that understanding in society.

For EIB, GSS bonds have to provide a clear and easily understandable link between finance and the real economy – sustainable funding and sustainable lending. The impact reporting associated with green bonds – requiring the collection of reliable and comparable information on projects' contribution to core sustainability objectives – is a crucial component of accountability for the use of funds. A realistic and constructive dialogue with capital markets can develop on this basis, providing a powerful incentive for strategic change.

■ **MORGAN** I think the market has already begun a transition beyond labelled issuance. We have seen this in the move some issuers have made from purely green frameworks to more broad-based sustainability frameworks.

This has occurred as issuers are looking at how to develop their asset bases and, at the same time, as the focus on general ESG principles has increased in the market. Also, issuers increasingly see the need to relate their GSS frameworks to their broader strategies on sustainability and climate risks.

The value of labelled issuance and the ability of investors to measure the impact of their investments and to compare supply from different issuers will continue to be an important factor in future. I believe the move towards this holistic view, and perhaps a situation where labelled issuance is no longer required, is some time off.

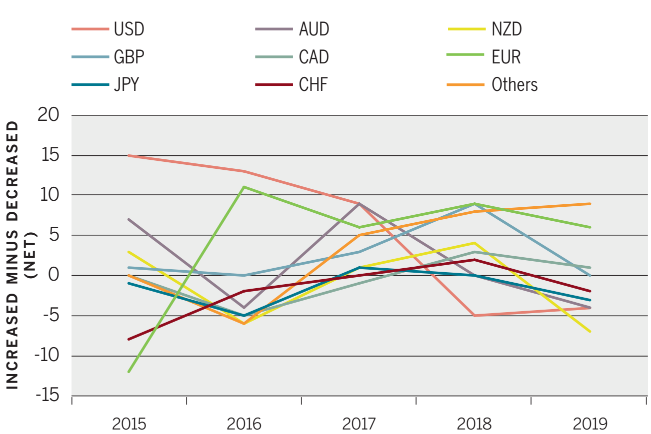
■ **BILL** We think the market is evolving towards the more holistic approach. At the same time, many investors express the need for transparency and standardisation. As demand grows and the method of evaluating projects and issuers improves, we are convinced the market will find a way of pricing in both quality of issuers' overall environmental impact and the impact of a specific project. •

AUSTRALIA HOLDS STEADY WITH **GSS TO THE FORE**

KangaNews conducted its annual survey of supranational, sovereign and agency (SSA) issuers' funding outlooks in August 2019. The 30 responses forecast a return to core-market focus in the year ahead. The Australian market's role seems mature, with the main growth expectation for Kangaroo issuance being in the green, social and sustainability (GSS) bond space.

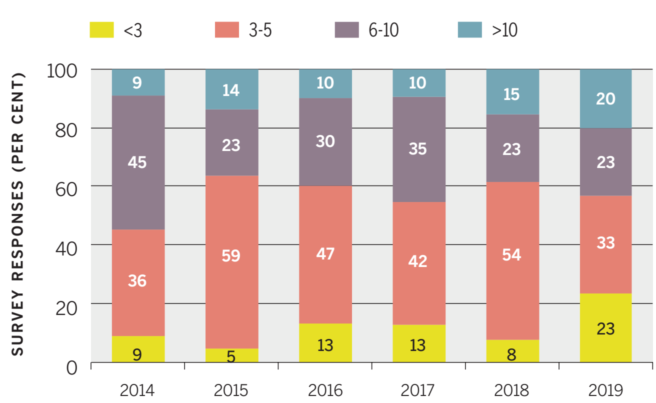
BY LAURENCE DAVISON

CHART 1. OVER THE PAST 12 MONTHS, HOW HAS YOUR ORGANISATION'S ISSUANCE BY CURRENCY CHANGED?



SOURCE: KANGANEWS 31 AUGUST 2019

CHART 2. IN HOW MANY GLOBAL DOMESTIC CURRENCY MARKETS HAS YOUR ORGANISATION ISSUED IN THE PAST 12 MONTHS?



SOURCE: KANGANEWS 31 AUGUST 2019

SSA issuers report that they spread the funding net relatively wide in the 12 months leading up to the latest *KangaNews* survey. For the first time since the survey's inauguration in 2015, the most commonly reported increase in funding markets accessed is the "other" group (see chart 1).

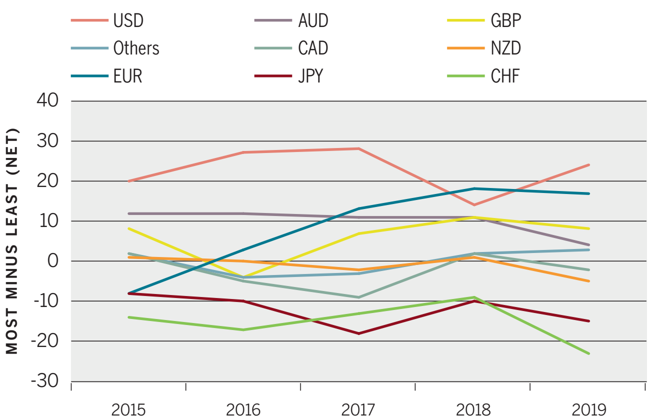
More borrowers also report a greater use of euro funding than a smaller one. But two other global core markets – US dollars and yen – had net-negative incremental use. The Antipodean currencies suffered in the past year, with the Kauri market in particular proving a hard task for SSAs. Eleven issuers report a smaller proportion of New Zealand dollars in their funding mix compared with just four saying they used the currency more.

Funding strategies appear to be diverging, at least when it comes to currency selection. The *KangaNews* survey has its highest-ever proportion of issuers indicating the use of more than 10 currency markets in the past 12 months, but also a record proportion of borrowers limiting their issuance to fewer than three currencies (see chart 2).

Looking ahead, SSAs expect the next 12 months to feature a return to core-market reliance. The overwhelming majority of survey respondents forecast US dollars to be among the most conducive in the year ahead with euros not far behind (see chart 3). The sterling and Australian dollar markets are also in net-positive territory.

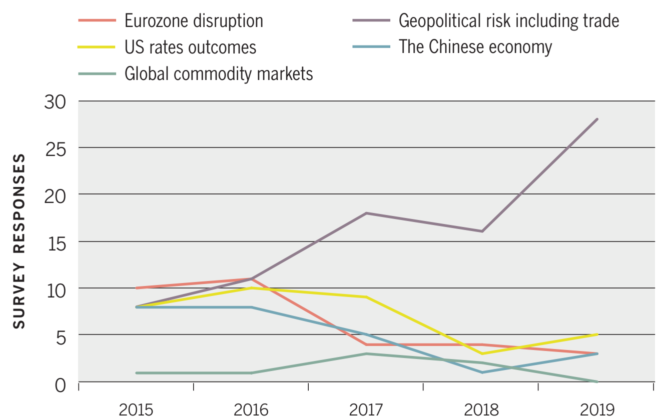
The survey gives one clear indication of why – other than mean reversion – SSAs seem to expect to be funding a greater

CHART 3. WHICH CURRENCY MARKETS DO YOU EXPECT TO BE THE MOST AND LEAST CONDUCIVE OVER THE NEXT 12 MONTHS?



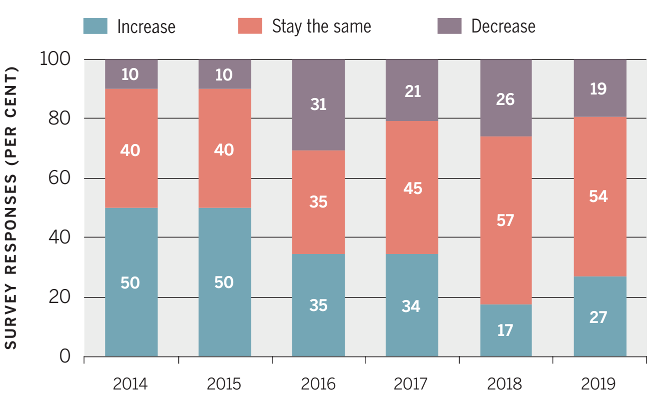
SOURCE: KANGANEWS 31 AUGUST 2019

CHART 4. WHAT DO YOU BELIEVE TO BE THE BIGGEST RISK FACTOR IN GLOBAL FUNDING MARKETS OVER THE NEXT 12 MONTHS?



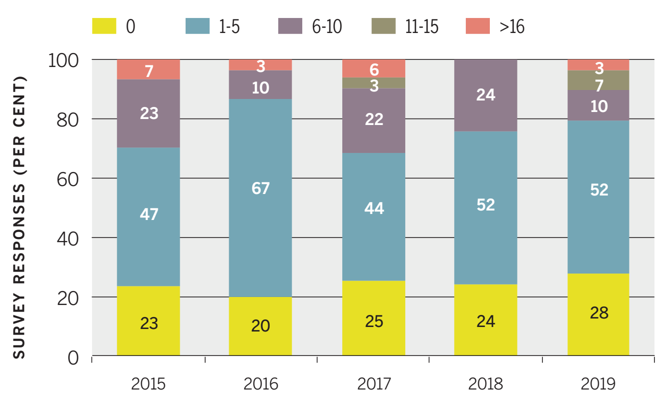
SOURCE: KANGANEWS 31 AUGUST 2019

CHART 5. HAVE YOU SEEN GLOBAL DEMAND FOR AUSTRALIAN DOLLARS INCREASE, DECREASE OR STAY THE SAME OVER THE PAST 12 MONTHS?



SOURCE: KANGANEWS 31 AUGUST 2019

CHART 6. WHAT PERCENTAGE OF YOUR YEAR-TO-DATE TERM-FUNDING TASK HAVE YOU RAISED IN THE KANGAROO MARKET?



SOURCE: KANGANEWS 31 AUGUST 2019

proportion of their tasks in core markets in the coming months. Geopolitical risk has been a concern for global high-grade issuers for some years. However, in 2019 it is named by virtually every survey respondent as the leading risk factor for the year ahead (see chart 4). Borrowers are perhaps forecasting a coming flight to certainty in market selection.

The Australian dollar appears to be playing a relatively mature role in SSAs' funding portfolios. Its position has held up well despite a falling cash rate and yield relativity as more than 80 per cent of survey respondents say demand for Australian dollars has stayed the same or even increased in the past 12 months (see chart 5).

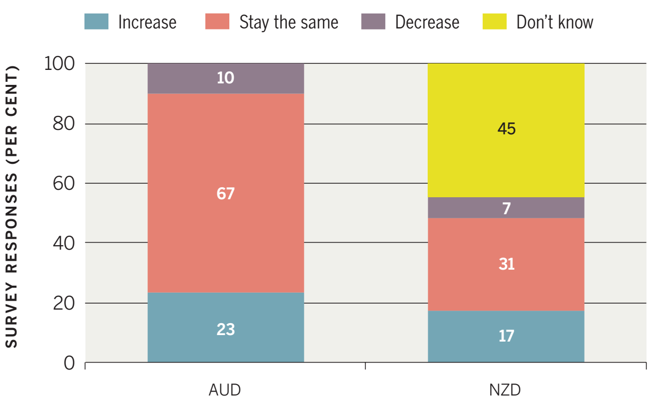
Kangaroo bonds tend to provide a consistent but small component of SSAs' funding tasks. A large majority of those that have accessed the market in recent months report that it provides up to 5 per cent of their total funding – a figure that has remained relatively consistent over the years (see chart 6).

Nevertheless, issuers do not expect the Kangaroo market's role to diminish despite an eroding Australian dollar rates advantage. Nearly a quarter of survey respondents expect greater demand for Australian dollars in the year ahead and just 10 per cent expect demand to fall (see chart 7).

Borrowers' outlook for New Zealand dollar demand is also weighted towards the positive, though nearly half the issuers that responded to the *KangaNews* survey are not close enough to the Kauri market to take a view.

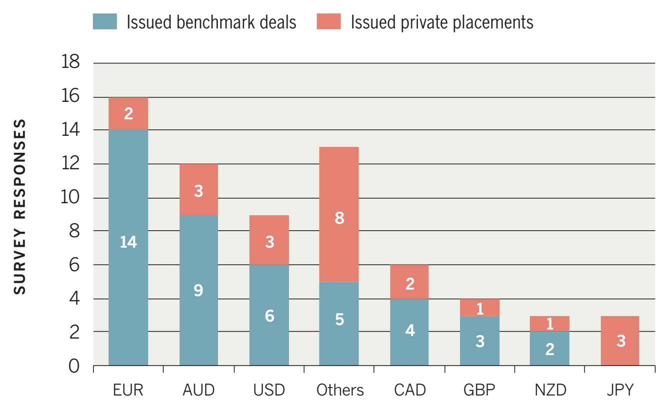
The area where the Australian dollar market clearly scores is for the issuance of GSS bonds. The *KangaNews* survey is naturally weighted towards issuers that are engaged with the Kangaroo and Kauri markets. Nonetheless, the fact that more issuers report the placement of sustainability-themed issuance in Australian dollars even than US dollars in the past year (see chart 8) is a clear testament to the development of the sector in Australia, and to SSA issuers' leadership within it.

CHART 7. DO YOU EXPECT GLOBAL DEMAND FOR AUSTRALIAN AND NEW ZEALAND DOLLARS TO INCREASE, DECREASE OR STAY ROUGHLY THE SAME OVER THE NEXT 12 MONTHS?



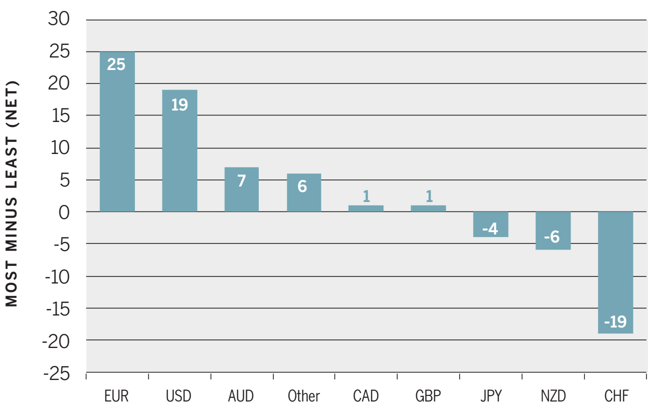
SOURCE: KANGANEWS 31 AUGUST 2019

CHART 8. OVER THE PAST 12 MONTHS, IN WHICH CURRENCIES HAS YOUR ORGANISATION ISSUED SUSTAINABILITY-THEMED BONDS (EG GREEN BONDS)?



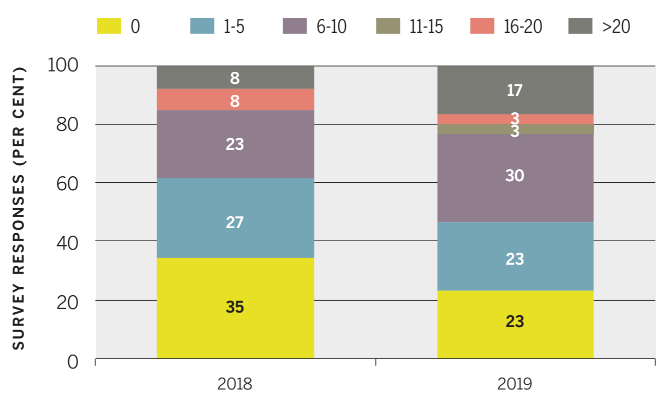
SOURCE: KANGANEWS 31 AUGUST 2019

CHART 9. WHICH MARKETS DO YOU EXPECT TO BE THE MOST AND LEAST CONDUCIVE FOR SUSTAINABILITY-THEMED BONDS?



SOURCE: KANGANEWS 31 AUGUST 2019

CHART 10. WHAT PROPORTION OF YOUR TOTAL BOND ISSUANCE IN THE PAST 12 MONTHS WAS IN SUSTAINABILITY-THEMED FORMAT?



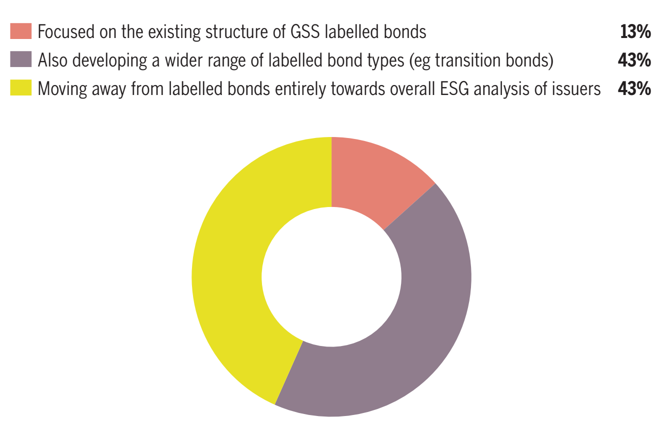
SOURCE: KANGANEWS 31 AUGUST 2019

Perhaps unsurprisingly, SSA issuers expect the US dollar market will rise to compete with the global leader – euros – for GSS issuance. But Australian dollars still receive a clear net-positive response when it comes to which markets will be most conducive for GSS issuance (see chart 9).

Use of GSS bonds is also growing within the SSA sector. More than half the 2019 survey respondents report printing more than 6 per cent of their issuance in some kind of sustainability format – compared with just over a third in 2018. Meanwhile, nearly 20 per cent of issuers say GSS issuance formed more than a fifth of their total in the past 12 months (see chart 10).

At the same time, issuers do not expect the sustainable debt market to stand still. Only a minority believe GSS bonds will remain the focus of the market. Opinions are divided on whether evolution will be towards a wider range of themed bonds or away from labelling issuance entirely in favour of a broader understanding of issuer-level credentials (see chart 11). •

CHART 11. HOW DO YOU SEE THE SUSTAINABLE-DEBT MARKET EVOLVING IN THE COMING YEARS?



SOURCE: KANGANEWS 31 AUGUST 2019

AFRICAN DEVELOPMENT BANK

AFRICAN DEVELOPMENT BANK

SECTOR	SUPRANATIONAL
RATINGS	AAA/Aaa/AAA
RATING OUTLOOK	ALL STABLE
PAID-IN CAPITAL (31 DEC 2018)	US$6.1BN
CALLABLE CAPITAL (31 DEC 2018)	US$83.7BN
FUNDING VOLUME 2018/2019	US$8BN/US$7.3BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$760M/NIL
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NIL/NZ$150M
USD BENCHMARK SIZE	US$2BN
EUR BENCHMARK SIZE	€1BN
RBA REPO ELIGIBLE	YES
RBNZ REPO ELIGIBLE	YES

About African Development Bank

African Development Bank (AfDB) is the premier development-finance institution in Africa with a mandate to spur sustainable economic development and social progress in the continent, thereby contributing to poverty reduction. AfDB's triple-A ratings are driven by strong membership support – reflected in the tripling of its capital base to approximately US$100 billion in 2010, its high capital and risk-bearing capacity, prudent financial management and policies, and robust liquidity position.

Risk policy

AfDB's risk-management policies, guidelines and practices are designed to reduce exposure to interest-rate, currency, liquidity, counterparty, legal and other operational risks while maximising the bank's capacity to assume credit risks for public- and private-sector clients, within approved risk limits. For example, AfDB's liquidity policy ensures the bank can cover its projected net cash-flow needs for a one-year rolling period.

Funding strategy

AfDB's funding strategy is based on the objective of establishing a track record of regularly issuing liquid benchmark transactions. The bank also aims to access public and private markets in various currencies and build name recognition in capital markets. AfDB attempts to deepen and broaden its investor base and promote the development of African capital markets as well as provide local-currency funding.

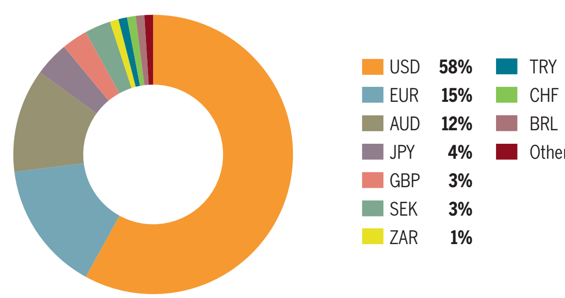
US dollar global benchmark issuance has long been the cornerstone of the bank's borrowing strategy and continues to offer the most reliable source of funding. The euro is now AfDB's second-largest funding currency with five outstanding reference points on the curve. AfDB continues to monitor opportunities in major domestic markets, diversify its products and seek cost-effective opportunities in the private-placement and Uridashi markets.

AUD and NZD activity

The Australian dollar has been a key issuance currency for AfDB for many years and the Kangaroo market remains a cost-effective avenue to obtain long-term funding in sizeable volume. In 2018, the bank issued a total of A$760 million. As of 30 June 2019, AfDB had not issued in the Kangaroo market for 2019. However, total bonds outstanding amounted to A$4.3 billion across 10 outstanding lines.

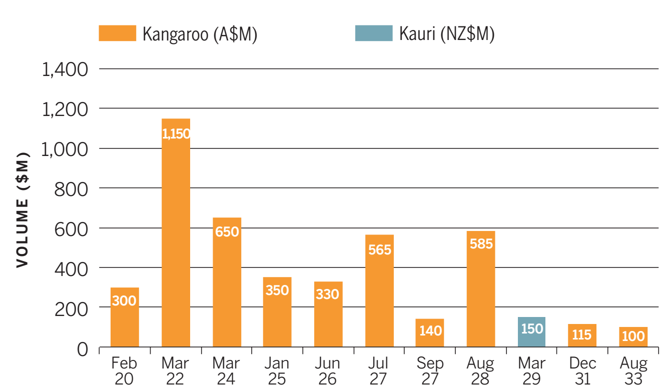
AfDB continues to monitor markets closely and is prepared to take advantage of supportive execution windows as they arise. This was highlighted by its longest-ever Kauri transaction – a NZ$150 million 10-year fixed rate deal sold into Asia in the first quarter of 2019.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 31 DEC 2018)



SOURCE: AFRICAN DEVELOPMENT BANK

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: AFRICAN DEVELOPMENT BANK

FOR FURTHER INFORMATION PLEASE CONTACT:

fundingdesk@afdb.org
www.afdb.org

ASIAN DEVELOPMENT BANK

ADB

SECTOR	SUPRANATIONAL
RATINGS	AAA/Aaa/AAA
RATING OUTLOOK	ALL STABLE
PAID-IN CAPITAL (31 DEC 2018)	US$7.4BN
CALLABLE CAPITAL (31 DEC 2018)	US$140.6BN
FUNDING VOLUME 2018/2019	US$24BN/US$22BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$1.9BN/A$1.5BN
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NZ$900M/NZ$200M
USD BENCHMARK SIZE	US$1BN+
EUR BENCHMARK SIZE	€500M+
RBA REPO ELIGIBLE	YES
RBNZ REPO ELIGIBLE	YES

About Asian Development Bank

Asian Development Bank (ADB) is committed to achieving a prosperous, inclusive, resilient and sustainable Asia and the Pacific while sustaining its efforts to eradicate extreme poverty. Established in 1966, ADB is owned by 68 members – 49 from the region. Its main instruments for helping developing member countries are policy dialogue, loans, equity investments, guarantees, grants and technical assistance.

Risk policy

Under ADB's lending policy, the total amount of disbursed loans, disbursed equity investments and the related prudential buffer, and the maximum amount that could be demanded from ADB under its guarantee portfolio may not exceed the total amount of ADB's unimpaired subscribed capital, reserves and surplus – exclusive of the special reserve.

Under ADB's borrowing policy, the bank's gross outstanding borrowings may not exceed the sum of callable capital of nonborrowing members, paid-in capital and reserves (including surplus).

Funding strategy

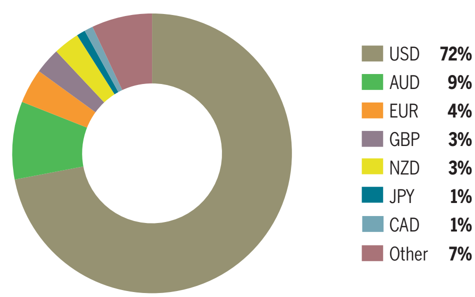
ADB is a leading triple-A borrower in international and domestic capital markets. The bank diversifies its funding sources across markets, instruments and maturities. ADB has issued bonds in 36 currencies so far.

The bank offers a variety of debt products to investors including benchmark, vanilla and emerging-market-currency bonds, as well as a broad range of structured notes tailored to investor requirements.

AUD and NZD activity

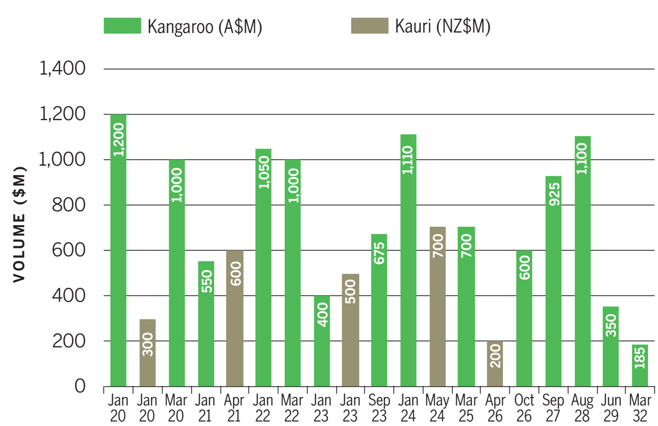
ADB is a regular issuer in the AUD and NZD markets. It was the first supranational to issue Kangaroo bonds, in September 1998, and it debuted in the Kauri market in January 2010.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: ASIAN DEVELOPMENT BANK

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: ASIAN DEVELOPMENT BANK

FOR FURTHER INFORMATION PLEASE CONTACT:

capitalmarkets@adb.org
www.adb.org/site/investors/main

ASIAN INFRASTRUCTURE INVESTMENT BANK

SECTOR	SUPRANATIONAL
RATINGS	AAA/Aaa/AAA
RATING OUTLOOK	ALL STABLE
PAID-IN CAPITAL (30 JUN 2019)	US$19.28BN
CALLABLE CAPITAL (30 JUN 2019)	US$77.12BN
FUNDING VOLUME 2018/2019	NIL/US$3-4BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NIL/NIL
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NIL/NIL
USD BENCHMARK SIZE	US$1-3BN
RBA REPO ELIGIBLE	YES (EXPECTED)
RBNZ REPO ELIGIBLE	YES (EXPECTED)

About Asian Infrastructure Investment Bank

Asian Infrastructure Investment Bank (AIIB) is a multilateral development bank (MDB) with a mission to improve social and economic outcomes in Asia and beyond. Headquartered in Beijing, AIIB began operations in January 2016 and, through its 100 approved members worldwide, enjoys a robust authorised capital stock of US$100 billion.

AIIB works closely with other multilateral and bilateral development institutions to bridge the infrastructure funding gap to contribute to addressing the region's development challenges.

AIIB looks at development through geographic and sectoral lenses. Geographically, it focuses on developing economies in Asia but extends its investments beyond the region for opportunities that support connectivity, promote global public good and are close to Asia. Sectorally, AIIB invests in sustainable infrastructure such as power, water management, transport and cities to build the Asia of the future.

As projects are financed, AIIB staff operate under the guidance of three core values: lean, clean and green. Staff learn from the experiences of the development community and the private sector. They constantly study best-in-class practices, management styles and decision-making to develop new techniques that – in a rapidly changing world – are geared toward addressing the needs of AIIB's borrowers and benefiting its members.

Environmental and social sustainability is a fundamental aspect of AIIB's support for infrastructure development and enhanced interconnectivity in Asia. Consistent with the UN Sustainable Development Goals, AIIB recognises the need to address the three dimensions of sustainable development – economic, social and environmental – in a balanced and integrated way. It also subscribes to the principles of sustainable development in the identification, preparation and implementation of projects.

Risk policy

AIIB's risk-management policy aims to enable the bank to fulfil its mandate of promoting infrastructure and other productive sectors, ensuring the stability and financial continuity of AIIB through efficient capital allocation and use, comprehensively managing risks and reputational consequences, and fostering a strong risk culture by embedding risk accountability in AIIB.

Through an economic-capital model, AIIB ensures it has sufficient capital to protect its net asset value from falling below zero after a worst-case fair-value loss over one year. AIIB's risk appetite is set at no greater than the bank's available capital. A comprehensive set of financial policies govern asset and liability management as well as market, credit and liquidity risks among others.

Funding strategy

As a new triple-A-rated MDB, AIIB intends to issue in a broad range of currencies and programmes to ensure diversified funding sources at all times. Of its US$100 billion of authorised capital stock, almost the entire paid-in capital of US$20 billion will be received by 2020, leading to little or no funding requirement in the first few years of operation.

However, to build a diversified funding programme, AIIB has already begun to fund through an inaugural US$2.5 billion SEC-registered bond in May 2019 and is currently adding additional debt-issuance programmes for the issuance of public benchmarks and private placements.

AUD and NZD activity

AIIB sees the Australian and New Zealand markets as integral to its future funding strategy and will monitor them closely with a view to becoming a regular issuer.

FOR FURTHER INFORMATION PLEASE CONTACT:

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www.aiib.org

BNG BANK

SECTOR	AGENCY
RATINGS	AAA/Aaa/AAA
RATING OUTLOOK	ALL STABLE
FUNDING VOLUME 2018/2019	€18.1BN/€18.5BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$1.1BN/A$1.1BN
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NIL/NZ$65M
USD BENCHMARK SIZE	US$1BN (MIN)
EUR BENCHMARK SIZE	€1BN (MIN)
RBA REPO ELIGIBLE	YES
RBNZ REPO ELIGIBLE	YES

About BNG Bank

BNG Bank is a Dutch promotional bank of and for local authorities and public-sector institutions. All the bank's shareholders are public authorities. Since 1921, the agency has been 50% owned by the Dutch central government while the remainder is owned by municipalities, provinces and a water board in the Netherlands. BNG Bank is a committed partner for a more sustainable society. BNG Bank enables the Dutch public sector to achieve socially relevant objectives.

Risk policy

Risk management is determined by the objective of offering shareholders a reasonable return, subject to the key condition that BNG Bank's excellent creditworthiness remains intact. This is reflected in, among other things, the imposition of strict and solid limits on credit, market, liquidity and operational risks.

Funding strategy

For 2019, BNG Bank expects to raise in the region of €18.5 billion equivalent in international capital markets. This compares with the €18.1 billion equivalent raised by the agency in 2018.

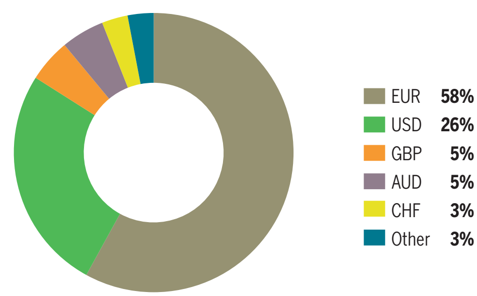
The bank strives to issue benchmark bonds with minimum size of one billion denominated in EUR and USD each year, to maintain yield curves in both currencies. The balance of funds is raised in major markets – GBP, AUD (Kangaroo), NZD (Kauri), CAD (Maple), NOK and SEK – as well as through private placements. All issues are swapped back into EUR.

After the sovereign, BNG Bank is one of the largest issuers in the Netherlands.

AUD and NZD activity

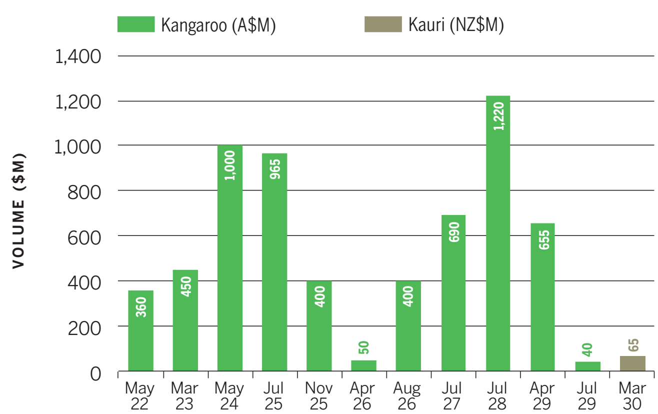
BNG Bank has issued AUD in the Kangaroo and Eurobond markets. It debuted in the Kauri bond market in 2007, becoming the first triple-A rated agency issuer to do so.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: BNG BANK

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: BNG BANK

FOR FURTHER INFORMATION PLEASE CONTACT:

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capital.markets@bngbank.nl
www.bngbank.com

CAF – DEVELOPMENT BANK OF LATIN AMERICA

DEVELOPMENT BANK OF LATIN AMERICA

SECTOR	SUPRANATIONAL
RATINGS	AA-/Aa3/A+
RATING OUTLOOK	NEGATIVE/STABLE/NEGATIVE
PAID-IN CAPITAL (31 DEC 2018)	US$8.8BN
CALLABLE CAPITAL (31 DEC 2018)	US$1.6BN
FUNDING VOLUME 2018/2019	US$4.9BN/US$3.5BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$175M/NIL
USD BENCHMARK SIZE	US$1.25BN
EUR BENCHMARK SIZE	€750M
RBA REPO ELIGIBLE	NO

About CAF – Development Bank of Latin America

CAF – Development Bank of Latin America (CAF) was established in 1970. It consists of 19 countries in Latin America, the Caribbean and Europe as well as 13 private banks from the region.

CAF has evolved from a subregional lender focused on the Andean region to a wider Latin American development bank. CAF operates as a lender of last resort to its members when markets are closed to them.

The organisation's mandate is to promote and foster sustainable development and regional integration through credit operations, grants and technical cooperation, and to offer financial support to public- and private-sector projects. CAF's focus is predominantly on infrastructure, energy and sustainable-development projects.

Risk policy

CAF's risk-management policies, guidelines and practices are designed to reduce exposure to interest-rate, foreign-exchange, liquidity, counterparty, legal and operational risks. CAF's key financial policies relate to minimum required levels of liquidity and capitalisation, and borrowing and lending limits, established in CAF's constitutive agreement and financial guidelines.

Funding strategy

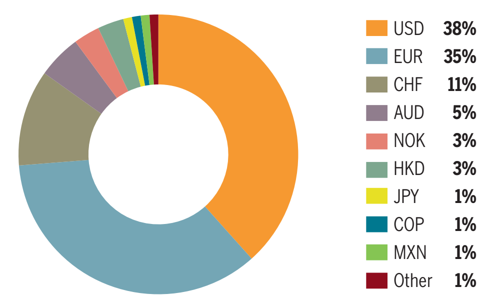
CAF's funds are primarily raised via international financial markets with the balance contributed by shareholder countries. Bonds represented 81% of financial liabilities at year-end 2018. Other funding sources are loans, commercial paper and term deposits.

CAF targets annual benchmark-bond issuance of US$1.5-2.5 billion with tenors up to 10 years. It is also active in the EMTN market in EUR, USD, CHF, NOK, JPY, HKD, COP, MXN, IDR, CAD and PEN, with tenors up to 30 years.

AUD activity

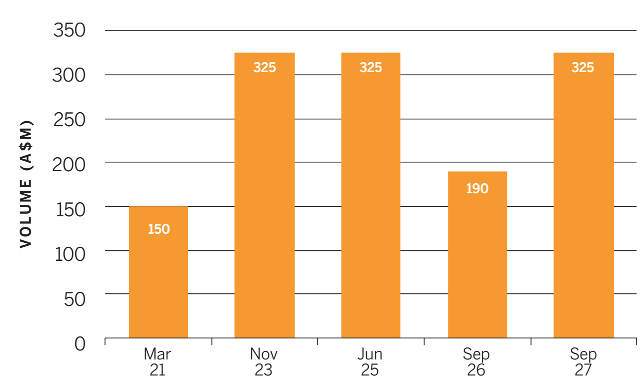
CAF was the first-ever Latin American-origin issuer to tap the Kangaroo market.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: CAF – DEVELOPMENT BANK OF LATIN AMERICA

OUTSTANDING KANGAROO BONDS (AT 31 JUL 2019)



SOURCE: CAF – DEVELOPMENT BANK OF LATIN AMERICA

FOR FURTHER INFORMATION PLEASE CONTACT:

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CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION

Central American Bank for Economic Integration
CABEI

SECTOR	SUPRANATIONAL
RATINGS	AA/A1
RATING OUTLOOK	STABLE/POSITIVE
PAID-IN CAPITAL (31 DEC 2018)	US$1.1BN
CALLABLE CAPITAL (31 DEC 2018)	US$3.3BN
FUNDING VOLUME 2018/2019	US$1.1BN/US$1.1BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NIL/NIL
USD BENCHMARK SIZE	US$500M
RBA REPO ELIGIBLE	NO

About Central American Bank for Economic Integration

Central American Bank for Economic Integration (CABEI) is the largest multilateral lender in Central America, with close to a 50% share of total disbursements in the region. CABEI was established in 1960 and is headquartered in Honduras. Its mission is to promote the economic integration and the balanced economic and social development of the Central-American region – which includes the founding members and nonfounding regional members – as well as attending to and aligning itself with the interests of all its shareholders.

To this end, the bank makes loans and provides technical assistance to entities in the region's member countries. CABEI's main focus has been on public-sector infrastructure projects. Its 2020-24 strategy will also incorporate an emphasis on projects with regional scope.

Risk policy

To fulfil its role as a multilateral development bank, CABEI has conservative and integrated risk-management policies designed to identify, measure, mitigate, monitor and control the risks related to the bank's operations.

CABEI's policy is to have liquid assets at least equal to its anticipated gross cash requirements for the next six months. To manage concentration risk in its liquidity portfolio, CABEI limits exposure per corporate issuer to 10% of its fixed-income portfolio and 3.5% of its total investment portfolio.

With strong and sound capitalisation, CABEI has a strict minimum capital-adequacy ratio requirement, of 35%, and has boosted its risk-adjusted capital to 16% in 2019 from 11% in 2017.

CABEI reduces sensitivity to interest-rate risk by effectively extending its loans and funding itself on a floating-rate basis.

Funding strategy

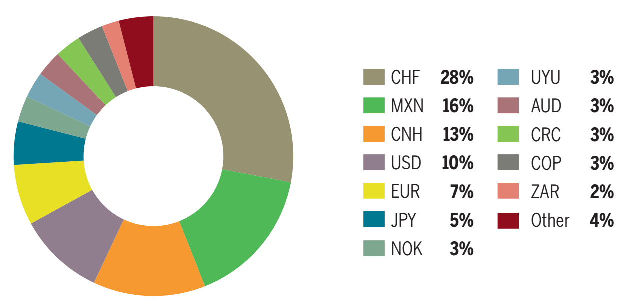
CABEI has been recently assigned an AA international credit rating by S&P Global Ratings, making it the highest-rated credit in Latin America. This will allow the bank to continue implementing its funding strategy, which is based on the diversification of financing sources through instruments, maturities and markets.

The continued improvement of its rating has allowed CABEI to achieve a highly diversified funding base and to maintain uninterrupted access to international capital markets. As of the end of 2018, CABEI has issued bonds in 24 currencies and 23 markets while the funding obtained through bond placements represented 66% of financial liabilities.

AUD activity

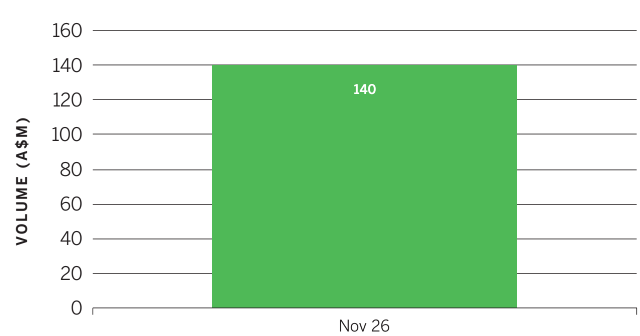
CABEI established a A$600 million domestic debt-issuance programme in Australia in 2014. It debuted in the Kangaroo market in November 2016 with a A$75 million deal. In February 2017, CABEI reopened this line with a further A$65 million tap.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 31 DEC 2018)



SOURCE: CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION

OUTSTANDING KANGAROO BOND (AT 31 JUL 2019)



SOURCE: CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION

FOR FURTHER INFORMATION PLEASE CONTACT:

investors@bcie.org
www.bcie.org/en/relacion-con-inversionistas

COUNCIL OF EUROPE DEVELOPMENT BANK

CEB
COUNCIL OF EUROPE DEVELOPMENT BANK
BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE

SECTOR	SUPRANATIONAL
RATINGS	AAA/Aa1/AA+
RATING OUTLOOK	STABLE/STABLE/POSITIVE
PAID-IN CAPITAL (31 DEC 2018)	€0.6BN
CALLABLE CAPITAL (31 DEC 2018)	€5.5BN
FUNDING VOLUME 2018/2019	€4.9BN/€5BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NIL/A$85M
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NIL/NZ$54.5M
USD BENCHMARK SIZE	US$1-1.25BN
EUR BENCHMARK SIZE	€1BN
RBA REPO ELIGIBLE	YES
RBNZ REPO ELIGIBLE	YES

About Council of Europe Development Bank

Council of Europe Development Bank (CEB) is a multilateral development bank with a social mandate. Founded by eight member states of the Council of Europe in 1956 to bring solutions to the problems of refugees, it is the oldest multilateral development institution in Europe. CEB invests in social projects that foster inclusion and contribute to improving the living conditions of the most vulnerable populations across Europe. CEB represents a major instrument of the policy of solidarity in Europe. It uses its resources to finance social projects to help its 41 member states achieve sustainable and equitable growth.

Risk policy

CEB's risk management is based on a prudent framework through strong governance, policies, procedures, limits and controls that provide the appropriate tools to identify, assess, monitor, report, mitigate and control risks.

While it is not subject to member states' regulations, CEB considers the EU directives on banking regulation and the recommendations of the Basel Committee on Banking Supervision as the references for its risk-management framework.

The bank's risk and control policies are based on international best banking practices and are validated by internal committees composed of CEB's senior-management members and ultimately approved by the bank's governing bodies. CEB continuously reassesses its risk-management and control frameworks to ensure it is able to fulfil its objectives.

Funding strategy

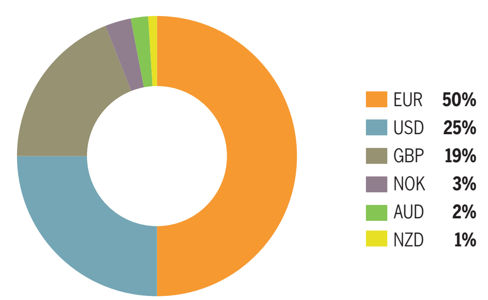
To ensure constant access to the resources needed to fund its activities, CEB issues benchmark bonds in major currencies targeting a broad range of investors. Smaller transactions complement the funding activity, meeting specific investor demand in currencies and structures.

AUD and NZD activity

CEB launched its inaugural Kangaroo bond in September 2004 and the supranational has also issued in the euro-AUD market. CEB monitors the Australian dollar market closely. Its most recent Kangaroo deal was issued in May 2019.

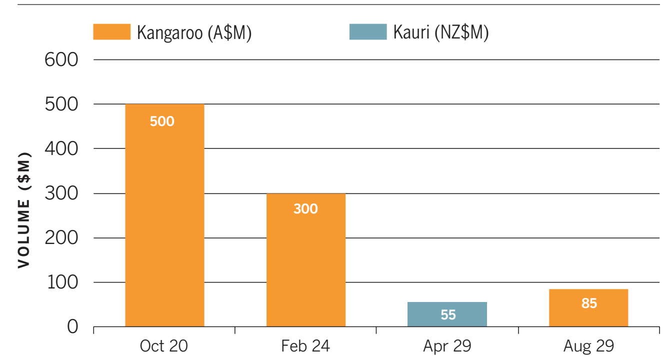
CEB debuted in the Kauri bond market in January 2008 as a bolt-on under its domestic AUD programme. The bank priced its most recent Kauri deal in April 2019.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: COUNCIL OF EUROPE DEVELOPMENT BANK

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: COUNCIL OF EUROPE DEVELOPMENT BANK

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EUROFIMA

EUROFIMA
ROLLING STOCK FINANCING

SECTOR	SUPRANATIONAL
RATINGS	AA+/Aa2
RATING OUTLOOK	NEGATIVE/STABLE
PAID-IN CAPITAL (31 DEC 2018)	CHF520M
CALLABLE CAPITAL (31 DEC 2018)	CHF2.1BN
FUNDING VOLUME 2018/2019	CHF1.1BN/CHF1.4BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$100M/A$195M
USD BENCHMARK SIZE	US$1BN
EUR BENCHMARK SIZE	€1BN
RBA REPO ELIGIBLE	NO

About European Company for the Financing of Railroad Rolling Stock

European Company for the Financing of Railroad Rolling Stock (EUROFIMA) is a supranational organisation located in Basel. It was established in 1956 based on an international treaty signed by 25 European sovereign states. EUROFIMA fulfils a public mission to support the development of rail transportation in Europe.

Risk policy

EUROFIMA adopts conservative risk-management policies meant to identify, control and minimise any risk that may arise in the fulfilment of its public mission. Particular focus is given to risks associated with the use of financial instruments, such as credit, market, liquidity and operational risks.

Strict risk policies and limits regulate borrowing, lending and treasury activities. These are periodically reviewed to reflect changing economic and regulatory conditions. In this respect, independent internal and external controlling bodies are set up to align EUROFIMA's risk management to best practices.

Funding strategy

EUROFIMA's funding strategy is built on three pillars. The first is USD and EUR benchmark issuance. EUROFIMA has issued two-, three-, five- and 10-year tenors in USD in fixed- and floating-rate formats. By 30 June 2019, it had an outstanding US$1 billion fixed-rate benchmark maturing in 2020 and US$1 billion FRNs maturing in 2021 and 2022. In euros, EUROFIMA has an outstanding €1 billion fixed-rate benchmark maturing in 2021, €1.3 billion fixed-rate notes maturing in 2022, 2023 and 2024, and a €650 million fixed-rate note maturing in 2019.

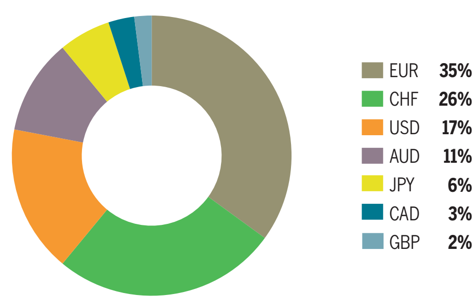
The second pillar is AUD and CHF strategic issuance. EUROFIMA offers a complete curve up to 2029 in the Kangaroo market and up to 2030 in its domestic CHF market. Beyond its strategic focus on these markets, EUROFIMA offers bonds in various other jurisdictions and formats. As of 30 June 2019, it had outstanding bonds and private placements in seven currencies.

AUD and NZD activity

EUROFIMA has issued consistently in the Australian dollar domestic market since 2001, demonstrating a long-term strategic commitment to this market. Besides the Kangaroo market, EUROFIMA has also issued AUD in Eurobond and Uridashi formats.

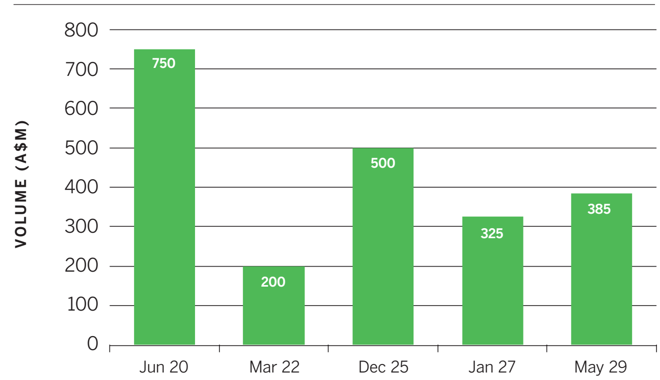
In New Zealand dollars, EUROFIMA has previously issued in the Kauri, Eurobond and Uridashi markets.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: EUROFIMA

OUTSTANDING KANGAROO BONDS (AT 31 JUL 2019)



SOURCE: EUROFIMA

FOR FURTHER INFORMATION PLEASE CONTACT:

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maurizio.parenti@eurofima.org
www.eurofima.org

EUROPEAN INVESTMENT BANK

European Investment Bank
The EU bank

SECTOR	SUPRANATIONAL
RATINGS	AAA/Aaa/AAA
RATING OUTLOOK	ALL STABLE
PAID-IN CAPITAL (31 DEC 2018)	€21.7BN
CALLABLE CAPITAL (31 DEC 2018)	€221.6BN
FUNDING VOLUME 2018/2019	€60BN/€50BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$2.1BN/A$1.4BN
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NZ$200M/NIL
USD BENCHMARK SIZE	US$3-5BN
EUR BENCHMARK SIZE	€3-5BN
RBA REPO ELIGIBLE	YES
RBNZ REPO ELIGIBLE	YES

About European Investment Bank

European Investment Bank (EIB) is the EU's bank, created by the Treaty of Rome in 1958 and wholly owned by the 28 EU member states. Its task is to provide finance and expertise for sound and sustainable investment projects furthering EU policy objectives. In particular, EIB supports projects that make a significant contribution to growth and employment, with focus on four priority areas. These are infrastructure, environment and climate, access to finance for smaller businesses, and innovation and skills.

While most of its operations are in Europe, EIB is active in 160 countries. It finances its operations by raising substantial volume in the international capital markets and passes its funding advantage onto clients on the lending side.

Risk policy

The high credit quality of EIB's loan portfolio continues to be underpinned by sound risk-management policies and thorough project due diligence. It is also reflected in the low rate of impairments (0.3% of the total lending portfolio at end 2018) and historically low level of defaults.

EIB's treasury activities are conducted prudently, with the primary objective of protecting capital invested and ensuring the bank can meet its payment obligations on time and in full. Liquidity is further boosted by access to the ECB.

Funding strategy

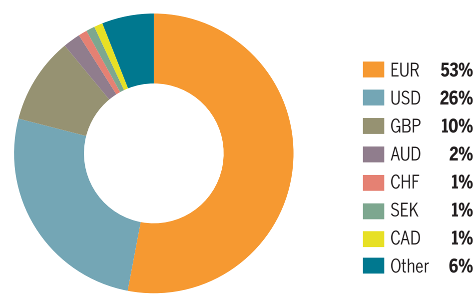
EIB's funding activities aim to reach set volume targets, attain the maturities needed for the bank's asset and liability management, and optimise funding cost on a sustainable basis. These goals are achieved by building comprehensive yield curves in core currencies – EUR, USD and GBP – combined with targeted issuance across a range of other currencies.

AUD and NZD activity

Having established its Kangaroo programme in 1999, EIB has been a longstanding issuer in the Australian market. AUD still constitutes a significant component of the bank's funding mix. It accounted for more than 2% of the bank's 2018 borrowing programme and, in 2018, EIB was the largest SSA issuer in the Kangaroo market with A$2.1 billion issued in seven transactions.

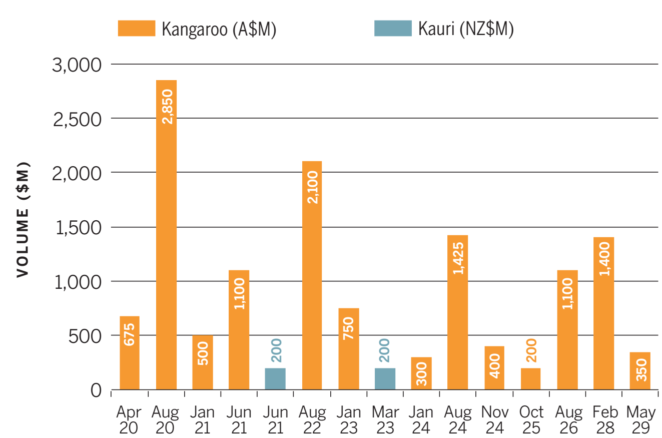
In 2018, EIB returned to the Kauri market for the first time since 2011 with a NZ$200 million five-year transaction. The bank has also been active in NZD with a range of products in previous years.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 31 DEC 2018)



SOURCE: EUROPEAN INVESTMENT BANK

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: EUROPEAN INVESTMENT BANK

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EXPORT DEVELOPMENT CANADA

EDC

SECTOR	AGENCY
RATINGS	AAA/Aaa
RATING OUTLOOK	BOTH STABLE
FUNDING VOLUME 2018/2019	US$12BN/US$12BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$850M/A$600M
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NZ$350M/NZ$650M
USD BENCHMARK SIZE	While EDC is committed to regular issuance in the USD global market it does not target amounts or duration in advance – it is responsive to investor preferences.
RBA REPO ELIGIBLE	YES
RBNZ REPO ELIGIBLE	YES

About Export Development Canada

Export Development Canada (EDC) was created in 1944 to be Canada's official export-credit agency. It was strengthened in 1969 when it was transformed into a Crown corporation by the *Export Development Act*. The second piece of legislation governing EDC is the *Financial Administration Act*.

In March 2014, Canada's federal government implemented regulatory amendments authorising EDC to cover domestic financing and insurance services with some limitations attached – such as the need of linkage to international business and support in a manner that complements the private sector.

In 2015, the federal government announced plans for a development-finance institution under EDC to support private-sector financing to facilitate investment in developing countries.

In 2018, the government of Canada launched a legislative review of the *Export Development Act*. The act requires the minister of international trade to undertake a legislative review of EDC every 10 years to examine different aspects of the role, functions and governance of EDC. The review will also assess the types of services EDC provides to Canadian exporters to ensure it is able to meet evolving business needs in a changing global context.

Risk policy

The purposes and powers of EDC are established by statute. EDC has a board of directors appointed by the government. All board members other than the CEO are independent of EDC management. The approval of EDC's risk policies is among their responsibilities.

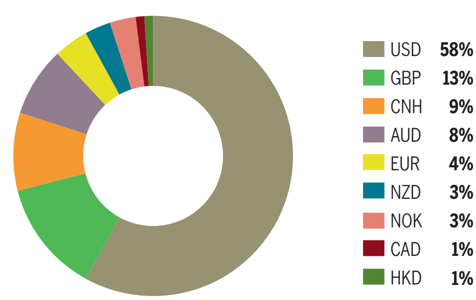
Funding strategy

EDC's global-markets funding programme is committed to issuance of USD, GBP, AUD and NZD benchmarks with an emphasis on diversifying its investor base through the issuance of G8 currencies, private placements and emerging-currency notes. EDC accesses funding through the international public-benchmark, MTN and private-placement markets.

AUD and NZD activity

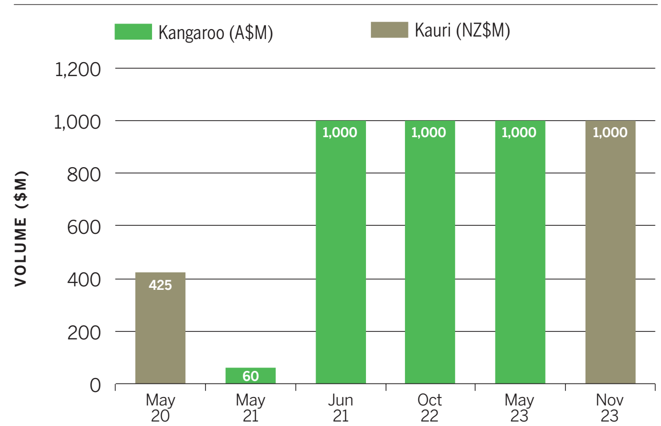
EDC entered the Kauri bond market in 2007 and the Kangaroo bond market in 2010. Pursuing both has been a strategic means to diversify EDC's investor base. EDC provides domestic investors with the opportunity to acquire exposure to Canadian sovereign credit and gives international investors another investment opportunity.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: EXPORT DEVELOPMENT CANADA

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: EXPORT DEVELOPMENT CANADA

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THE EXPORT–IMPORT BANK OF KOREA

Korea Eximbank
THE EXPORT-IMPORT BANK OF KOREA

SECTOR	AGENCY
RATINGS	AA/Aa2/AA-
RATING OUTLOOK	ALL STABLE
FUNDING VOLUME 2018/2019	US$9.97BN/US$10BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$500M/A$500M
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NIL/NIL
USD BENCHMARK SIZE	US$1-1.5BN
EUR BENCHMARK SIZE	€750M
RBA REPO ELIGIBLE	NO
RBNZ REPO ELIGIBLE	YES

About the Export-Import Bank of Korea

The Export-Import Bank of Korea (Korea Eximbank or Kexim) is an official export-credit agency providing comprehensive export-loan and guarantee programmes to support Korean enterprises conducting business overseas. Since its establishment in 1976, Korea Eximbank has actively supported Korea's export-led economy and facilitated economic cooperation with foreign countries.

Korea Eximbank's primary services include export and trade financing, and guarantee programmes structured to meet the needs of clients in a direct effort to complement and strengthen their competitiveness in global markets.

Korea Eximbank also provides overseas investment financing, import financing, and financial advisory and structuring services aimed at exploiting business opportunities abroad.

Risk policy

Korea Eximbank has established risk-management guidelines and put them into practice. It oversees all risk-management activities through its risk-management committee. It manages credit risk mainly by evaluating borrowers' creditworthiness and credit-exposure limits, and by implementing early-warning systems.

In order to manage market risk, Korea Eximbank regularly measures and monitors exposures based on value at risk, loss limits and other market-risk limits. Moreover, Korea Eximbank strives to implement effective cash-flow management and to diversify funding sources. It also regularly conducts stress tests to avoid potential losses resulting from mismatches between cash in- and outflows.

Funding strategy

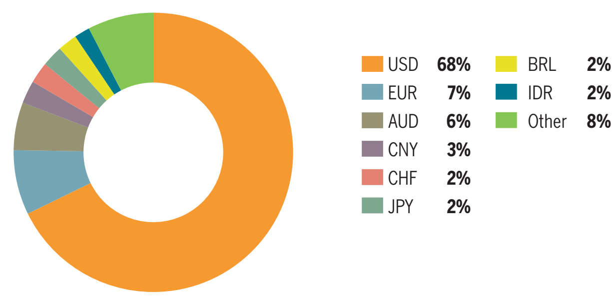
Korea Eximbank is the most active Korean issuer in international capital markets. Its issuance portfolio remains well diversified by currency. Korea Eximbank has tapped 29 currency markets so far.

AUD and NZD activity

Korea Eximbank has funded substantial volume of AUD and NZD since 2010 using various forms of debt product including Kangaroo bonds, EMTN takedowns and Uridashi bonds. The inaugural Kangaroo issue by Korea Eximbank, in 2012, was met with favourable investor demand across the Asia-Pacific region.

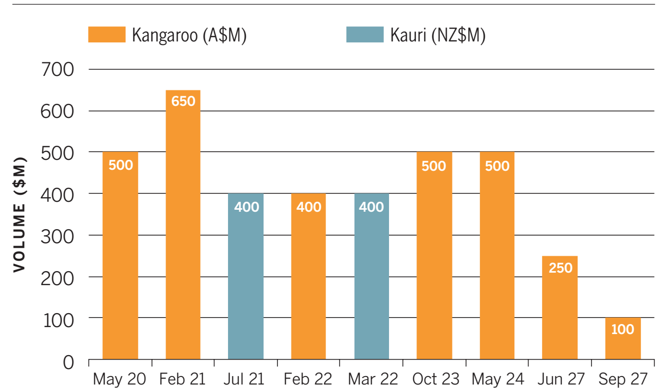
Korea Eximbank debuted in the Kauri market in July 2016, with a NZ$400 million bond. On the back of strong investor demand the issuer returned to the market in February 2017 with a new NZ$400 million 2022 bond.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: THE EXPORT-IMPORT BANK OF KOREA

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: THE EXPORT-IMPORT BANK OF KOREA

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www.koreaexim.go.kr/en

INTER-AMERICAN DEVELOPMENT BANK

SECTOR	SUPRANATIONAL
RATINGS	AAA/Aaa
RATING OUTLOOK	BOTH STABLE
PAID-IN CAPITAL (31 DEC 2018)	US$11.9BN
CALLABLE CAPITAL (31 DEC 2018)	US$164.9BN
FUNDING VOLUME 2018/2019	US$19.5BN/US$20.5BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$1.2BN/A$925M
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NZ$875M/NIL
USD BENCHMARK SIZE	US$1BN (MIN)
EUR BENCHMARK SIZE	€1BN (MIN)
RBA REPO ELIGIBLE	YES
RBNZ REPO ELIGIBLE	YES

About Inter-American Development Bank

Inter-American Development Bank (IADB), the world's oldest and largest regional multilateral development bank, was established in 1959. Its mission is to improve lives in Latin America and the Caribbean by supporting efforts to reduce poverty and inequality in a sustainable, climate-friendly way.

IADB finances sovereign and private-sector projects and programmes through loans, guarantees and technical assistance. To accomplish this mission, IADB's institutional strategy is focused on the three development challenges of social inclusion and equality, productivity and innovation, and economic integration. The strategy has identified three cross-cutting issues to be addressed with each of the development challenges. These are gender equality and diversity, climate change and environmental sustainability, and institutional capacity and the rule of law.

Risk policy

IADB has a leverage limit based on its debt-to-equity ratio which limits gross debt to a maximum of four times equity. The capital-adequacy policy sets the capital requirements for credit and market risk in IADB's lending and treasury operations, as well as pension and operational risk. An income-management model determines annual loan charges to ensure compliance with financial policies. The liquidity policy requires liquid holdings to be sufficient to cover at least 12 months of net cash requirements after haircuts.

Funding strategy

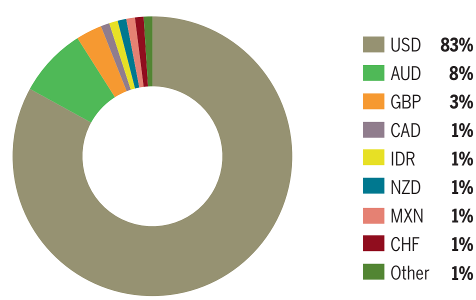
IADB's funding strategy is based on the issuance of large global benchmark bonds, primarily in USD, as well as bonds targeted to strategic markets and MTNs targeted to particular segments of demand.

IADB aims to develop a yield curve of benchmark securities in its global benchmark USD and strategic markets. Liquidity is promoted by three means: obtaining broad sponsorship from underwriters, deepening the investor base by cultivating different types of investors, and its debt-repurchase programme.

AUD and NZD activity

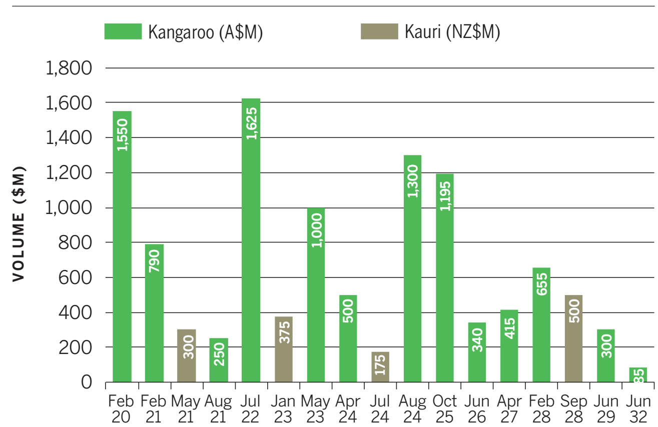
IADB considers the AUD and NZD as strategic markets and aims to build a liquid yield curve in these currencies. The first priority when considering reopenings is to ensure existing bondholders are not harmed, especially in terms of performance. A reopening is only considered to meet demand.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: INTER-AMERICAN DEVELOPMENT BANK

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: INTER-AMERICAN DEVELOPMENT BANK

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www.iadb.org/investors

INTERNATIONAL DEVELOPMENT ASSOCIATION

IDA International Development Association WORLD BANK GROUP

SECTOR	SUPRANATIONAL
RATINGS	AAA/Aaa
RATING OUTLOOK	BOTH STABLE
PAID-IN CAPITAL (30 JUN 2019)	US$162.9BN
CALLABLE CAPITAL (30 JUN 2019)	N/A
FUNDING VOLUME FY19/FY20 (TO 30 JUN FISCAL YEAR-END)	NIL/US$3BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NIL/NIL
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NIL/NIL
USD BENCHMARK SIZE	US$1-6BN
EUR BENCHMARK SIZE	€1-3BN
RBA REPO ELIGIBLE	YES (EXPECTED)
RBNZ REPO ELIGIBLE	YES (EXPECTED)

About International Development Association

International Development Association (IDA), a member of the World Bank Group, is an international organisation created in 1960. It operates as a global development cooperative owned by 173 nations. Like World Bank (International Bank for Reconstruction and Development, IBRD) (see p56), IDA 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. World Bank Treasury is the treasury for IBRD and IDA.

IDA has two main goals: to end extreme poverty and to promote shared prosperity. It seeks to achieve these primarily by providing loans, grants, risk-management products and technical expertise to countries with low per-capita income, as well as by coordinating responses to regional and global challenges.

IDA has financed its operations over the years with its own equity, periodically increased through contributions by member countries as part of a three-year replenishment process. As a result of the strong support of member countries, IDA has built up a substantial equity base, amounting to US$163 billion as of 30 June 2019. To make the most efficient use of this strong equity base and contribute more to achieving the UN Sustainable Development Goals, in FY18 IDA included public-market debt in its business model for the first time. It launched its inaugural public bond in April 2018 – a US$1.5 billion benchmark bond with five-year maturity.

Risk policy

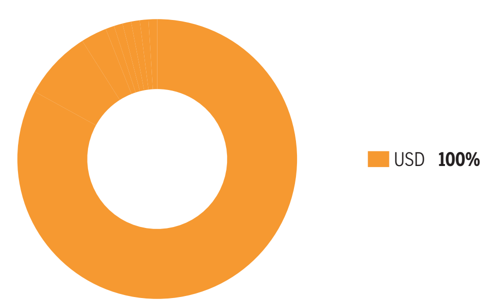
IDA's governance structure for risk management is the same as World Bank. The same teams manage the funding programme as well as risk, asset-liability and liquidity management operations.

Capital adequacy is ensured using a solvency-based framework that conservatively estimates all potential losses for IDA's activities and assets and measures the capital available above this minimum requirement and a deployable strategic capital (DCS) conservation buffer. The DCS ratio was 35.3% as of 30 June 2019.

Funding strategy

Following its successful inaugural bond deal in 2018, IDA plans to develop its medium- and long-term funding programme to include a broad range of currencies, maturities and formats, including AUD and NZD domestically and offshore. IDA's funding strategy leverages its triple-A rating, its exceptionally strong capitalisation and governance structure, and the expertise of World Bank staff.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: INTERNATIONAL DEVELOPMENT ASSOCIATION

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debtsecurities@worldbank.org
www.worldbank.org/debtsecurities

INTERNATIONAL FINANCE CORPORATION

IFC International Finance Corporation WORLD BANK GROUP

Creating Markets, Creating Opportunities

SECTOR	SUPRANATIONAL
RATINGS	AAA/Aaa
RATING OUTLOOK	BOTH STABLE
PAID-IN CAPITAL (30 JUN 2019)	US$2.6BN
CALLABLE CAPITAL (30 JUN 2019)	NIL (ALL CAPITAL IS PAID IN)
FUNDING VOLUME FY19/FY20 (TO 30 JUN FISCAL YEAR-END)	US$13.4BN/US$17BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$1.5BN/A$900M
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NZ$600M/NIL
USD BENCHMARK SIZE	US$1-3BN
RBA REPO ELIGIBLE	YES
RBNZ REPO ELIGIBLE	YES

About International Finance Corporation

International Finance Corporation (IFC), a member of the World Bank Group, was founded in 1956 to promote and support economic growth in developing countries by financing private-sector investment, mobilising capital in the international financial markets and providing advisory services to businesses and governments.

IFC helps companies in emerging markets to create jobs, generate tax revenues, improve corporate governance and environmental performance, and contribute to local communities. Working with 2,000 businesses worldwide, IFC uses its capital, expertise and influence to create opportunities in the toughest areas of the world.

Risk policy

Duration of funding is consistent with the maturity of IFC's loan portfolio to mitigate gap exposure, while loan interest-rate and currency risks are hedged. IFC's equity investments are funded by retained earnings rather than borrowings. Strict portfolio-diversification guidelines are maintained.

Funding strategy

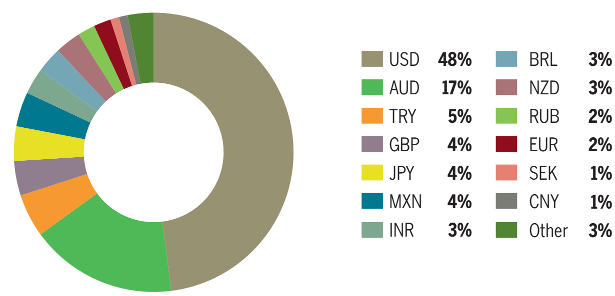
All funds for lending activities are raised through the issuance of debt obligations in international capital markets. Borrowings are diversified by currency, maturity and market to provide flexibility and cost-effectiveness. A consistent triple-A credit rating based on conservative policies and excellent financial performance has built significant and distinct name recognition.

AUD and NZD activity

IFC continues to seek opportunities to issue in the Kangaroo and Kauri markets in public, private-placement and Uridashi formats. These borrowings will be new lines and selective increases to outstanding issues to build their liquidity.

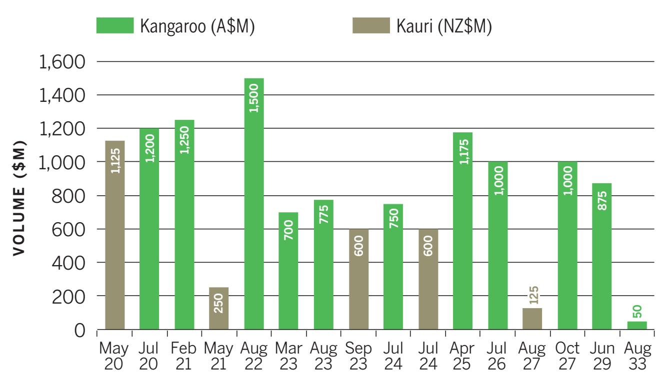
ISSUANCE BY CURRENCY

(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: INTERNATIONAL FINANCE CORPORATION

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: INTERNATIONAL FINANCE CORPORATION

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INTERNATIONAL FINANCE FACILITY FOR IMMUNISATION

IFFIm
Supporting Gavi,
The Vaccine Alliance

SECTOR	SUPRANATIONAL
RATINGS	AA/Aa1/AA
RATING OUTLOOK	NEGATIVE/STABLE/NEGATIVE
FUNDING VOLUME 2018/2019	NIL/US$250M
KANGAROO VOL. 2018/2019 (FULL YEAR/TO DECEMBER 30)	NIL/NIL
USD BENCHMARK SIZE	US$300M
EUR BENCHMARK SIZE	N/A
RBA REPO ELIGIBLE	NO

About International Finance Facility for Immunisation

International Finance Facility for Immunisation (IFFIm) is a multilateral development institution, incorporated as a UK charity, created to accelerate the availability of predictable, long-term funds for immunisation, vaccine procurement and related health programmes through Gavi, the Vaccine Alliance in more than 70 of the poorest countries around the world.

IFFIm was created as a development-financing tool to help the international community achieve the millennium development goals related to child mortality and maternal health. Gavi, the Vaccine Alliance is a public-private partnership that aims to immunise children and strengthen health systems in the world's poorest countries.

Capital structure

As at 31 December 2018, IFFIm had total assets of US$3.1 billion. This includes sovereign pledges of US$2.3 billion and funds held in trust of around US$817 million.

Risk policy

World Bank (see p56) is the treasury manager for IFFIm. In this capacity, World Bank manages IFFIm's finances according to prudent policies and standards. World Bank also coordinates with IFFIm's donors and manages their pledges and payments as well as IFFIm's disbursements for immunisation and health programmes through Gavi, the Vaccine Alliance.

IFFIm mitigates the market risk on both its assets (donors' grant payments) and liabilities (bond issues) via swaps. World Bank is IFFIm's sole swap counterparty.

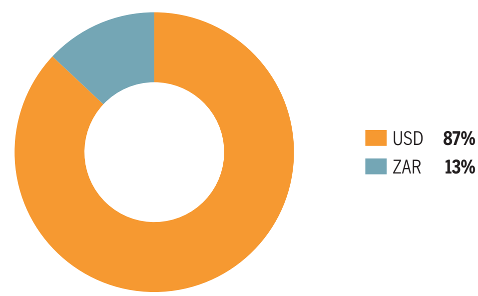
Funding strategy

IFFIm's annual funding volume depends on Gavi's funding needs for immunisation programmes in recipient countries as well as refinancing. IFFIm sells bonds to retail and institutional investors in a variety of transaction sizes ranging from larger, more liquid issues to smaller, more customised bonds.

AUD and NZD activity

IFFIm priced its debut Kangaroo transaction in November 2010. This bond matured in 2015. IFFIm has also issued AUD and NZD bonds in Uridashi format. It has AUD and NZD MTN programmes in place.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: INTERNATIONAL FINANCE FACILITY FOR IMMUNISATION

FOR FURTHER INFORMATION PLEASE CONTACT:

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Capital Markets
+1 202 477 2880
debtsecurities@worldbank.org
www.iffim.org

KDB BANK

SECTOR	AGENCY
RATINGS	AA/Aa2/AA-
RATING OUTLOOK	ALL STABLE
FUNDING VOLUME 2018/2019	US$6.4BN/US$5BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$400M/NIL
USD BENCHMARK SIZE	US$1BN
EUR BENCHMARK SIZE	€500M
RBA REPO ELIGIBLE	NO
RBNZ REPO ELIGIBLE	YES

About KDB Bank

KDB Bank (KDB) was founded in 1954 with the mandate to build, strengthen and develop Korea's national economy, industries and financial system as the primary state financial-service provider. The Korean government not only fully and directly owns KDB but is also obliged to replenish any deficit of KDB should its reserves be insufficient.

As a leader in local corporate financing, KDB has nurtured its corporate clients and helped them become global players through 64 years of operation. KDB promotes Korean economic growth by providing indispensable financial resources to key industries. KDB acts as a market leader in corporate banking and restructuring, investment banking, project financing and financial consultation.

Risk policy

KDB's risk management aims to maintain financial soundness and effectively manage various risks pertinent to the nature of the banking business.

The bank has set up and fulfilled principles to manage risk in a timely and effective way. KDB's risk-management committee is its highest body that examines and makes decisions on comprehensive risk-management strategies. These include maintenance of internal capital adequacy and compliance with internal and external regulations.

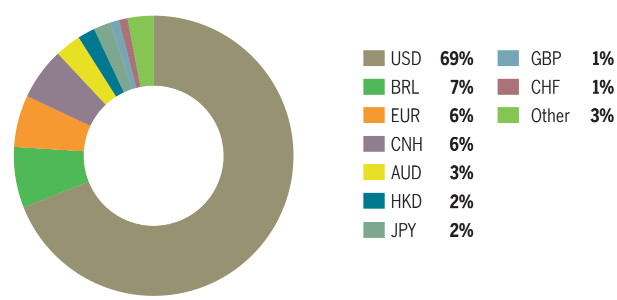
Funding strategy

KDB is a benchmark issuer in domestic and international capital markets, raising funds in a timely and flexible manner. KDB plans to maximise opportunities in niche markets including Asia, Australia, New Zealand and Canada as a way to sponsor its project-financing business in newly emerging markets. In addition to bank loans, KDB actively issues through private placements in order to remain flexible to investor demand.

AUD and NZD activity

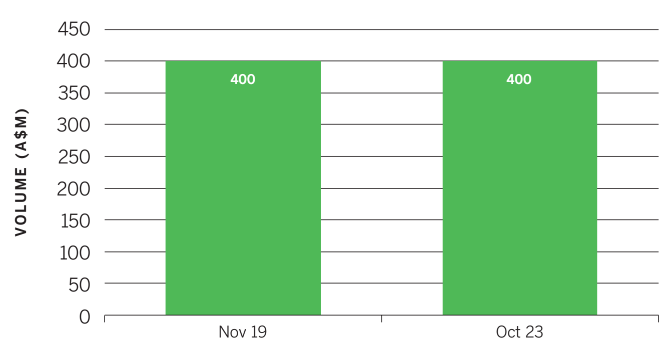
KDB was the first Korean issuer to price a Kangaroo bond, in 1996. Since then, KDB has issued more than A$2 billion across EMTN and Kangaroo formats. KDB issued its inaugural Kauri bond in April 2016, which also marked the first Kauri offering by a Korean issuer.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: KDB BANK

OUTSTANDING KANGAROO BONDS (AT 31 JUL 2019)



SOURCE: KDB BANK

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KFW BANKENGRUPPE

SECTOR	AGENCY
RATINGS	AAA/Aaa/AAA (S&P/Moody's/Scope)
RATING OUTLOOK	ALL STABLE
TOTAL EQUITY (31 DEC 2018)	€30.3BN
FUNDING VOLUME 2018/2019	€76.1BN/€80BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$1.4BN/A$1.65BN
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NZ$950M/NIL
USD BENCHMARK SIZE	US$3-5BN
EUR BENCHMARK SIZE	€3-5BN
RBA REPO ELIGIBLE	YES
RBNZ REPO ELIGIBLE	YES

About KfW Bankengruppe

As Germany's flagship development agency, KfW Bankengruppe (KfW) aims for sustainable improvement of the economic, social and ecological conditions of people's lives. KfW conducts its business in the following areas:

- SME bank and private clients offers highly standardised products for SMEs, start-ups, and private individuals.
- Customised finance and public clients provides individual financing solutions for municipal and social infrastructure.
- KfW Capital invests in German and European venture-capital and venture-debt funds with the aim of improving access to capital for innovative, technology-oriented growth companies in Germany through professionally managed funds.
- KfW IPEX-Bank offers customised financing for exports and project and corporate financing worldwide.
- KfW Development Bank is responsible for KfW's public-sector development cooperation activities, while DEG finances private-sector investments in developing countries.
- Financial markets, which comprises KfW's treasury, funding, asset management and other capital-markets-related activities.

Risk policy

KfW uses state-of-the-art risk-management instruments and processes to identify, control and mitigate risk potential with respect to credit, market, liquidity and operational risks. Stress tests are also regularly undertaken to anticipate and quantify the effects of different downturn events on overall risk exposure.

Funding strategy

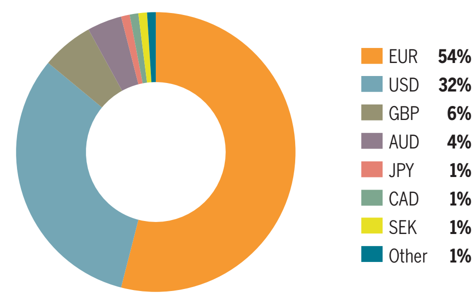
KfW is the largest European issuer in the supranational and agency sector. The bank's funding activities are based on a broad range of capital-markets products for various investor needs: benchmark programmes, green bonds, additional public bonds and tailor-made placements.

The benchmark programmes feature large and liquid bonds in benchmark maturities in EUR and USD, the latter issued in global format. Public bonds outside the benchmark programmes offer a broad range of securities to investors. Green bonds can be issued in various formats and across several currencies.

AUD and NZD activity

By 31 July 2019, KfW's overall outstanding Kangaroo volume totalled more than A$23.1 billion, making it the largest Kangaroo issuer by outstanding volume. KfW has established three Kauri bonds since entering the Kauri market in 2015. Its most recent transaction was in September 2018.

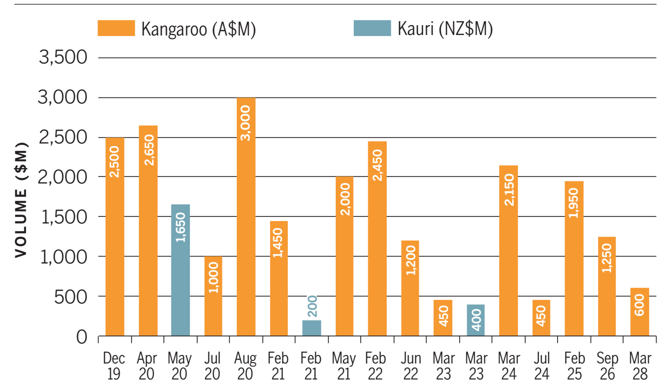
ISSUANCE BY CURRENCY* (TOTAL OUTSTANDING AT 31 DEC 2018)



* KfW's outstanding bonds and notes as well as promissory note loans with an initial maturity of more than one year and issued in the capital markets.

SOURCE: SEC FORM 18-K 2018, "INFORMATION ON ISSUES OF FUNDED DEBT OF KFW GROUP"

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: KFW BANKENGRUPPE

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KOMMUNALBANKEN NORWAY

KBN Kommunalbanken Norway

SECTOR	AGENCY
RATINGS	AAA/Aaa
RATING OUTLOOK	BOTH STABLE
FUNDING VOLUME 2018/2019	US$13BN/US$10BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$1.5BN/A$805M
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NZ$300M/NIL
USD BENCHMARK SIZE	US$1-2BN
EUR BENCHMARK SIZE	€1BN
RBA REPO ELIGIBLE	YES
RBNZ REPO ELIGIBLE	YES

About Kommunalbanken Norway

Kommunalbanken Norway (KBN) was established by a Norwegian act of parliament in 1926. KBN is a 100% government-owned agency with a public-policy mandate from Norway's central government to provide low-cost funding to the local-government sector.

Due to large accumulated budget surpluses, currently at approximately more than 270% of GDP, the Kingdom of Norway does not issue any foreign-currency debt. KBN, which represents both Norway as owner and the Norwegian public sector, is the closest proxy to Norwegian sovereign debt available in the international capital markets. As a result, KBN offers investors a unique opportunity to gain exposure to the Norwegian public sector and one of the world's wealthiest economies.

Risk policy

Credit risk for loans to local governments only relates to potential late payment of interest and instalments. Credit risk arising from KBN's funding portfolio and liquidity-management operations is kept to a minimum through stringent policies on entering financial contracts.

KBN's financial policies do not permit any outright interest- or exchange-rate risk. Liquidity risk is minimised by always keeping liquidity which covers 12 months' net debt redemptions plus budgeted new lending. The entire liquidity portfolio is invested in liquid assets of high credit quality.

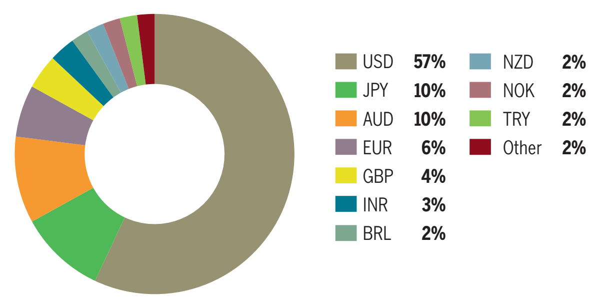
Funding strategy

KBN's aim is to follow a flexible and diversified funding strategy. To meet its funding objectives, KBN has established a strategy based on four building blocks: benchmark issuance in USD and EUR (35-50% of issuance), other institutional markets (25-35%), retail issuance (5-10%) and private placements (5-15%). In 2018, more than 95% of funding was raised outside Norway through 104 individual transactions in 14 currencies, amounting to US$13 billion equivalent.

AUD and NZD activity

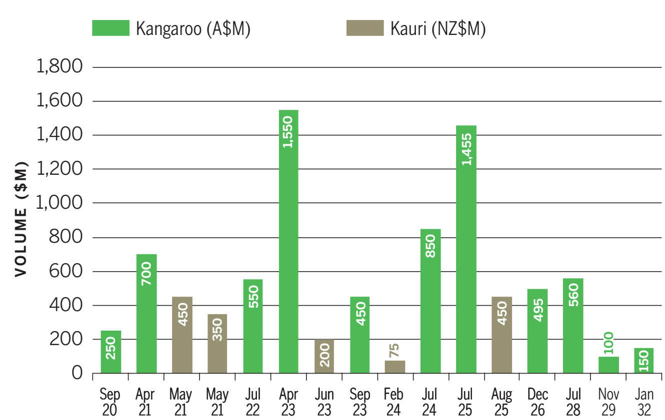
KBN remains committed to the Kangaroo and Kauri bond markets. Subject to investor appetite, the aim is for annual issuance of up to 10% of total funding volume in these markets. As of 30 June 2019, KBN had A$7.1 billion of bonds outstanding in the Kangaroo market and NZ$1.5 billion in the Kauri market.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: KOMMUNALBANKEN NORWAY

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: KOMMUNALBANKEN NORWAY

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KOMMUNEKREDIT

KOMMUNE
KREDIT

SECTOR	AGENCY
RATINGS	AAA/Aaa
RATING OUTLOOK	BOTH STABLE
FUNDING VOLUME 2018/2019	€8BN/€6-8BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$50M/NIL
USD BENCHMARK SIZE	US$1BN
EUR BENCHMARK SIZE	€1BN
RBA REPO ELIGIBLE	NO
RBNZ REPO ELIGIBLE	YES

About KommuneKredit

KommuneKredit is an association, established in 1898, with the objective to provide funding and leases to Danish municipalities and regions as well as companies and institutions against full municipal guarantee. It operates under a special act and is under supervision by Denmark's Ministry of Industry, Business and Financial Affairs.

KommuneKredit's mission is to provide the funding and related services required by local governments and thereby contribute to greater financial latitude in Danish society. Its members are municipalities and regions that have raised loans or entered into leases with KommuneKredit or have guaranteed or are liable for loans raised or leases entered into with KommuneKredit. All municipalities and regions in Denmark are members of KommuneKredit. Members are jointly and severally liable for all KommuneKredit's liabilities.

KommuneKredit's high credit rating is primarily attributable to the joint-and-several liability of the municipalities and regions and the fact that it is a strong player in the Danish economy. KommuneKredit does not need to make a profit above what is necessary to maintain an adequate capital base. The association's level of expenses is low, which means funding raised can be on-lent at a modest margin.

KommuneKredit has strong capitalisation, with an equity-to-asset ratio of 3.4% as of year-end 2018. The Danish regulator, *Finanstilsynet*, has confirmed KommuneKredit bonds' level-one status for liquidity-coverage-ratio purposes.

Risk policy

KommuneKredit's risk policy is conservative. Only financial risks that are considered absolutely necessary for compliance with KommuneKredit's mission are accepted. This means interest-rate and currency risks are kept at a minimum. In addition, the supervising authority of KommuneKredit requires the issuer to maintain a positive liquidity position across all maturities.

The credit quality of KommuneKredit's loans to Danish local governments and other clients is extremely high due to the taxation power of the local governments. KommuneKredit has had no credit losses in more than 120 years of operation.

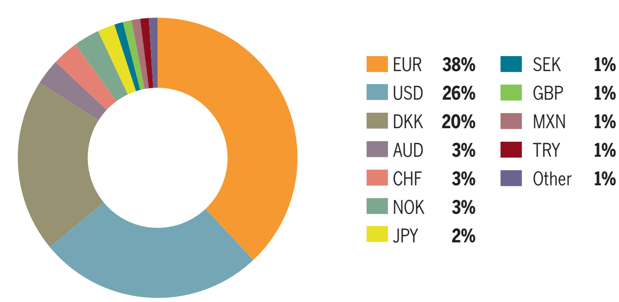
Funding strategy

KommuneKredit is a frequent borrower in international and domestic capital markets. Its strategy is to diversify funding activities across markets, maturities and documentation platforms to ensure stable market access.

AUD activity

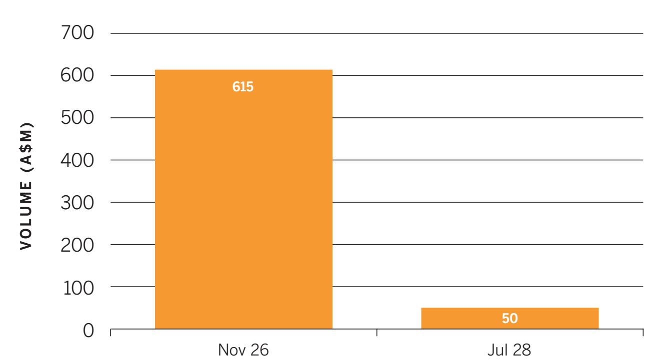
KommuneKredit established a Kangaroo programme at the beginning of 2016 and currently has two lines outstanding, due in November 2026 and July 2028.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: KOMMUNEKREDIT

OUTSTANDING KANGAROO BONDS (AT 31 JUL 2019)



SOURCE: KOMMUNEKREDIT

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KOREA NATIONAL OIL CORPORATION

KOREA NATIONAL OIL CORPORATION

SECTOR	AGENCY
RATINGS	AA/Aa2/AA-
RATING OUTLOOK	ALL STABLE
FUNDING VOLUME 2018/2019	US$1.5BN/US$1.8BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NIL/NIL
USD BENCHMARK SIZE	US$1BN
RBA REPO ELIGIBLE	NO

About Korea National Oil Corporation

Korea National Oil Corporation (KNOC) was established in 1979 under the *KNOC Act* as a statutory juridical entity tasked with ensuring a stable supply of oil and supporting the development of the Korean economy.

KNOC is wholly owned by the government of Korea. It engages in developing oil fields, stockpiling petroleum reserves and other oil-related activities. As of 31 December 2018, KNOC's daily crude-oil and natural-gas production was approximately 198,200 barrels of oil equivalent.

Under the *KNOC Act*, only the government of Korea can contribute to KNOC's authorised capital of up to KRW13 trillion. Pursuant to the *KNOC Act*, the government may also guarantee the repayment of KNOC's bonds and its other loans and provide financial subsidies for KNOC's business activities.

Risk policy

KNOC implements and monitors its risk-management structure and management regularly updates the policies for each risk as well as confirming the validity of the policies. These policies aim to identify the risks that could potentially affect KNOC's financial results and reduce to an acceptable level, avoid or eliminate these risks.

In addition to its well-managed risk policy, KNOC is also regularly supervised by Korea's government. The areas of supervision range from overall business operations and financial profile – such as budgeting and liability management – to appointment of directors and auditors.

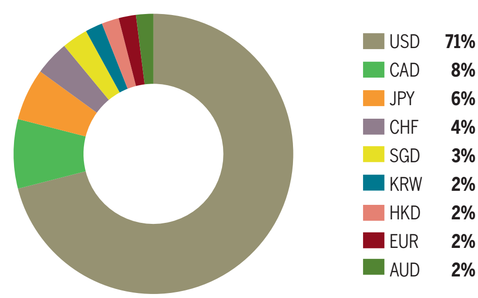
Funding strategy

KNOC is one of Korea's leading issuers in the international capital markets. It aims to diversify its funding sources by accessing various markets and issuing across diverse maturities and formats. KNOC has issued benchmark and privately placed notes on a regular basis in various currencies including USD, EUR, AUD, CHF, JPY, HKD and SGD. It aims further to diversify its funding sources going forward.

AUD activity

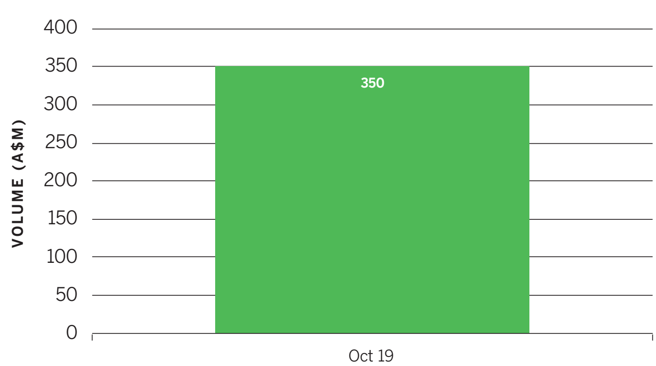
KNOC first accessed the Australian dollar market in 2014 and returned to Kangaroo issuance with its second benchmark offering in early 2016. KNOC intends to issue in the Australian dollar market on a regular basis.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: KOREA NATIONAL OIL CORPORATION

OUTSTANDING KANGAROO BOND (AT 31 JUL 2019)



SOURCE: KOREA NATIONAL OIL CORPORATION

FOR FURTHER INFORMATION PLEASE CONTACT:

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L-BANK

L-BANK
Staatsbank für Baden-Württemberg

SECTOR	AGENCY
RATINGS	AAA/Aaa
RATING OUTLOOK	BOTH STABLE
FUNDING VOLUME 2018/2019	€5BN/€5-7BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$150M/A$175M
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NIL/NIL
USD BENCHMARK SIZE	US$1BN
EUR BENCHMARK SIZE	€1BN
RBA REPO ELIGIBLE	YES
RBNZ REPO ELIGIBLE	YES

About L-Bank

L-Bank is the development agency of the German federal state of Baden-Württemberg. It is the second-largest of the German state development agencies, with total assets of €69.6 billion. The main goal of L-Bank is to implement economic and regional policy initiatives on behalf of the Baden-Württemberg state government in a competition-neutral way. The main areas of business are:

- Economic development via support for SMEs.
- Residential development.
- Helping families by granting benefits.
- Public-sector financing. Providing financial services to local municipalities within the federal state of Baden-Württemberg.
- Environmental and climate protection. Reducing CO_2 emissions is a prime objective and L-Bank also supports municipal-level environmental-protection measures.
- Infrastructure development. L-Bank supports communities in enhancing their offerings with a variety of financing programmes. L-Bank offers interest-subsidised financing for municipal investors.
- Education. L-Bank offers tuition financing to ensure equal opportunities and enable all qualified young people in Baden-Württemberg to attend an institute of higher learning.
- Technology parks. L-Bank operates technology parks in selected university locations through its subsidiaries.

Risk policy

L-Bank monitors, controls, reports and manages all risks – including credit, market, operational and liquidity – with a state-of-the-art risk-management system. Stress tests are an incremental part of the system. L-Bank annually publishes all risks in the *Offenlegungsbericht*.

Funding strategy

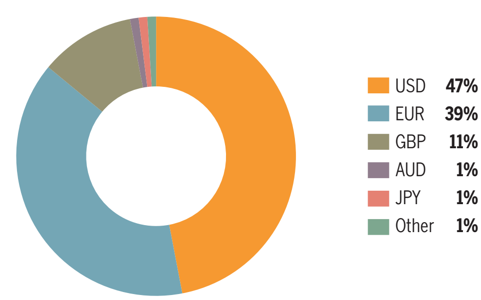
L-Bank focuses on the needs of its German domestic and international investors. It offers a wide range of products, split between public benchmark transactions in EUR and USD, semi-strategic bonds and private placements.

AUD and NZD activity

L-Bank debuted in the Kangaroo market in 2004 with a A$400 million, four-year bond. L-Bank has issued five lines since re-entering the Kangaroo market in 2014. L-Bank's new transactions from 2014 received repo-eligible status with the Reserve Bank of Australia due to the issuer's AAA/Aaa ratings.

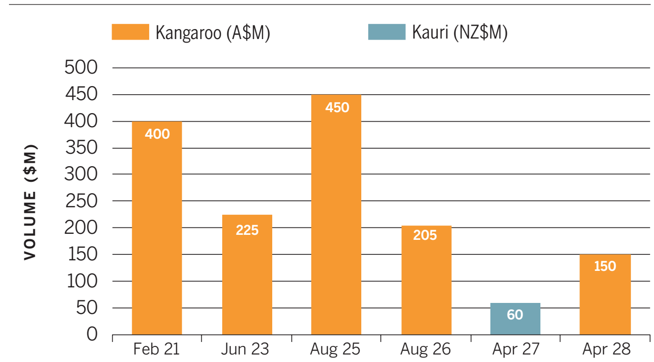
In 2015, L-Bank issued its inaugural transaction in the Kauri market with a NZ$250 million four-year bond, followed by a NZ$125 million, 1.5-year transaction in 2016 and a 10-year transaction in 2017. All are repo-eligible with the Reserve Bank of New Zealand.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: L-BANK

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: L-BANK

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MUNICIPALITY FINANCE

SECTOR	AGENCY
RATINGS	AA+/Aa1
RATING OUTLOOK	BOTH STABLE
FUNDING VOLUME 2018/2019	€7.4BN/€7.1BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$30M/A$20M
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NIL/NIL
USD BENCHMARK SIZE	US$1BN
EUR BENCHMARK SIZE	€500M
RBA REPO ELIGIBLE	NO
RBNZ REPO ELIGIBLE	YES

About Municipality Finance

Municipality Finance (MuniFin) is the only public-sector-owned credit institution in Finland specialising purely in the local-government sector. MuniFin offers funding to municipalities, municipal federations and organisations owned or controlled by these, and housing corporations that serve the public good by raising funds in the Finnish and international capital markets. MuniFin was established in 2001 after the merger of the 'old' Municipality Finance (est. 1989) and Municipal Housing Finance (est. 1993).

Risk policy

MuniFin has very conservative risk-management policies. All bond proceeds are hedged. Interest-rate risk is closely monitored and regularly reported. Derivatives can only be used for hedging purposes. MuniFin has bilateral credit-support-annex agreements with all its derivative counterparties.

MuniFin has a healthy liquidity buffer, the size of which always has to exceed the liquidity needed for running operations for the next nine months. The liquidity-buffer portfolio has conservative credit-rating requirements and high requirements on secondary-market liquidity.

Funding strategy

MuniFin is an active and frequent issuer in core-currency benchmark markets. It has liquid lines in the EUR, USD, GBP and CHF markets. The Japanese market has also been an important source of funding for several years.

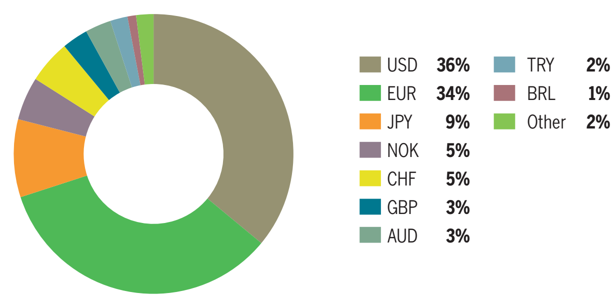
Most funding transactions are done under MuniFin's standardised issuance programmes. In order to diversify funding sources further, MuniFin has focused more on public markets in recent years – having been a more opportunistic private-placement borrower in the past.

AUD and NZD activity

MuniFin currently has four outstanding Kangaroo bonds. The lines issued most recently mature in 2027 and 2029. The largest – a A$500 million 10-year bond – was issued in 2014. As of 30 June 2019, MuniFin's total outstanding Kangaroo volume was A$870 million.

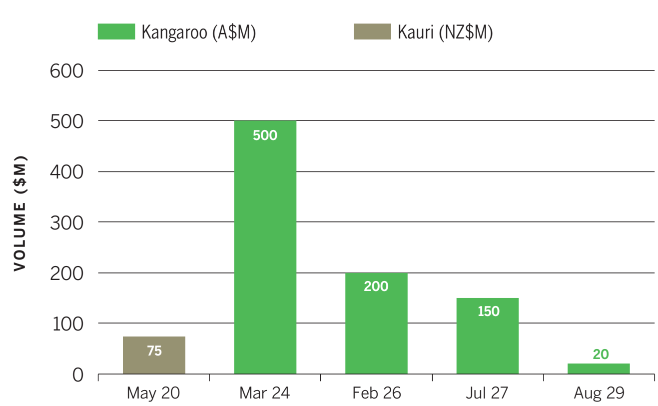
MuniFin debuted in the Kauri market in May 2008 with a NZ$100 million bond, which matured in June 2011. MuniFin currently has one NZ$75 million bond outstanding, maturing in 2020.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: MUNICIPALITY FINANCE

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: MUNICIPALITY FINANCE

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NORDIC INVESTMENT BANK

SECTOR	SUPRANATIONAL
RATINGS	AAA/Aaa
RATING OUTLOOK	BOTH STABLE
PAID-IN CAPITAL (31 DEC 2018)	€419M
CALLABLE CAPITAL (31 DEC 2018)	€5.7BN
FUNDING VOLUME 2018/2019	€6.6BN/€5-6BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$50M/A$25M
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NZ$1BN/NIL
USD BENCHMARK SIZE	US$1BN (MIN)
EUR BENCHMARK SIZE	€1BN (MIN)
RBA REPO ELIGIBLE	YES
RBNZ REPO ELIGIBLE	YES

About Nordic Investment Bank

Nordic Investment Bank (NIB) is a multilateral financial institution that operates in accordance with commercially sound banking principles. The bank was originally founded by the five Nordic countries of Denmark, Finland, Iceland, Norway and Sweden. Membership of NIB was broadened at the beginning of 2005 when Estonia, Latvia and Lithuania joined as shareholders.

NIB's operations are governed by an international agreement among the member countries and statutes pertaining thereto. It finances projects that improve the productivity and benefit the environment of the Nordic and Baltic countries. The bank offers long-term loans and guarantees on competitive market terms to its clients in the public and private sectors within and outside its member countries. NIB funds its lending by borrowing in the international capital markets. Its bonds enjoy the highest possible credit rating.

Risk policy

NIB's financial policy defines and sets guidelines for its risk-management setup. Credit, market, liquidity and operational risks are managed carefully, with risk processes closely integrated into business processes. NIB's ordinary lending ceiling corresponds to 250% of authorised capital and accumulated general reserves.

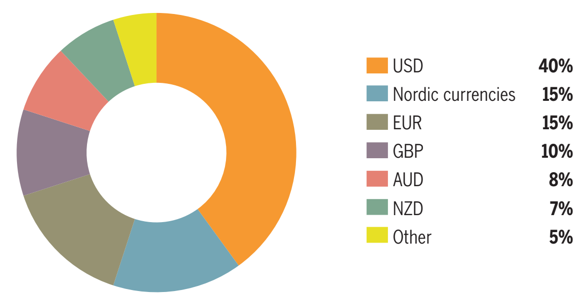
Funding strategy

NIB's asset-and-liability management methods and risk-management tools enable the bank to issue in different currencies, structures, maturities and amounts. The supranational has issued in almost 40 currencies and actively monitors issuance in emerging and developing markets.

AUD and NZD activity

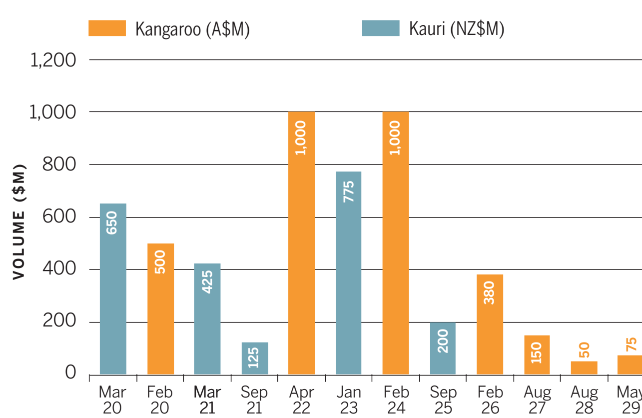
NIB has issued AUD in the Uridashi and Kangaroo bond markets. The bank debuted as an issuer in the Kangaroo market in 2006 and priced its inaugural Kauri deal in September 2007. By the end of December 2018, AUD and NZD were NIB's fifth- and sixth-largest outstanding borrowing currencies.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 31 DEC 2018)



SOURCE: NORDIC INVESTMENT BANK

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: NORDIC INVESTMENT BANK

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NRW.BANK

SECTOR	AGENCY
RATINGS	AA-/Aa1/AAA
RATING OUTLOOK	POSITIVE/STABLE/STABLE
FUNDING VOLUME 2018/2019	€13.7BN/€13-15BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 31 AUG)	A$80M/A$550M
USD BENCHMARK SIZE	US$1BN
EUR BENCHMARK SIZE	€1BN
RBA REPO ELIGIBLE	NO

About NRW.BANK

NRW.BANK is the largest regional development bank in Germany. The bank is ranked number three within the European supranational and agency sector, with total assets of €149 billion in 2018. As a development bank, NRW.BANK offers the full range of financial products within its three fields of promotion. These are economic development, social housing, and infrastructure and municipalities. Fighting climate change – as a cross-section topic – is a high priority.

NRW.BANK solely relies on funding from wholesale capital markets and other agencies. Furthermore, the bank does not have a dividend payout policy. As such it is able to use almost all its revenues to strengthen its reserves. Cumulative reserves have reached approximately €3.5 billion.

Risk policy

As a pure development bank, NRW.BANK's business model is driven by its public mandate and not by profit maximisation. As such, it pursues a conservative approach and follows a risk-averse investment philosophy. This is evident in its high-quality asset book. Nonperforming loans mostly exist within its social-housing segment and, at 0.3%, are well below the German and European averages.

Due to its explicit guarantee, NRW.BANK has level-one asset status for the liquidity-coverage ratio. In the EU, NRW.BANK enjoys a risk-weighting status under Basel III and Solvency II. In early 2015, the ECB placed NRW.BANK on the initial eligibility list for the public-sector purchase programme.

The supervisory review and evaluation process (SREP) conducted by the ECB in 2018 resulted in the central bank stipulating a minimum CET1 ratio of 9.29% for NRW.BANK as of January 2019. This minimum ratio comprises 4.5% minimum core T1 ratio, 1.75% SREP equity requirement and a 3.04% capital-buffer requirement. NRW.BANK's capitalisation exceeds these requirements. At the end of December 2018, its CET1 ratio was 41.56%.

Funding strategy

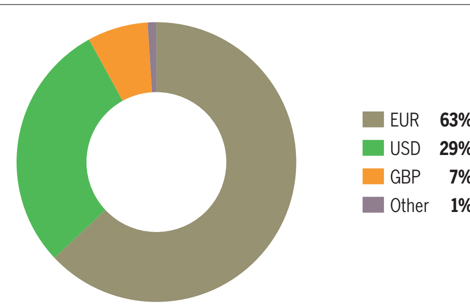
NRW.BANK's annual funding volume fluctuates around €13-15 billion equivalent. Its home currency is the euro. For diversification, liquidity and arbitrage purposes, NRW.BANK also issues in other currencies – most importantly, USD. Other markets – such as Kangaroo, GBP or niche markets like NOK, SEK and HKD – are closely monitored.

NRW.BANK is committed to its benchmark programmes, offering valid credit curves in EUR and USD which are highly valued by its investors. In 2013, NRW.BANK was Europe's first regional entity to enter the market with a green bond – in EUR – and it has issued a green bond every year since.

AUD activity

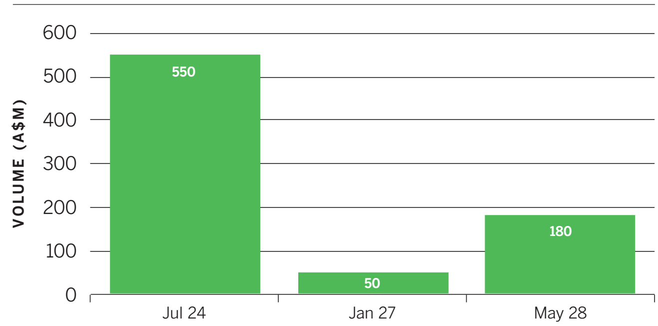
In 2016, NRW.BANK issued its first AUD deal since 2005, in line with its strategy of establishing an ongoing presence in this market. A second AUD bond was issued in 2017, which has since been tapped to a total of A$180 million. In July 2019, NRW.BANK opened a new A$450 million, five-year line. This was increased by A$100 million in August.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: NRW.BANK

OUTSTANDING KANGAROO BONDS (AT 31 AUG 2019)



SOURCE: NRW.BANK

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frank.richter@nrwbank.de
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NWB BANK

SECTOR	AGENCY
RATINGS	AAA/Aaa
RATING OUTLOOK	BOTH STABLE
FUNDING VOLUME 2018/2019	€10.4BN/€8.5BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$1.4BN/A$265M
USD BENCHMARK SIZE	US$1BN
EUR BENCHMARK SIZE	€1BN
RBA REPO ELIGIBLE	YES

About NWB Bank

NWB Bank was established in 1954. Its core business is providing long-term finance to the public sector in the Netherlands. This includes lending to municipalities, water authorities, and the social-housing and healthcare sectors.

Funding strategy

NWB Bank has a €60 billion debt-issuance programme. All proceeds are swapped directly to EUR. The strategy is to issue three or four benchmarks in EUR and USD per year. These are strategic deals: their size is one billion or larger and they have typical benchmark maturities. NWB Bank looks to all currencies and markets on a reverse-enquiry basis for its remaining funding. The bank aims to be as flexible as possible regarding investor needs.

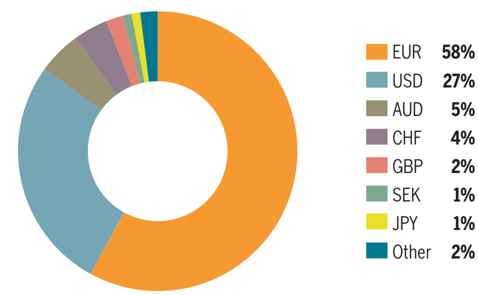
NWB Bank has committed itself to issue at least 25% of its annual funding programme in socially-responsible-investment bonds.

AUD and NZD activity

NWB Bank is prepared to pay a few basis points more for Kangaroo issuance than in other markets. NWB Bank debuted in the Kangaroo bond market in March 2005.

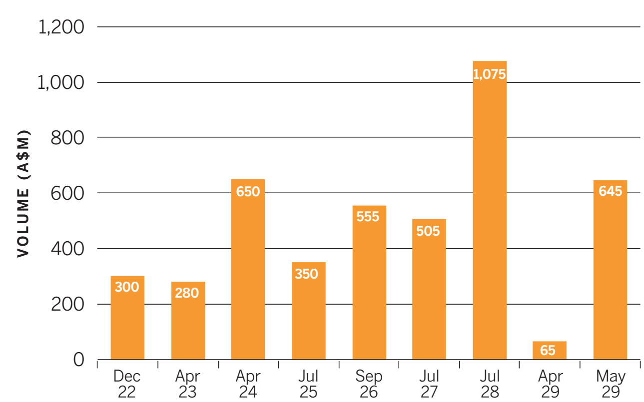
NWB Bank has supplemented its Kangaroo programme to be able to launch Kauri bonds off the existing Kangaroo documentation. The agency is still looking to complete its first Kauri issue.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: NWB BANK

OUTSTANDING KANGAROO BONDS (AT 31 JUL 2019)



SOURCE: NWB BANK

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OESTERREICHISCHE KONTROLLBANK

OeKB

SECTOR	AGENCY
RATINGS	AA+/Aa1
RATING OUTLOOK	BOTH STABLE
FUNDING VOLUME 2018/2019	€5BN/€5BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$215M/A$45M
USD BENCHMARK SIZE	US$1-2BN
EUR BENCHMARK SIZE	€1-2BN
RBA REPO ELIGIBLE	NO

About Oesterreichische Kontrollbank

Oesterreichische Kontrollbank (OKB) was established in 1946 under the *Austrian Stock Corporation Act*. Its main role is to administer the Austrian government's programme of guarantees to promote Austrian exports and to provide refinancing for loans carrying export guarantees or other forms of credit enhancement.

OKB also provides private export-credit insurance through affiliates, primarily for short-term revolving facilities, as well as a variety of operational and informational services for the Austrian capital markets.

Risk policy

OKB's special role dictates a very high standard of risk management due to its public mandate from the Austrian government and as the central provider of essential services to the capital market, along with associated responsibility for the Austrian economy.

An important feature of OKB's risk policy is the conservative management of both financial risks and risks arising from general business operations – irrespective of whether the risks are OKB's own or are those managed on behalf of the Republic of Austria – while maintaining profitability.

OKB has an extremely low-risk loan portfolio, almost entirely made up of fully secured loans granted under OKB's export-financing scheme. OKB has very strict internal guidelines concerning the credit quality of its swap counterparties and the monitoring of its current exposure.

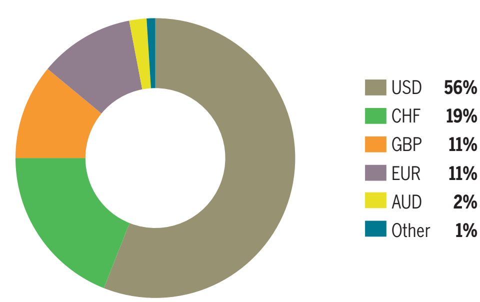
Funding strategy

OKB is the second-largest Austrian borrower in the international capital markets, ranking behind only the Austrian government. OKB has an annual long-term funding requirement of approximately €5 billion. The bulk of funding is done via liquid benchmark transactions, in the recent past mainly in USD and EUR. Strategic bond deals are also done in various currencies, such as AUD and GBP. Furthermore, OKB strives to meet specific investor demand by issuing private placements in various currencies in MTN format.

AUD activity

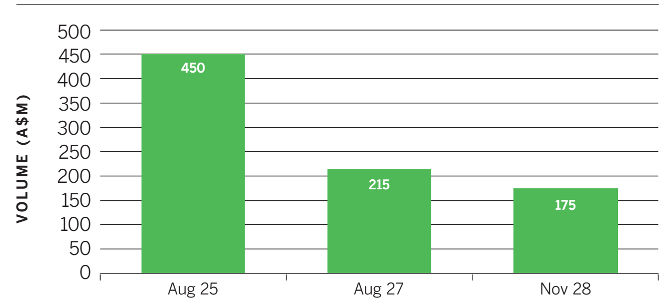
OKB issued its debut Kangaroo bond in February 2011. Domestic placement amounted to almost 60%. In February 2015, OKB re-entered the AUD market with a A$125 million deal due August 2025. This line currently has A$450 million outstanding. In February 2017, OKB issued a A$25 million, August 2027 Kangaroo bond which has been tapped six times since its introduction to reach A$215 million. In May 2018, OKB extended its AUD curve with a A$100 million, November 2028 line, which was subsequently tapped twice by A$75 million in total. The issuer continues to monitor the Kangaroo market closely.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: OESTERREICHISCHE KONTROLLBANK

OUTSTANDING KANGAROO BONDS (AT 31 JUL 2019)



SOURCE: OESTERREICHISCHE KONTROLLBANK

FOR FURTHER INFORMATION PLEASE CONTACT:

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PROVINCE OF ALBERTA

Alberta Government

SECTOR	SUBSOVEREIGN
RATINGS	A+/Aa1/AA
RATING OUTLOOK	STABLE/NEGATIVE/STABLE
FUNDING VOLUME FY19/FY20 (TO 31 MAR FISCAL YEAR-END)	C$15.4BN/C$17.6BN*
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$665M/A$50M
USD BENCHMARK SIZE	US$1BN
EUR BENCHMARK SIZE	€1BN
RBA REPO ELIGIBLE	NO

*At the time of completing this summary, an official budget for 2019/20 had not been released.

About the Province of Alberta

The Province of Alberta (Alberta) is the most western of the three Canadian Prairie provinces. It is the fourth-largest province by population and enjoys the highest GDP per capita in the country. It also boasts the lowest debt-to-GDP ratio among the provinces. However, depressed oil prices have been detrimental to the economy and, in turn, provincial-government revenues. For the foreseeable future, oil prices are forecast to remain low and budget deficits are expected to continue.

A provincial election in April 2019 resulted in a change of government, with the United Conservative Party winning a sizeable majority. The new government has formed a commission to review all expenditures. The commission's report was due to the government by August 2019 and a provincial budget is expected to be released later in the year.

Capital-markets branch

The capital-markets branch of the Treasury Board and Finance Ministry is responsible for borrowing and risk management for the province and its provincial corporations. It also provides investment-policy advice for government investment pools and trust funds, and manages the provincial debt portfolio including executing the province's financing plan. In addition, the branch takes care of investor-relations activities and relations with credit-rating agencies, as well as providing centralised banking, settlement and cash-management services.

Funding strategy

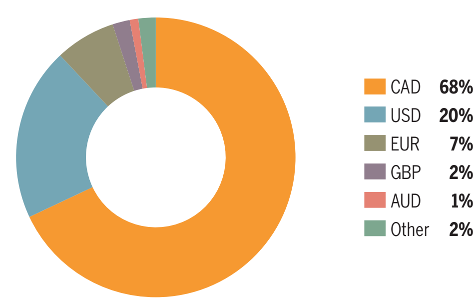
For the 2019/20 fiscal year, Alberta's borrowing requirements were forecast to be C$17.6 billion as per the 2018 budget. The 2019 budget is not expected to be released until later in the year, so the actual forecast figure is unknown as is the revised three-year fiscal-plan forecast. Furthermore, preborrowing activity during 2018/19 will affect funding needs during 2019/20. To best meet future demand, the province has adopted a strategy of maintaining liquid domestic benchmark issues of five, 10 and 30 years. Benchmarks are reopened and grown to a target outstanding volume of C$3-6 billion.

The province targets issuing 30-40% of its requirements from offshore markets, with a primary focus on USD under a fully SEC-registered global platform. Alberta also maintains a multicurrency global MTN programme to access other markets including EUR and GBP.

AUD and NZD activity

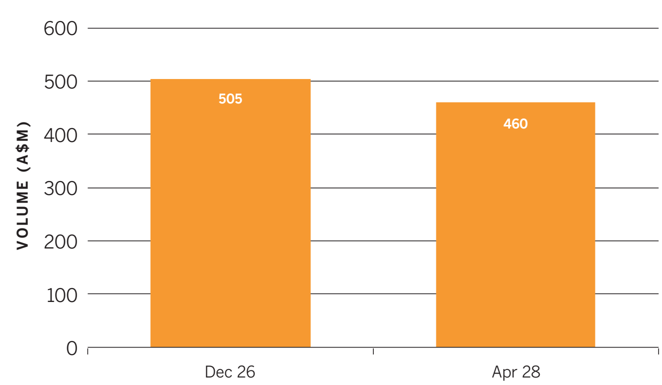
Alberta continues to look at alternative offshore markets. The province's AUD programme remains current with A$965 million issued under the platform to date. Alberta has not yet established a programme for NZD.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 31 MAR 2019)



SOURCE: PROVINCE OF ALBERTA

OUTSTANDING KANGAROO BONDS (AT 31 JUL 2019)



SOURCE: PROVINCE OF ALBERTA

FOR FURTHER INFORMATION PLEASE CONTACT:

Stephen Thompson
Executive Director
+1 780 644-5011
stephen.j.thompson@gov.ab.ca
www.finance.alberta.ca/business/borrowing/index.html

PROVINCE OF BRITISH COLUMBIA

SECTOR	SUBSOVEREIGN
RATINGS	AAA/Aaa/AAA
RATING OUTLOOK	ALL STABLE
FUNDING VOLUME FY19/FY20 (TO 31 MAR FISCAL YEAR-END)	C$3BN/C$7.5BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NIL/NIL
USD BENCHMARK SIZE	US$500M
EUR BENCHMARK SIZE	€500M
RBA REPO ELIGIBLE	YES

About the Ministry of Finance, Province of British Columbia

Under the *Financial Administration Act* (*FAA*), British Columbia's minister of finance presides over the Ministry of Finance and is responsible to the lieutenant governor in council for its direction.

The minister of finance is responsible for the management and administration of the consolidated revenue fund, the supervision of government revenues and expenditures, matters relating to the fiscal policy of the government, and the supervision, control and direction of all other matters relating to the financial affairs of the government that are not assigned by the *FAA* or any other enactment to the Treasury Board.

Status of Province of British Columbia notes

Province of British Columbia notes are issued under the authority of an order of the lieutenant governor in council of the province. The notes constitute direct, unsecured, general obligations of the province and rank concurrently and *pari passu* with all other unsecured notes, bonds, debentures and other like securities issued by the province outstanding from time to time, other than those which are by their terms subordinated to the notes. Principal and interest are payable out of the province's consolidated revenue fund.

Debt management

The debt-management branch provides centralised liability-management services to the government and its Crown corporations and agencies. In addition to borrowing funds to meet government requirements, the branch manages all principal and interest payments over the life of a debt issue and enters into derivative-product transactions to manage interest-rate and foreign-currency exposure. As of 31 March 2019, the branch manages approximately C$63 billion of gross debt.

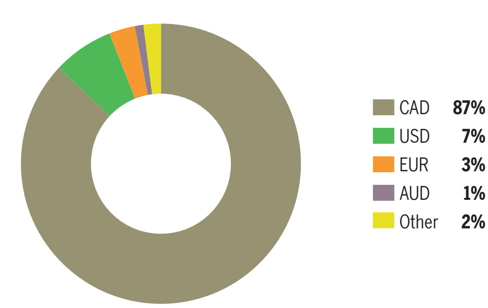
Funding strategy

In FY19, the province borrowed gross market debt of C$3 billion. The expected requirement for the current fiscal year is C$7.5 billion, which the province expects to raise in domestic and international capital markets. The province currently has approximately 13% of its gross market debt outstanding denominated in foreign currencies and it continually looks for opportunities to access international funding.

AUD activity

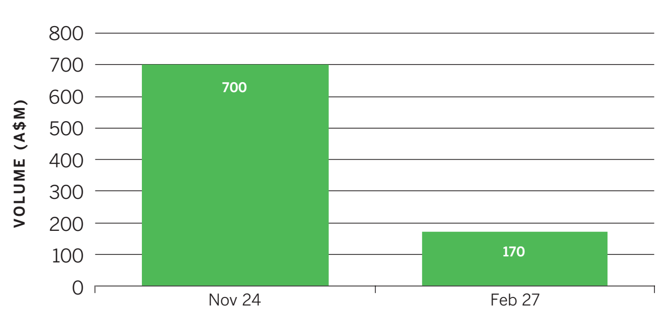
The province launched its inaugural AUD bond issue in May 2014 (A$400 million, due November 2024). This was followed by a reopening in August, for another A$300 million. In August 2016, the province opened a new Australian bond (A$100 million, due February 2027) which was reopened in March 2017 for an additional A$70 million.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 31 MAR 2019)



SOURCE: PROVINCE OF BRITISH COLUMBIA

OUTSTANDING KANGAROO BONDS (AT 31 JUL 2019)



SOURCE: PROVINCE OF BRITISH COLUMBIA

FOR FURTHER INFORMATION PLEASE CONTACT:

Ministry of Finance, Provincial Treasury, Debt Management Branch
+1 778 668 5908
www.fin.gov.bc.ca/PT/dmb/index.shtml

PROVINCE OF ONTARIO

Ontario

SECTOR	SUBSOVEREIGN
RATINGS	A+/Aa3/AA-
RATING OUTLOOK	ALL STABLE
FUNDING VOLUME FY19/FY20 (TO 31 MAR FISCAL YEAR-END)	C$39.6BN/C$36BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$80M/A$40M
USD BENCHMARK SIZE	US$1BN+
EUR BENCHMARK SIZE	€750M+
RBA REPO ELIGIBLE	NO

About Ontario Financing Authority

The Ontario Financing Authority (OFA) was established as an agency of the Crown on 15 November 1993, by the *Capital Investment Plan Act*, 1993 (the act). In accordance with the act, the OFA:

- Conducts borrowing, investment and financial-risk management for the Province of Ontario.
- Manages provincial debt.
- Provides centralised financial services for the province – including banking and cash management.
- Advises ministries, Crown agencies and other public bodies on financial policies and projects.
- Assists Crown agencies and other public bodies to borrow and invest money.
- Acts at the direction of the province in lending to certain public bodies.
- Invests on behalf of some public bodies.
- With Ontario Power Generation (OPG), manages the investment activities of OPG's Used Fuel Segregated Fund and Decommissioning Segregated Fund.
- Carries out the day-to-day operations of Ontario Electricity Financial Corporation and provides a broad range of financial services to Ontario Infrastructure and Lands Corporation.

Status of Province of Ontario notes

Province of Ontario notes constitute direct, unsubordinated and unsecured obligations of the issuer. They rank equally among themselves and with all other unsubordinated and unsecured obligations of the issuer from time to time outstanding.

Payments of principal and interest in respect of the notes are a charge on and payable out of the Consolidated Revenue Fund of Ontario.

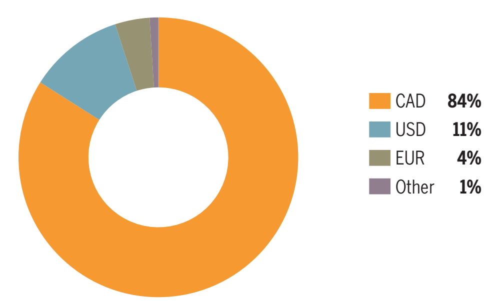
Funding strategy

In FY19, the province borrowed 23% (C$9 billion equivalent) of its funding requirement in international capital markets, including issues in USD, EUR and AUD. As of 30 June 2019, the province's long-term public borrowing for FY20 is forecast to be C$36 billion. Ontario remains vigilant for cost-effective borrowing opportunities in other currencies. Diversification of borrowing sources will continue to be a primary objective in FY20.

AUD activity

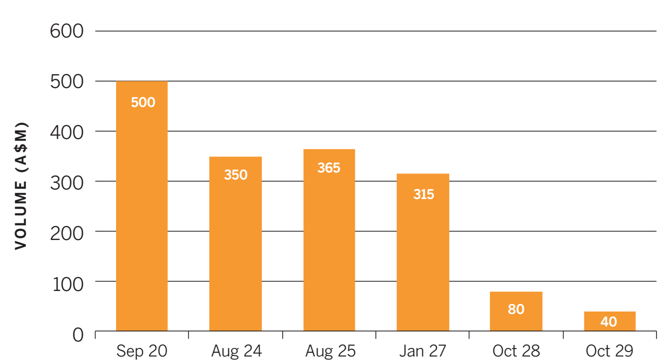
The province has a registered Kangaroo bond programme. It also issues global bonds and EMTNs denominated in AUD.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 31 MAR 2019)



SOURCE: PROVINCE OF ONTARIO

OUTSTANDING KANGAROO BONDS (AT 31 JUL 2019)



SOURCE: PROVINCE OF ONTARIO

FOR FURTHER INFORMATION PLEASE CONTACT:
Ontario Financing Authority
Investor Relations
+1 416 325 8000
investor@ofina.on.ca
www.ofina.on.ca

PROVINCE OF QUÉBEC

Québec

SECTOR	SUBSOVEREIGN
RATINGS	AA-/Aa2/AA-
RATING OUTLOOK	ALL STABLE
FUNDING VOLUME FY19/FY20 (TO 31 MAR FISCAL YEAR-END)	C$15.6BN/C$11.8BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$160M/A$100M
USD BENCHMARK SIZE	US$1BN
EUR BENCHMARK SIZE	€1BN
RBA REPO ELIGIBLE	NO

About the Ministry of Finances, Province of Québec

Under the act respecting Québec's Ministry of Finances, the minister's mission is to foster economic development and advise the government on financial matters. Accordingly, part of the role of the Ministry of Finances is to advise the minister and the government in the budgetary, fiscal, economic, financial and accounting fields. Among other things the Ministry of Finances has a mandate to:

- Ensure financing for the government and certain public-sector organisations, and forecast spending on debt servicing.
- Manage debt, asset portfolios and debt servicing.
- Maintain and develop relations with the financial institutions involved in the government's financing, investors and credit-rating agencies, and manage the government's financial and banking operations.

Status of Province of Québec notes

Province of Québec notes constitute direct, unsecured, valid and binding obligations of the issuer. The notes rank equally with all other debentures, notes or similar securities issued by the issuer and outstanding from time to time. The payment of principal and interest on the notes is a charge on, and payable out of, the issuer's general-revenue fund.

Debt management

The government's debt-management approach aims to borrow at the lowest possible cost. To this end, it applies a strategy for diversifying sources of funding by market, financial instrument and maturity. Financing transactions are carried out regularly in most markets including Canada, the US, Europe, Australia and Asia. Nonetheless, the government keeps no exposure of its debt to these currencies.

Funding strategy

In FY19, the government contracted borrowings totalling C$15.6 billion, including C$4.2 billion in prefinancing conducted over the last few months of the year. For FY20, the borrowing programme should reach C$11.8 billion.

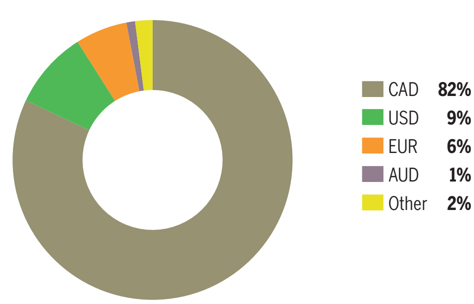
In FY19, foreign borrowing represented 17% of total borrowings. Over the past 10 years, about 20% of borrowings have been contracted in foreign currencies.

AUD and NZD activity

Under its Australian MTN programme, the Province of Québec issued A$160 million in FY19. So far, the Province of Québec has issued A$100 million in FY20. The 2029 line was launched in April 2019. The province wishes to be a regular issuer in the Australian market and will issue given favourable market conditions and cost-effectiveness.

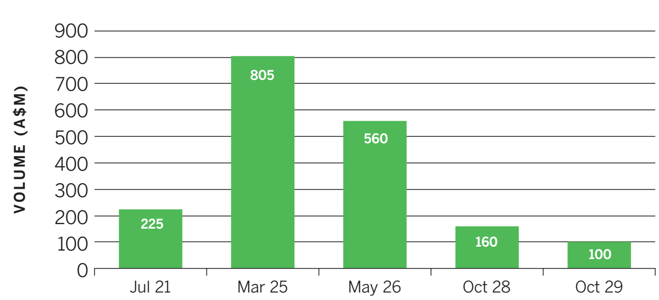
After returning to the NZD market in FY19, completing two issues totalling NZ$115 million under its EMTN programme, the Province of Québec has completed one issue so far in FY20, totalling NZ$66 million.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 31 MAR 2019)



SOURCE: PROVINCE OF QUÉBEC

OUTSTANDING KANGAROO BONDS (AT 31 JUL 2019)



SOURCE: PROVINCE OF QUÉBEC

FOR FURTHER INFORMATION PLEASE CONTACT:

Ministère des Finances du Québec
Direction des Communications
+1 418 528 9323
info@finances.gouv.qc.ca
www.finances.gouv.qc.ca/index_en.asp

RENTENBANK

rentenbank

SECTOR	AGENCY
RATINGS	AAA/Aaa/AAA
RATING OUTLOOK	ALL STABLE
FUNDING VOLUME 2018/2019	€11.3BN/€11BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$830M/A$300M
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NZ$250M/NIL
USD BENCHMARK SIZE	US$1BN (MIN)
EUR BENCHMARK SIZE	€1BN (MIN)
RBA REPO ELIGIBLE	YES
RBNZ REPO ELIGIBLE	YES

About Rentenbank

Rentenbank is Germany's development agency for agribusiness. It was established by statute in 1949 as a central refinancing institution for the agricultural and food industry. Within the framework of its legal promotional mandate, Rentenbank provides low-interest loans for agriculture-related investments via other banks in line with its competition-neutrality policy.

Risk policy

Rentenbank has a fully performing loan portfolio, is well capitalised, has a strong focus on cost control and is very risk conscious.

Funding strategy

Rentenbank's funding strategy is based on three elements. The first is regular benchmark issuance in EUR and USD. Second, Rentenbank offers a broad range of funding products and currencies including new issues and bond increases in the Kangaroo market. The third element includes continuous investor-relations activities and regular dialogue with bank partners.

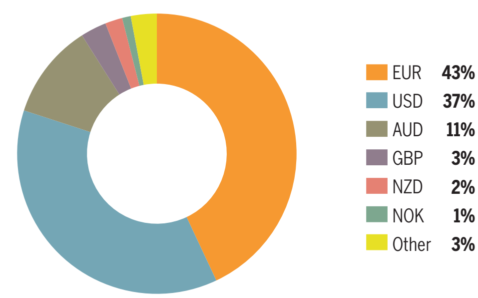
For 2019, the bank plans to issue €11 billion in medium- and long-term maturities.

AUD and NZD activity

Rentenbank debuted in the Kangaroo market in July 2002 and had 14 lines outstanding with volume of A$12.6 billion at the end of July 2019. Rentenbank is open to a mix of new issues and well-supported increases of outstanding transactions. The main focus is to tap the 2030 bond further. The agency also has a small amount of AUD EMTNs outstanding.

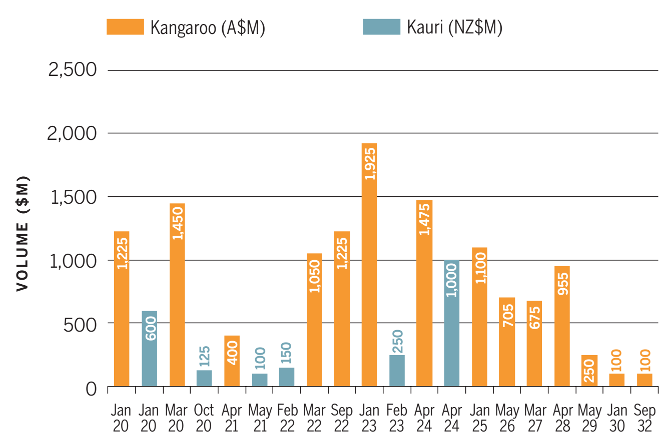
Rentenbank debuted in the Kauri bond market in 2007 and had NZ$2.2 billion outstanding in six maturities at the end of July 2019. Rentenbank has also issued NZD in the Eurobond and Uridashi markets.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: RENTENBANK

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: RENTENBANK

FOR FURTHER INFORMATION PLEASE CONTACT:

Stefan Goebel
Treasurer
+49 69 2107 269
goebel@rentenbank.de

Leopold Olma
Head of Funding, Treasury
+49 69 2107 225
olma@rentenbank.de
www.rentenbank.de

SWEDISH EXPORT CREDIT CORPORATION

SEK

SECTOR	AGENCY
RATINGS	AA+/Aa1
RATING OUTLOOK	BOTH STABLE
FUNDING VOLUME 2018/2019	US$7.6BN/US$9BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$50M/A$15M
USD BENCHMARK SIZE	US$1-1.5BN
EUR BENCHMARK SIZE	€0.5-1BN
RBA REPO ELIGIBLE	NO

About Swedish Export Credit Corporation

Swedish Export Credit Corporation (SEK) provides financial solutions to Swedish exporters on commercial terms by granting export credits and direct lending. It also administers the state-supported export-credit system.

SEK plays an important public-policy role in Swedish trade promotion. It was founded in 1962 to strengthen the competitiveness of the Swedish export industry by meeting the need for long-term credit. Sweden's exports represent almost 50% of GDP and SEK continues to be an important partner for exporters.

Risk policy

Risk-mitigation techniques – such as export-credit agency and bank guarantees – reduce SEK's corporate exposure and transfer it to sovereigns and financial institutions. Consequently, part of the net exposure to sovereigns and financial institutions is a double-default exposure with underlying corporate exposures.

SEK avoids currency exposure and all swaps are covered by ISDA and collateral agreements. SEK has more funding than lending in all tenors, thus avoiding refinancing risk.

SEK's liquidity portfolio has a maturity profile that fits the commitments in its lending activities. SEK can stay out of the market for some time and still provide lending to its customers in the export industry.

Funding strategy

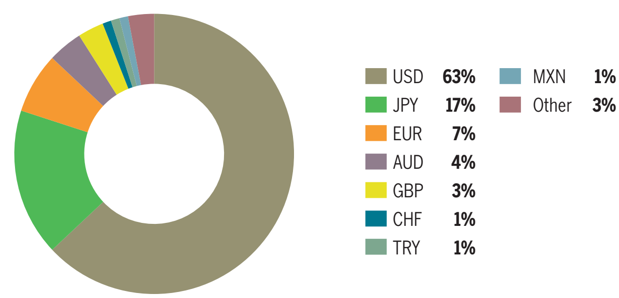
SEK is well known for its flexible approach. It has issued structured notes for more than 30 years. These can be linked to interest rates, FX, equity or commodities. SEK accepts callable, non-principal-protected and physical-delivery notes.

SEK has a broad retail and institutional investor base. Its most important funding markets are the US, Europe and Japan. The agency is also an experienced benchmark issuer with outstanding transactions in the US, euro, Swiss, Kangaroo and sterling markets.

AUD and NZD activity

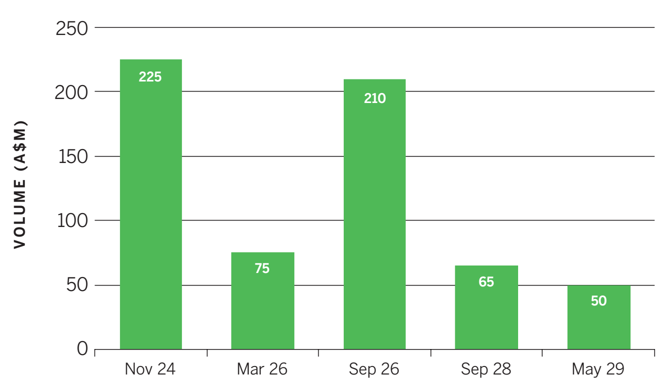
SEK would like to maintain a presence in both the AUD and NZD markets, and hopes to return to the Kangaroo market and debut in the Kauri market in the near future.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 31 DEC 2018)



SOURCE: SWEDISH EXPORT CREDIT CORPORATION

OUTSTANDING KANGAROO BONDS (AT 31 JUL 2019)



SOURCE: SWEDISH EXPORT CREDIT CORPORATION

FOR FURTHER INFORMATION PLEASE CONTACT:

Anna Finnskog
Director, Funding
+46 8 613 83 99
anna.finnskog@sek.se
www.sek.se

WORLD BANK

SECTOR	SUPRANATIONAL
RATINGS	AAA/Aaa
RATING OUTLOOK	BOTH STABLE
PAID-IN CAPITAL (30 JUN 2019)	US$17.1BN
CALLABLE CAPITAL (30 JUN 2019)	US$262.9BN
FUNDING VOLUME FY19/FY20 (TO 30 JUN FISCAL YEAR-END)	US$54BN/US$60BN
KANGAROO VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	A$910M/A$2.3BN
KAURI VOLUME 2018/2019 (FULL YEAR/TO 30 JUN)	NZ$700M/NZ$850M
USD BENCHMARK SIZE	US$1-6BN
EUR BENCHMARK SIZE	€1-3BN
RBA REPO ELIGIBLE	YES
RBNZ REPO ELIGIBLE	YES

About World Bank

World Bank (International Bank for Reconstruction and Development or IBRD) is an international organisation created in 1944. It operates as a global development cooperative owned by 189 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.

World Bank has two main goals: to end extreme poverty and to promote shared prosperity. It seeks to achieve these primarily by providing loans, risk-management products and expertise in development-related disciplines, as well as by coordinating responses to regional and global challenges.

World Bank has been issuing bonds in the international capital markets to fund its sustainable-development activities and achieve a positive impact for more than 70 years.

Risk policy

World Bank's financial policies and practices have led it to build reserves, diversify its funding sources, hold a large portfolio of liquid investments and limit a variety of risks – including credit, market and liquidity risks. Under its gearing-ratio policy, World Bank may not have more loans and guarantees outstanding than its subscribed capital, reserves and surplus. The equity-to-loans ratio of 22.8% at 30 June 2019 is a key indicator for risk-bearing capacity that does not factor in callable capital.

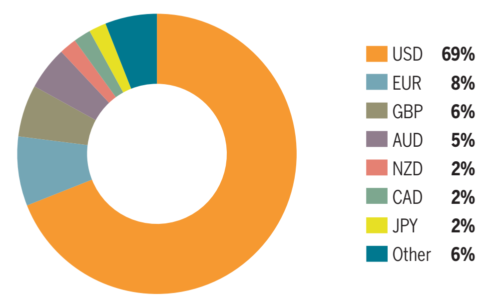
Funding strategy

World Bank is one of the most recognised and innovative borrowers in the international capital markets. Its debt products provide investors with the reassurance of a superior credit rating, a wide choice and secondary-market performance in liquid benchmark bonds.

AUD and NZD activity

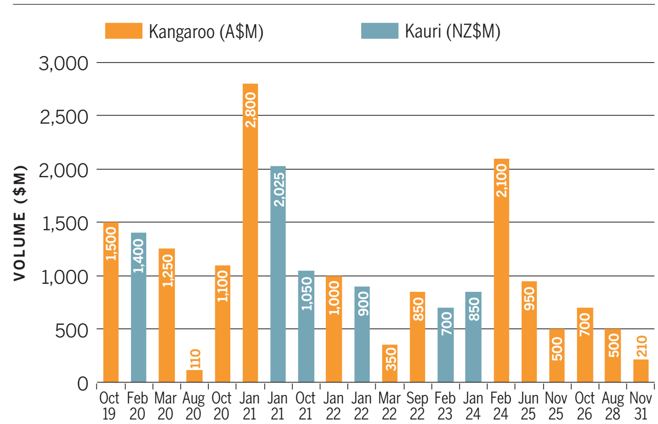
World Bank has issued substantial volumes of AUD and NZD in EMTN format, primarily Uridashis and in benchmark format. It has also issued in AUD as part of an Italian retail programme launched in 2016, offering domestic investors bonds in a variety of currencies. World Bank debuted in the Kangaroo market in 1999 and launched its first NZD global bond in 1990. In August 2018, World Bank issued Bond-i – the world's first bond to be created, allocated, transferred and managed through its life cycle using distributed-ledger technology – in the Kangaroo market. This bond was further enhanced in May 2019, to enable secondary-market trading recorded on blockchain, and was tapped in August 2019.

ISSUANCE BY CURRENCY
(TOTAL OUTSTANDING AT 30 JUN 2019)



SOURCE: WORLD BANK

OUTSTANDING KANGAROO & KAURI BONDS (AT 31 JUL 2019)



SOURCE: WORLD BANK

FOR FURTHER INFORMATION PLEASE CONTACT:

Capital Markets
+1 202 477 2880
debtsecurities@worldbank.org
www.worldbank.org/debtsecurities

KangaNews events diary

KangaNews runs the most comprehensive suite of events in the Australasian debt market, acclaimed by delegates for the quality of their agendas, speakers and attendees. Information on forthcoming KangaNews events is available at **www.kanganews.com/events**. Make sure to look out for the following in 2019-20:

15 OCTOBER 2019 SYDNEY

KangaNews-Westpac Corporate Debt Summit
Driving dialogue for issuers and investors in the Australian corporate debt universe.

7 NOVEMBER 2019 AUCKLAND

KangaNews-Westpac New Zealand Sustainable Finance Summit Introduced in 2018, this is the first event bringing together the full range of stakeholders in the New Zealand sustainable-finance sector.

FEBRUARY 2020 SYDNEY

KangaNews Mutual Sector Wholesale Funding Seminar After a well-received debut in 2019, the only event focused exclusively on funding for mutual banks returns.

23 MARCH 2020 SYDNEY

KangaNews Debt Capital Markets Summit The unmissable event for the whole Australian debt market, from government-sector to high-yield issuers and domestic and international investors.

24 MARCH 2020 SYDNEY

KangaNews Sustainable Debt Summit Australia's leading conference for sustainable capital markets, bringing together investors and issuers for further dialogue on ESG financing.

26 MARCH 2020 WELLINGTON

KangaNews-ANZ New Zealand Capital Markets Forum The scene-setter for the year ahead in New Zealand's debt market. Find out what will be on the market agenda in 2020.

If you are interested in finding out more about any KangaNews event, including sponsorship opportunities, please contact Jeremy Masters: **+61 2 8256 5577** or **jmasters@kanganews.com**