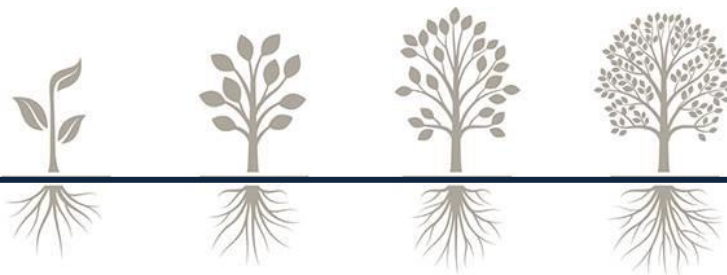


IFC – AMUNDI AM PARTNERSHIP

Green Cornerstone Bond Programme

June, 2017



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Executive Summary

- **Investors are increasingly prioritizing climate finance**
 - Focusing on climate risks and green transition financing opportunities
 - Finding very few investment vehicles to meet these investment objectives
- **Amundi Asset Management and IFC are developing a strategic partnership**
 - Designed for institutional investors
 - Combining deep expertise and vast footprint in emerging markets
- **Investors get “yield with impact”**
 - Capture emerging market debt premium
 - Combine scale and ESG best practices
- **Through the first EM Green Bond Strategy**
 - Simultaneously stimulating demand and supply for green investing in emerging countries
 - Worldwide project initiated by IFC, a member of the World Bank Group and a leader in green finance



Agenda

- Institutional Investors are Tackling Climate Change
- Overview of the Green Cornerstone Bond Programme
- The Green Cornerstone Bond Strategy
- Amundi Asset Management, a Strategic Partner

Institutional Investors are Tackling Climate Change



Impacts of Climate Change

CO₂ emissions have never been so high⁽¹⁾



Oceans are warming and acidifying⁽²⁾

- Global sea levels rose about 6,7 inches / 17 centimeters in the last century
- Acidity of surface ocean waters has increased by about 30%
- Top 700 meters of ocean showing warming of 0.302 °F (-17,6 °C)
- Greenland loses 150 to 250 cubic km of ice per year (2002 to 2006)

Global temperatures are rising⁽²⁾

- 10 of the warmest years during last century occurred in past 12 years
- 2015 was the warmest year since record began (1880)

Investors Acting on Climate Change

Engage and measure

- Investors' coalitions (Montreal Pledge⁽¹⁾, UNPRI⁽²⁾)
- Commitments (Portfolio Decarbonization Coalition⁽³⁾)
- Engagement of issuers on ESG considerations
- Market place initiatives (PRI⁽²⁾, IIGCC⁽⁴⁾, CDP⁽⁵⁾)
- Mobilizing investors, policymakers and shareholders



Reduce risk

- De-carbonised bond strategies
- De-carbonised equity indices and strategies
- Di-vestment equity & bond strategies



Transition to green finance

- Green bonds
- Green equity: clean tech, green sector exposure
- Green real-assets: green infrastructure, green real-estate
- Impact strategies: microfinance, private debt, private equity



Lack of Green Bonds in Emerging Markets

Lack of solutions in emerging markets

- Green bonds have become an effective way to channel capital toward the energy transition
- Emerging market green bond issuance is growing but still represents a small proportion (12% from China & India) of total outstanding green bond

Total green bonds outstanding (2016): \$118bn⁽¹⁾

North America, \$24.8bn 21%

- USA \$22.4bn 19%
- Canada \$2.4bn 2%

Europe, \$40.1bn 34%

- France \$14.2bn 12%
- Germany \$10.6bn 9%
- Netherlands \$9.4bn 8%
- Sweden \$4.7bn 4%
- Norway \$1.2bn 1%

Asia, \$14.2bn 12%

- China \$11.8bn 10%
- India \$2.4bn 2%

Rest of the World, \$11.8bn - 10%

Source: G20 GSFG, 2016⁽²⁾

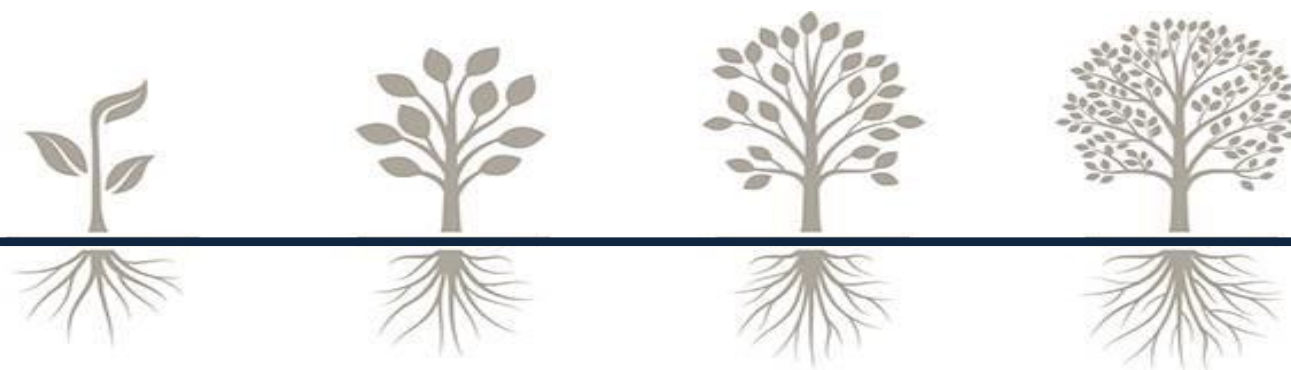
Emerging markets have significant financing needs

- Potential \$23tn climate-smart investment opportunity in emerging markets between now and 2030⁽³⁾:
 - India: at least \$2.5tn by 2030⁽⁴⁾
 - China: \$330bn between 2015 – 2020⁽⁵⁾

IFC and Amundi AM Partner to Develop the Emerging Answer



- Support demand for green bonds
- Management of GCB¹ strategy deploying extensive expertise in green bonds and EMD²
- Disseminating green bond best practices in emerging markets

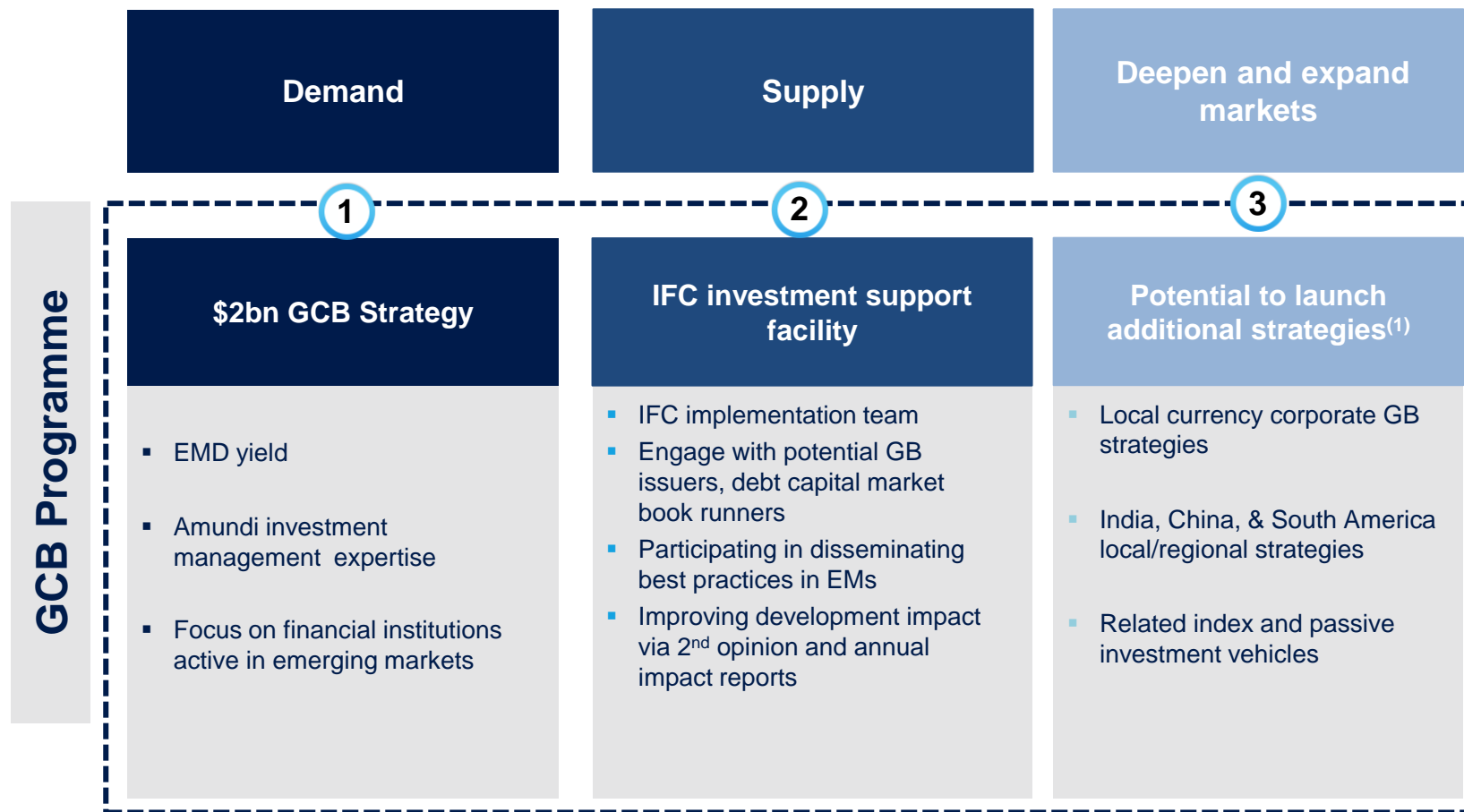


- Support the supply of green bonds in emerging markets
- Spread and enhance standards of the Green Bond Principles
- Provide technical support for training, measurement and reporting

Overview of the Green Cornerstone Bond Programme



Three Dimensions of the GCB Program



Creating a Green Bond Strategy in Emerging Markets

IFC, catalyst
for
sustainable
finance

- Fostering sustainable finance
- Creating new markets
- Mobilizing financial institutions to finance development and green transition



Amundi,
global asset
manager,
#1 in Europe

- Global player, #1 in Europe⁽¹⁾, leader in fixed income⁽²⁾
- Reliable track record in emerging market debt
- Successful management of structured products
- Expertise in innovation in green finance

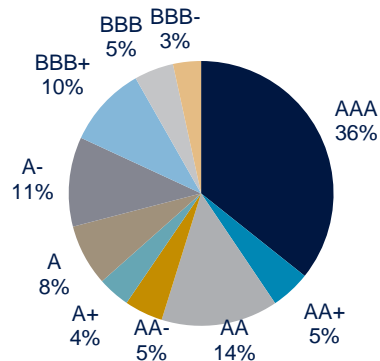


Seeking
“yield with
impact” for
investors

- Yields associated with emerging markets debt
- Diversified exposure at institutional scale
- Generate impact through green bonds

Green Bond Market vs. Emerging Markets Financials Yields

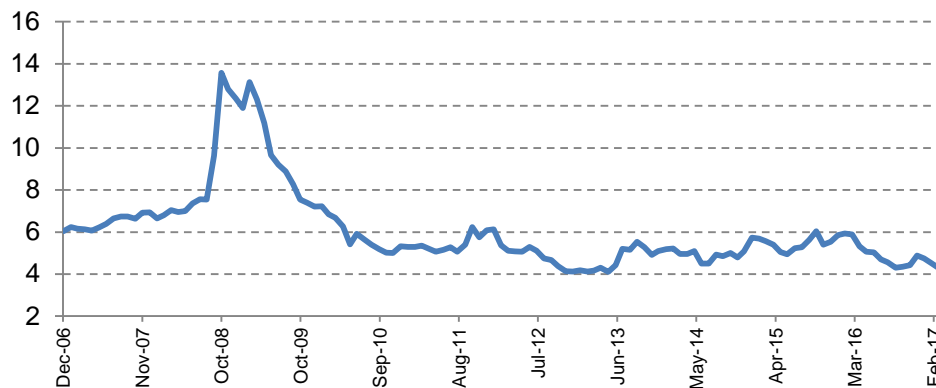
Fig. 2: Barclays MSCI Global Green Bond Index Rating Breakdown⁽¹⁾



- High green bond ratings: over 55% rated AA or above
- US-hedged Index Yield-to-Worst: 2.68% as of May 10th, 2017⁽²⁾

Global green bond index: high ratings, low yield

Fig. 3: Yield-to-Worst for CEMBI Broad Financials 2006 - 2017⁽³⁾



- Emerging market financial institutions Index
- Attractive Yield-to-Worst: 4.11% as of April 28, 2017⁽³⁾

EM financial bonds: broader range of ratings, higher yield

EM FI⁽⁴⁾
green bonds
through GCB
Strategy

- Potential of emerging markets debt yields
- Additional benefit of financing the energy transition in emerging markets

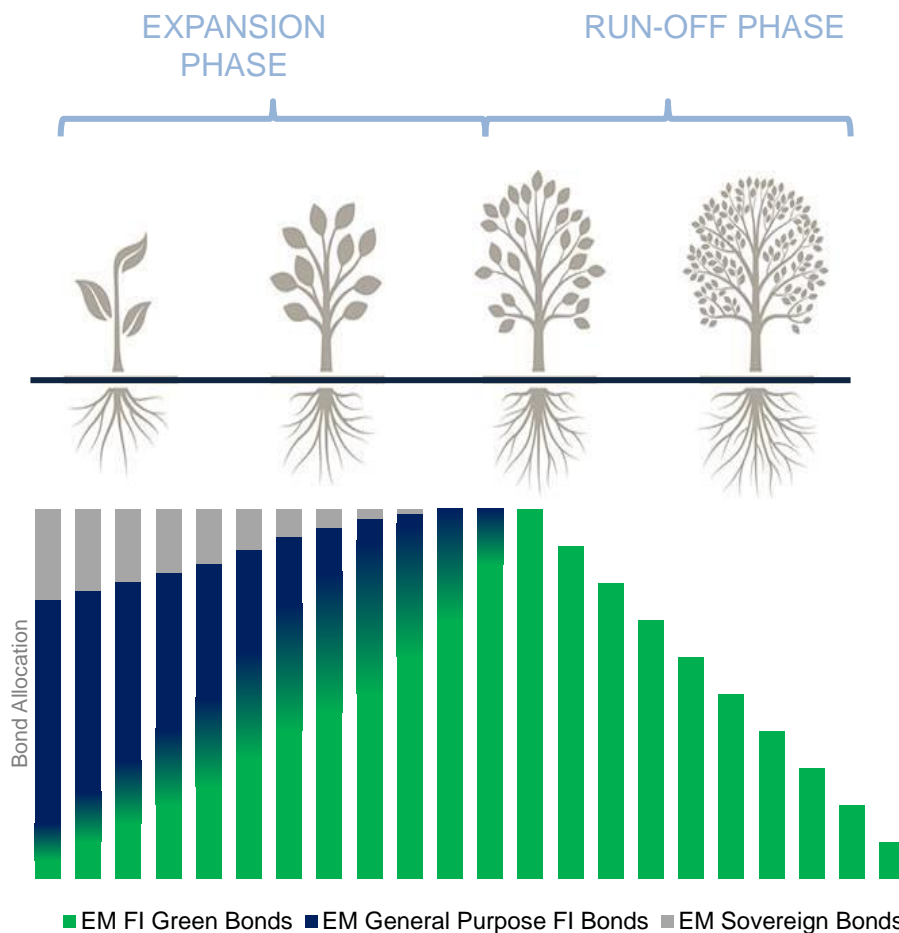
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(1) Source: Barclays MSCI Global Green Bond, Data as of May 5th 2017 (2) USD (3) JP Morgan EM Corporate bond index (CEMBI) Source: Amundi. Data as of March 20th, 2017. (4) Financial institutions.

The Green Cornerstone Bond Strategy



The Green Cornerstone Bond (GCB) Strategy



- Only invests in emerging market debt
- Achieve a **100% green bond portfolio**
- Focus on green bonds issued by financial institutions

Amundi AM, a Strategic Partner



Amundi, a Strategic Partner

LEADING EUROPEAN ASSET MANAGER

Publicly traded since November 2015, Amundi is the largest European Asset Manager in terms of AUM, with \$1,186bn / € 1,083bn worldwide, including \$184bn / €168bn in SRI management.

Global player
European
leader

Committed
partner
along the
value chain

Convinced
responsible
investor

No.1 IN EUROPE ⁽¹⁾



Answering
specific
needs of
investors

With a
holistic
offering

Research-
driven
investment
culture

€1,083
bn

in assets under management ⁽²⁾

€62
bn

in net inflows ⁽²⁾

€168
bn

in assets under SRI management

A Global Player, a European Leader

N°1
European asset
manager⁽²⁾

**\$1,186 /
€ 1,083**
bn of AUM⁽¹⁾

50+
years in
Europe

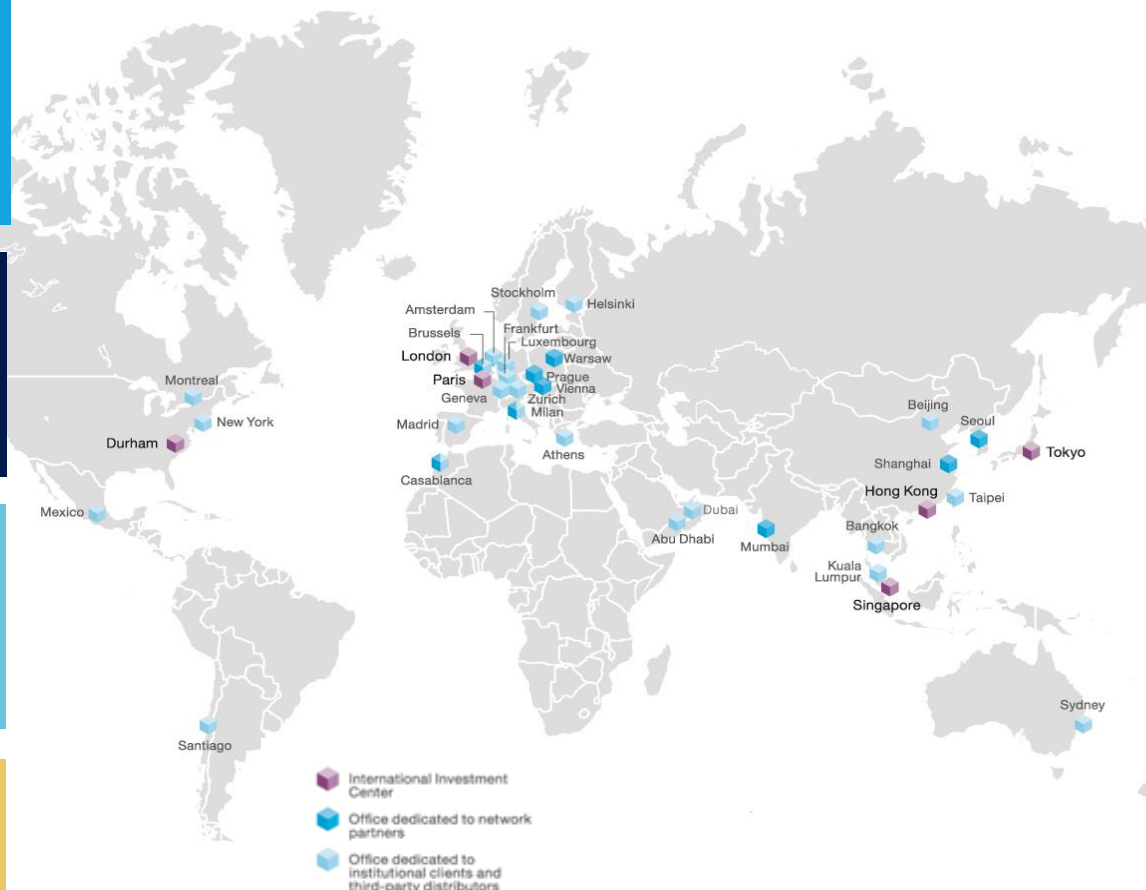
568
million euros⁽¹⁾
Net profit (group
share)

30+
years in
Asia

6
International
investment
hubs

20+
years in
the Middle East

Over
4,000
employees



Disclaimer (1/3)

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