THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT

A World Where Sustainable Development is a Reality for All

Investor Presentation
Nov 2022
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THE INFORMATION CONTAINED IN THIS DOCUMENT IS AS AT June 30, 2022 UNLESS OTHERWISE STATED AND IS SUBJECT TO CHANGE WITHOUT NOTICE.
“Nothing is particularly new about a group of countries establishing a common financial aid facility. What is new, however, is the trend towards establishing international financial facilities designed exclusively to assist non-member countries, with the donors standing to gain no economic return.”

The late Dr. Ibrahim Shihata, OPEC Fund’s 1st Director General, 1976.
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OVERVIEW
THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT

VISION
A world where sustainable development is a reality for all

Credit Strength

- S&P AA (Outlook Positive) and Fitch AA+ (Outlook Stable) ratings obtained in 2021.
- Preferred Creditor Treatment.
- Robust financial profile.
- Prudent risk management framework.
- ICMA compliant SDG Finance Framework.

Who We Are

- The OPEC Fund is an Established Multilateral Development Institution, an integral part of the MDB system and a beneficiary of privileges and immunities in line with other MDBs.
- Established by international treaty in 1976.
- Members: Saudi Arabia, Venezuela, Kuwait, Nigeria, Iran, Libya, UAE, Algeria, Iraq, Indonesia, Ecuador and Gabon.
- Lending exclusively to non-member countries as a unique South-South development agency with a global mandate.

Strategic Framework 2030

- In 2019 the Ministerial Council approved the Enhanced Management of Capital Resources under the Strategic Framework 2030.
- A key outcome is the approval to access the capital markets for funds.

MISSION
Together we drive development, strengthen communities and empower people
**STRATEGIC FRAMEWORK 2030**

Approved by Ministerial Council in 2019 to provide roadmap to meet growing needs of South-South development mandate.

- Framework provides clear mandate to transition to a premier MDB that is larger, financially sustainable for the long term, responsive and relevant to the needs of partner countries, an excellent steward of resources and a strong contributor to the achievement of the Sustainable Development Goals.
- Demonstrates continuing importance to Member Countries.

<table>
<thead>
<tr>
<th>Enhanced Management of the OPEC Fund’s Capital Resources</th>
<th>Focus on Long-term Financial Sustainability</th>
<th>Robust Policy and Planning Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 2020, public operations in middle and lower income countries and private sector operations were separated from public sector operations in less developed countries.</td>
<td>Capital markets borrowings will be on the OCR balance sheet.</td>
<td>OCR has one of the strongest capital structures among the MDB community.</td>
</tr>
<tr>
<td>Public sector operations in middle and lower income countries and all private sector operations are carried out from Ordinary Capital Resource (OCR).</td>
<td>The enhanced management of capital resources therefore:</td>
<td>- All lending historically from equity.</td>
</tr>
<tr>
<td>Public sector operations in less developed countries are carried out from a special fund - Special Capital Resources (SCR).</td>
<td>- Strengthens capacity to better respond to partner countries and private sector clients, allowing for higher growth in both OCR and SCR lending operations.</td>
<td>The OPEC Fund will seek to maintain liquidity consistent with peer triple-A rated institutions and a capital adequacy stronger than triple-A MDBs.</td>
</tr>
<tr>
<td>Under no circumstances will OCR be charged with or used to discharge losses or liabilities arising from SCR operations.</td>
<td>- Permits expansion and diversification of resources through fund raising in international financial markets.</td>
<td>3-year business plans drive implementation of Strategic Framework.</td>
</tr>
</tbody>
</table>

Unless otherwise stated, this presentation refers to the Ordinary Capital Resources (OCR) of the OPEC Fund.
# Established Member of the MDB Community

<table>
<thead>
<tr>
<th></th>
<th>OPEC Fund*</th>
<th>AfDB</th>
<th>ADB</th>
<th>AIIB</th>
<th>IDB Invest</th>
<th>IsDB</th>
<th>IFC*</th>
<th>IBRD*</th>
<th>IDA*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rating</strong></td>
<td>AA/AA+</td>
<td>AAA/Aa/AAA</td>
<td>AAA/Aa/AAA</td>
<td>AAA/Aa/AAA</td>
<td>AA+/Aa1/AAA</td>
<td>AAA/Aa/AAA</td>
<td>AAA/Aa/AAA</td>
<td>AAA/Aa/AAA</td>
<td>AAA/Aa/AAA</td>
</tr>
<tr>
<td><strong>Outlook</strong></td>
<td>S&amp;P/Fitch</td>
<td>S&amp;P/Moody’s/Fitch</td>
<td>S&amp;P/Moody’s/Fitch</td>
<td>S&amp;P/Moody’s/Fitch</td>
<td>S&amp;P/Moody’s/Fitch</td>
<td>S&amp;P/Moody’s/Fitch</td>
<td>S&amp;P/Moody’s/Fitch</td>
<td>S&amp;P/Moody’s/Fitch</td>
<td>S&amp;P/Moody’s/Fitch</td>
</tr>
<tr>
<td><strong>Enterprise Risk Profile</strong></td>
<td>Pos/Sta</td>
<td>All Stable</td>
<td>All Stable</td>
<td>All Stable</td>
<td>All Stable</td>
<td>All Stable</td>
<td>All Stable</td>
<td>All Stable</td>
<td>All Stable</td>
</tr>
<tr>
<td><strong>Total purpose-related exposure</strong></td>
<td>Strong</td>
<td>Very Strong</td>
<td>Extremely Strong</td>
<td>Very Strong</td>
<td>Strong</td>
<td>Very Strong</td>
<td>Very Strong</td>
<td>Extremely Strong</td>
<td>Extremely Strong</td>
</tr>
<tr>
<td></td>
<td>4,645</td>
<td>34,079</td>
<td>132,818</td>
<td>8,424</td>
<td>4,465</td>
<td>25,219</td>
<td>46,686</td>
<td>211,129</td>
<td>167,743</td>
</tr>
<tr>
<td><strong>Preferred creditor treatment (PCT) ratio</strong></td>
<td>0.1</td>
<td>1.2</td>
<td>0.2</td>
<td>0.0</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>0.2</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>RAC Ratio (%)</strong></td>
<td>78</td>
<td>20</td>
<td>34</td>
<td>80</td>
<td>40</td>
<td>-</td>
<td>34</td>
<td>24</td>
<td>74</td>
</tr>
<tr>
<td><strong>Capital Adequacy</strong></td>
<td>Extremely Strong</td>
<td>Very Strong</td>
<td>Extremely Strong</td>
<td>Extremely Strong</td>
<td>Very Strong</td>
<td>Extremely Strong</td>
<td>Very Strong</td>
<td>Extremely Strong</td>
<td>Extremely Strong</td>
</tr>
<tr>
<td><strong>Funding &amp; Liquidity</strong></td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
</tr>
<tr>
<td><strong>LCR - 12 months</strong></td>
<td>1.7</td>
<td>1.3</td>
<td>1.3</td>
<td>5.2</td>
<td>2</td>
<td>-</td>
<td>1.6</td>
<td>1.1</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>(net derivative payables)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross debt / adjusted total assets (%)</strong></td>
<td>n/a</td>
<td>71</td>
<td>47.4</td>
<td>36.6</td>
<td>60.8</td>
<td>59.3</td>
<td>57.9</td>
<td>82</td>
<td>9.9</td>
</tr>
</tbody>
</table>

Source: Supranationals Special Edition October 2021, S&P Global Ratings
Annotations: Figures as of June 2021, Figures marked (*) as of Dec 2021
DIFFERENTIATING FACTOR - SOUTH-SOUTH COOPERATION

South-South dynamics promote solidarity and foster understanding between Members and partners.

- Only globally mandated development institution providing financing to **non-member countries exclusively**.
- Vehicle to advance **social and economic progress in fellow developing countries**.
- **More responsive to client needs** due to developing country shareholders.
- **Valued assistance** consistent with partner priorities.
- All operations include **clear development objectives** in line with the UN's Sustainable Development Goals (SDGs).
- **South-South Cooperation defined as a vital modality** in the achievement of the 2030 Agenda for Sustainable Development.

The objective of the Fund is to reinforce financial cooperation between OPEC Member Countries and other developing countries by providing financial support to assist the latter countries on appropriate terms in their economic and social development efforts.
DIFFERENTIATING FACTOR - EFFICIENT OPERATING MODEL

Agile and efficient operating model generates value for Members and delivers impact for partner countries.

- Operations are carried out either through cofinancing with peer MDBs or bilaterally.
  - A trusted and responsive cofinancing partner - able to plug funding gaps in large development projects.
  - Projects financed on a bilateral basis are chosen to provide real and valuable impact.

- Nimble organizational and decision making structure is key to success.
  - Partnerships are firmly entrenched in the OPEC Fund’s mission, resulting in a business model where collaboration through a large network of strategic cofinancing partners plays an integral role in delivering impact.
  - Leveraging partnerships results in highly efficient and diversified operations and eliminates need for country offices.
  - Small head count of 200 staff, while effectively carrying out global mandate in over 125 countries.
  - Environmental and social safeguards are aligned with cofinancing partners, reducing duplicative processes and borrowers’ administrative burden.

Technical Education Development Programme – Sri Lanka
FOCUS ON DEVELOPMENT IMPACT

Focus on a core set of Sustainable Development Goals.

**STRENGTHEN INFRASTRUCTURE**
- Agriculture
- Energy
- Transportation
- Water & Sanitation

**STRENGTHEN HUMAN CAPACITY**
- Education
- Health
- Jobs

- 9,030 km roads constructed and rehabilitated
- 11.5 million households accessed water and sanitation
- Ports with 15 million tonnes of annual handling capacity supported
- 1.3 GW electricity capacity generated, 18.8 GW of total generation capacity supported
- US$2 billion of funding provided to agribusiness
- over 350,000 MSMEs directly supported
- 2.4 million children given access to education
- 7,160 new hospital beds
- 8,800 trade finance beneficiaries supported through 330 issuing banks

Source: OPEC Fund as at Dec 31, 2021
II. FINANCIAL STRENGTHS
**BALANCE SHEET**

As at June 30, 2022.

- Balance Sheet characterized by very strong liquidity and extremely strong capitalization.
- Leverage expected to remain at low levels in the medium term.

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Jun 2022¹</th>
<th>Jun 2021¹</th>
<th>Dec 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury Assets</td>
<td>1,106.7</td>
<td>1,618.7</td>
<td>1,358.4</td>
</tr>
<tr>
<td>Net Loans Outstanding²</td>
<td>4,719.4</td>
<td>4,041.6</td>
<td>4,408.6</td>
</tr>
<tr>
<td>Other Assets³</td>
<td>320.0</td>
<td>309.1</td>
<td>318.4</td>
</tr>
<tr>
<td>Total Assets</td>
<td>6,146.1</td>
<td>5,969.4</td>
<td>6,085.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND EQUITY</th>
<th>Jun 2022¹</th>
<th>Jun 2021¹</th>
<th>Dec 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Debt</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other Liabilities⁴</td>
<td>210.0</td>
<td>234.6</td>
<td>193.7</td>
</tr>
<tr>
<td>Equity</td>
<td>5,936.1</td>
<td>5,734.8</td>
<td>5,891.8</td>
</tr>
<tr>
<td>Total Liabilities and Equity¹</td>
<td>6,146.1</td>
<td>5,969.4</td>
<td>6,085.4</td>
</tr>
</tbody>
</table>

¹ The interim financial statements as at and for the six months ended 30 June 2022 ("Interim Financial Statements") are prepared in accordance with the OPEC Fund's accounting and reporting policies applicable to OCR. As a result, this set of financial statements cannot be considered fully compliant with IFRS and therefore are special purpose interim financial statements. In particular, the Interim Financial Statements include items valued at year-end fair value, such as property and post-employment defined benefit obligations. Recalculation of defined benefit obligations based on updated actuarial and financial assumptions, as well as a revaluation of property, were not updated as of 30 June 2022. Furthermore, IAS 34 Interim Financial Statements was not applied for preparation of the Interim Financial Statements.

² Net of provisions and including accrued interests.

³ Primarily property and equipment and nonsovereign operations’ equity investments, as well as a small derivative exposure used to hedge FX.

⁴ Mostly post-employment benefits.
GOVERNANCE IN LINE WITH MDB BEST PRACTICE

Strict governance achieved through three distinct and independent layers and more efficient management of agency risk through solely non-borrowing members.

| MINISTERIAL COUNCIL | • Each member country represented by its Minister of Finance.  
|                     | • Appoints a Chairman from among its Members, to serve a 1-year term. 
|                     | • The Council approves capital increases, appointment of the Director-General, audited financial statements, and long-term strategy. 
|                     | • Delegates certain powers to the Governing Board in line with the Establishment Agreement. 
|                     | • Meets once per year at the Annual meetings. |

| GOVERNING BOARD    | • 24 members - Governor and Alternative Governor from each member country. 
|                    | • Governing Board is responsible for overseeing the operations of OPEC Fund, including reviews and approvals of the business plan and budget, new loans, policies and regulations. 
|                    | • Meets quarterly. 
|                    | • Four sub-committees: 
|                    |   – Audit & Risk Committee (minimum quarterly meetings). 
|                    |   – Budget & Strategy Committee (minimum two meetings per year). 
|                    |   – Development Effectiveness Committee (minimum one meeting per year). 
|                    |   – Ethics Committee (minimum one meeting per year). |

| DIRECTOR-GENERAL   | • Appointed by the Ministerial Council to serve a 5-year term. 
|                    | • Conducts OPEC Fund’s operations in accordance with the Establishment Agreement and strategy, policies and regulations approved by the Ministerial Council or Governing Board. Responsible for preparing and submitting to the Ministerial Council or Governing Board for approval proposals on new loans, business plan, strategy, policies, borrowing plan, etc. |

| MEMBER COUNTRIES   | • OPEC Fund Member Countries do not receive a dividend, cannot withdraw paid-in capital, and are not eligible for OPEC Fund assistance. |
# RISK MANAGEMENT FRAMEWORK

Prudent and comprehensive risk management framework proven over 46 years.

- Covers all major risks in operations, including credit, market, operational risks, asset and liability management, liquidity, and compliance risks, as well as capital adequacy and loan loss provisioning.
- Framework comprises governance, policies, processes and methodologies.

<table>
<thead>
<tr>
<th>GOVERNANCE</th>
<th>POLICIES</th>
<th>PROCESSES</th>
<th>METHODOLOGIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Governing Board.</td>
<td>• Capital Adequacy Policy.</td>
<td>• Credit Approval and Monitoring Process.</td>
<td>• Sovereign and nonsovereign risk ratings.</td>
</tr>
<tr>
<td>• Audit and Risk Committee.</td>
<td>• Provisioning Policy.</td>
<td>• Operational risk measurement, monitoring and mitigation.</td>
<td>• Expected Credit Loss.</td>
</tr>
<tr>
<td>• Risk Management Committee.</td>
<td>• Credit Risk Exposure Management Policy.</td>
<td></td>
<td>• Capital adequacy.</td>
</tr>
<tr>
<td>• Asset and Liability Committee.</td>
<td>• Liquidity Policy.</td>
<td></td>
<td>• Income Planning Framework.</td>
</tr>
<tr>
<td>• Loan and Credit Committees.</td>
<td>• Treasury Risk Management Policy.</td>
<td></td>
<td>• Value-at-Risk and Duration.</td>
</tr>
<tr>
<td></td>
<td>• Asset and Liability Management Policy.</td>
<td></td>
<td>• Operational Risk Self-Assessments.</td>
</tr>
<tr>
<td></td>
<td>• Operational Risk Management Policy.</td>
<td></td>
<td>• Risk Adjusted Return on Capital (RAROC).</td>
</tr>
<tr>
<td></td>
<td>• Compliance Policy.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ROBUST CAPITAL ADEQUACY

Policy requires that adequate capital is maintained to withstand large potential risk events in line with a Triple-A rating target, ensuring that the OPEC Fund’s obligations can be met without relying on extraordinary support from shareholders.

- Policy covers unexpected losses arising from all major risks in OPEC Fund’s operations.
- The following ratios must be maintained at all times:
  - Risk-based Capital Adequacy Ratio (CAR) ≥ 30%
  - Capital Utilization Ratio (CUR) ≤ 85%
  - Debt-to-equity ≤ 150%
- As of June 30, 2022, the CAR and CUR stood at 64% and 47% respectively. Debt-to-equity stood at 0%.
- OPEC Fund is projected to have ample capital with CAR and CUR well above policy limits for the foreseeable future.

![Capital Adequacy chart as at Jun 30, 2022](chart.png)

- **US$2,790 million** Economic Capital Utilization
- **US$5,936 million** Total Capital
HIGH QUALITY LIQUIDITY

Liquidity Portfolio comprises highly liquid and highly rated fixed income securities only.

- Prudential Minimum Liquidity (PML) is at all times 125% x Higher of (i) 60% of the next 3-year Net Cash Requirements (NCR) or (ii) 250% of short-term debt.
- Liquid assets are managed against conservative guidelines and risk limits as per the Liquidity, Treasury Risk Management, and Asset and Liability Management Policies.

As at June 30, 2022:
- 59% of the liquid assets were in fixed income securities with an average rating of AAA, 9% rated AA+, 8% rated AA- and 24% in cash.
- Total Liquidity Portfolio stood at US$1,107 million (196% of PML).
- As at June 30, 2022, the duration of the Liquidity Portfolio stood at 1.6.

Core Liquidity Portfolio limits include:

By Asset Class:
- 50% ≤ US Treasuries ≤ 80%
- Other sovereigns and supranationals ≤ 50%
- Corporates rated AA- and above ≤ 10%
- ABS/MBS rated AAA ≤ 10%

Prudential Limits:
- Duration ≤ 4 years
- VAR: 1% of Equity
- Min. rating of AA for sovereigns, AA- for corporates, AAA for ABS/MBS, A for banks
- ALM risks controlled via matched funding, no currency risk.

Total Liquidity by Asset Class & Rating¹ as at June 30, 2022

- Cash 24%
- US Treasuries/AAA 51%
- SSA/AA+ 9%
- MBS/ABS/AAA 8%
- Corporates/AA- 8%

¹Average rating of 3 rating agencies
WELL DIVERSIFIED LOAN PORTFOLIO

Credit and concentration risks managed in line with prudent risk management policies.

Preferred creditor treatment (PCT) recognized by rating agencies and well tested over 46 year history. Beneficiaries prioritize obligations to the OPEC Fund.

As at June 30, 2022:
- NPLs ≤ 1.5%.

Strategic limits include:
- Nonsovereign Exposure ≤ 30% total
- Nonsovereign CUR ≤ 25%.
- Equity ≤ 10% of OCR equity.

Prudential limits include:
- 5 and 10 largest sovereign & nonsovereign exposures ≤ 40% and 60% of total sovereign & nonsovereign, respectively.
- Overall NPL (SO & NSO) ratio ≤ 3%.
- Individual Obligor and NSO Sector limits.
- Country Limit: 0%-15% of Equity depending on the country rating.
MEMBER COUNTRY SUPPORT OVER FOUR DECADES

Diverse 12-country membership encompassing both current and former OPEC countries.

- To date the OPEC Fund has been totally equity funded.
- Capital has been replenished and increased 4 times despite geopolitical complexities and domestic pressures faced by some Member countries.
- Indonesia and Ecuador make contributions even after withdrawing from OPEC.
- US$1.2 billion of reserves were capitalized in 2013.
- No dividends are paid.
- Over 50% of Shareholding rated A or higher.

Member Contributions 1976 - 2024

Ownership as at Dec 31, 2021

<table>
<thead>
<tr>
<th>Country</th>
<th>Percent Voting Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>35.2%</td>
</tr>
<tr>
<td>Venezuela</td>
<td>15.9%</td>
</tr>
<tr>
<td>Kuwait</td>
<td>12.8%</td>
</tr>
<tr>
<td>Nigeria</td>
<td>8.6%</td>
</tr>
<tr>
<td>Iran</td>
<td>8.1%</td>
</tr>
<tr>
<td>Libya</td>
<td>6.2%</td>
</tr>
<tr>
<td>UAE</td>
<td>5.9%</td>
</tr>
<tr>
<td>Algeria</td>
<td>3.5%</td>
</tr>
<tr>
<td>Iraq</td>
<td>2.9%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.5%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>0.2%</td>
</tr>
<tr>
<td>Gabon</td>
<td>0.2%</td>
</tr>
</tbody>
</table>
III. DEVELOPMENT OPERATIONS
DEVELOPMENT OPERATIONS

Diverse lending operations fulfil the OPEC’s Fund’s mandate to advance South-South development cooperation.

SOVEREIGN OPERATIONS (SO)

- Main operation of the OPEC Fund, OCR focuses on lending to sovereign governments in middle income countries.
- Stays relevant through agile and responsive approach to meeting partner country needs.
- 68% of development operations.
- Funds provided through project loans and trade finance.
- Close cooperation with other MDBs via co-financings to magnify development effect.
- Total sovereign exposure as of June 2022 was US$ 3,477 million.

NON-SOVEREIGN (NSO)

- Non-sovereign operations complement sovereign lending and recognize the growing and strategic role of the private sector as an engine of growth in partner countries.
- Financing provided on commercial terms.
- Non-sovereign financing is available through loans, guarantees, and equity investments, including conventional and Islamic financing.
- Total private sector exposure as of June 2022 was US$ 1,498 million, US$ 111 million of which were equity investments.
PROJECT CYCLE

Rigorous project review and credit approval process.

The OPEC Fund works closely with partner countries and co-financiers to design and implement projects that address sustainable development priorities.

Comprehensive process designed to meet the following objectives:

- Align with country needs and priorities.
- Contribute to the OPEC Fund’s strategic objectives.
- Meet strict standards through rigorous assessment.
- Adhere to ESG Framework.
- Comply with conservative credit and compliance risk management limits.
- Achieve expected results and outcomes.

Public Sector Project Cycle

I. Programming Planning  
II. Project Identification  
III. Project Preparation  
IV. Appraisal  
V. Approval  
VI. Project Implementation  
VII. Project Completion

ESG Management Process

Screening  
Due Diligence  
Approval  
Monitoring
GLOBAL OPERATIONS PORTFOLIO

Total loan portfolio*
US$ million

1,109  1,248  1,361  1,495  1,721  1,940  2,343  2,731  3,154  3,379  3,821  4,187  4,569  4,659  5,117  5,419  5,686  5,912  5,949

* Includes OCR & SCR Loan Portfolios

Outstanding loan portfolio composition** by operations as at June 30, 2022

- Sovereign
- Non Sovereign

Loan portfolio composition** by region & sector as at June 30, 2022

- Asia Pacific
- East and South Africa
- Latin America & Caribbean
- Mid. East and Cent. Europe and N. Africa
- West and Central Africa

- Transport
- Energy
- Banking and Financial Services
- Multisector
- Agriculture
- Water and Sanitation
- Trade Finance
- Health
- Education
- Other

** Excludes Equity Investments and Trade Finance Guarantees
## COVID-19 RESPONSE

In 2020, US$1 billion reallocated to assist partner countries and private sector clients in their efforts to address the impact of the pandemic.

<table>
<thead>
<tr>
<th><strong>US$1 BILLION COVID-19 RESPONSE</strong>*</th>
<th><strong>SPECIAL APPROVAL PROCESS</strong></th>
<th><strong>IMPACT</strong></th>
<th><strong>PARTNERS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Response agreed in April 2020.</td>
<td>Special approval process</td>
<td>Immediate and critical healthcare supplies.</td>
<td>ADB</td>
</tr>
<tr>
<td>• &gt; 25 COVID-19-related operations approved during 2020 and 2021 for the entire facility.</td>
<td>established to support the Fund’s integrated response efforts, to ultimately deploy targeted financing through an aligned timely approach.</td>
<td>Resilience and rapid scale-up of healthcare systems/personnel.</td>
<td>AFREXIM</td>
</tr>
<tr>
<td>• Assistance in 19 countries</td>
<td></td>
<td>Strengthening essential infrastructure, social safety nets, supporting local financial institutions and MSMEs.</td>
<td>AIIB</td>
</tr>
<tr>
<td>Bangladesh, Belarus, Belize,</td>
<td></td>
<td></td>
<td>CABEI</td>
</tr>
<tr>
<td>Benin, Cambodia, Dominica, Egypt,</td>
<td></td>
<td></td>
<td>EIB</td>
</tr>
<tr>
<td>El Salvador, Guatemala, Guyana,</td>
<td></td>
<td></td>
<td>IBRD</td>
</tr>
<tr>
<td>Honduras, Jordan, Maldives, Morocco,</td>
<td></td>
<td></td>
<td>IDB</td>
</tr>
<tr>
<td>Nicaragua, Pakistan, Paraguay,</td>
<td></td>
<td></td>
<td>IMF</td>
</tr>
<tr>
<td>Regional Africa, Rwanda.</td>
<td></td>
<td></td>
<td>IsDB</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>WHO</td>
</tr>
</tbody>
</table>

*Includes OCR & SCR Loans

---

**BUSINESS CONTINUITY PLAN TO ENSURE STAFF SAFETY AT ALL TIMES.**
CASE STUDY: SENEGAL

PROJECT: Dakar’s “Zone Soleil” Sanitation
SECTOR: Water and Sanitation
LOAN AMOUNT: US$7 million
TOTAL PROJECT COST: US$19 million
CO-FINANCIERS: BADEA, Government of Senegal
COMMITMENT TO COUNTRY: US$462 million since 1976

To improve the sanitation situation in Pikine suburb, southeast of Dakar, and protect the area against periodic flooding, thereby reducing the risk of epidemics and improving the overall health of some 43,000 – 64,000 people.
CASE STUDY: COLOMBIA

PROJECT:
Bogota-Buenaventura Road Corridor

SECTOR: Transportation

LOAN AMOUNT: US$50 million

TOTAL PROJECT COST: US$1.9 billion

CO-FINANCIERS:
WB, IDB, CAF, Government of Colombia

COMMITMENT TO COUNTRY:
US$143 million since 1976

To improve connectivity, safety and competitiveness along Colombia’s main export corridor to Pacific markets by supporting the construction of South America’s second longest road tunnel (8.8km) and the 113km Buga-Buenaventura Highway. Investments in this corridor (which handles over 30% of Colombia’s cargo and enables the country to bypass the Panama Canal) have resulted in significant security upgrades and reduced travel time between Bogota and Buenaventura from 16 to 10 hours.
CASE STUDY: RENEWABLE ENERGY

COUNTRY: Jordan
PROJECT: Baynouna Solar
TYPE: Private Sector / Energy
LOAN AMOUNT: US$17 million
TOTAL PROJECT COST: US$235 million
CO-FINANCIERS: IFC, FMO, DEG, JICA, EAB

To support the development, construction and operation of the 248 MW Baynouna solar PV power plant in cooperation with Masdar - Abu Dhabi Future Energy Company. Jordan’s largest solar facility will reduce CO2 emissions by an estimated 360,000 tons and provide clean, modern energy to some 100,000 households.
CASE STUDY: AGRICULTURE

COUNTRY: Ghana
PROJECT: Ghana Cocoa Board
TYPE: Trade Finance / Agriculture
LOAN AMOUNT: US$45 million
TOTAL PROJECT COST: US$1.3 billion
CO-FINANCIERS: 29 Commercial Lenders

To support Ghana’s agricultural sector by participating in a syndicated pre-export finance facility for Cocobod to purchase cocoa beans from the 2020/21 harvest. Cocoa is the 3rd largest export earner for Ghana, supporting the generation of US$2 billion in foreign exchange annually. Cocoa farming is also a major source of employment, engaging some 800,000 families.
IV. ENVIRONMENTAL, SOCIAL AND GOVERNANCE
ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

With a business model based on cofinancing the OPEC Fund has on-boarded ESG best practice of development partners.

- ESG is an integral part of the OPEC Fund’s project cycle.
- Able to accept standards of cofinancing partners to reduce costs and inefficiencies, as long as the principles applied for Public Sector Operations are aligned with World Bank Environmental and Social Standards, and with IFC Performance Standards for Private Sector Operations.
- For projects financed directly with partner countries an Environment and Social Impact Assessment Report, Project Affected Peoples Safeguards and Resettlement Action Plans are prepared by project design consultants in accordance with host government systems and E&S rules, regulations and requirements in advance of Project Procurement Plan.
- Execution and compliance with E&S safeguards are followed closely by the project team:
  - Pre-contract phase – adherence to agreed safeguards and resettlement requirements as per the agreed procurement plan.
  - Post-contract phase – ensuring that these same measures are incorporated into contractor’s contracts as contractual obligations.
  - Project implementation
    - Monitoring reports are prepared by the supervision consultants.
    - Site visits.
    - Disbursements to contractors dependent on compliance with E&S standards.

Community Managed Irrigated Agriculture Project, Nepal
ESG ENHANCEMENTS

As part of the Strategic Framework 2030 the OPEC Fund is strengthening its operational ESG processes in line with market expectations to allow for efficient and effective management of the operations portfolio.

- Business model based primarily on cofinancing, thus best practice ESG policies and procedures followed.
- In advance of an increase in OPEC Fund originated projects, the ESG processes are being strengthened.
- New Environmental and Social Management System (ESMS) operated in accordance with elements described in the World Bank Environmental and Social Standards for sovereign operations and grants and IFC Performance Standards for nonsovereign operations and trade finance.
- Corporate governance assessments in nonsovereign operations are integrated in alignment with the DFI Corporate Governance Development Framework (CGDF).
- The ESG Framework provides flexibility to rely on the ESG Due Diligences applied by cofinancing partners, as long as the standards applied fulfil MDB’s best practices.

Formalized framework will:
- Follow market ESG trends and expectations.
- Increase efficiency on stand-alone deals in the future.
- Preserve and promote the OPEC Fund’s reputation.

<table>
<thead>
<tr>
<th>ESG FRAMEWORK</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ESMS</strong></td>
</tr>
<tr>
<td>Policies</td>
</tr>
<tr>
<td>Standards</td>
</tr>
<tr>
<td>ESG Policy</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>MECHANISMS</strong></td>
</tr>
<tr>
<td>Grievance mechanism</td>
</tr>
<tr>
<td><strong>ORGANIZATION</strong></td>
</tr>
<tr>
<td>Risk management</td>
</tr>
</tbody>
</table>
V. CAPITAL MARKETS ISSUANCE
CREDIT RATINGS

Debut ratings based on extremely sound fundamentals and solid track record.

- The OPEC Fund’s high ratings are reflective of its excellent capitalization and liquidity position as well as its diversified asset portfolio, strong governance and risk management infrastructure.

KEY OUTCOMES:

Fitch Ratings

- Long term: AA+ (Outlook stable)
- Short Term: F1+

“Fitch has assigned OPEC Fund a LT IDR of ‘AA+’ with a Stable Outlook, based on the standalone credit profile (SCP) of the institution. OPEC Fund’s SCP is driven by the lower of Fitch’s assessment of the fund’s solvency profile (‘aa+’) and liquidity profile (‘aaa’), combined with a medium-risk business environment which translates into a zero notch adjustment to the rating. Our assessment of OPEC Fund’s shareholders’ capacity and propensity to support does not provide any uplift above the fund’s standalone credit profile rating. “

S&P Global Ratings

- Long term: AA (Outlook positive)
- Short Term: A-1+

“We consider the OPEC Fund’s enterprise risk profile strong, on the back of its policy importance and very strong track record of preferred creditor treatment. We assess the OPEC Fund’s financial risk profile as extremely strong based on our risk-adjusted capital (RAC) ration of 78% and an assessment of strong funding and liquidity positions, which mitigates a lack of track record in tapping the capital markets. We consider the OPEC Fund to be entering a transition phase as it is about to kick off an ambitious lending expansion agenda.”

CREDIT STRENGTHS

- Unwavering shareholder support over 45 year history.
- Global reach spanning 125 countries.
- Well diversified asset portfolio.
- Robust capital adequacy and risk management infrastructure.
- Ample liquidity and consistent profitability.
- Preferred Creditor Treatment tested and proven effective in minimizing sovereign loan arrears.
**PRUDENT BORROWING STRATEGY**

The OPEC Fund’s leverage levels will be guided by rigorous thresholds. This ensures a careful diversification of long term funding sources at the lowest cost, while meeting the established prudential limits for cash requirements and liquidity, in line with a credit rating at the highest level. Investors in OPEC Fund securities are lending to support OCR operations only.

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>ESTABLISHMENT OF DEBT ISSUANCE PROGRAMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Establish reliable market access to funds through regular issuance of benchmark bonds.</td>
<td></td>
</tr>
<tr>
<td>• Undertake reverse enquiry / opportunistic transactions in multiple currencies to broaden investor base and diversify funding sources.</td>
<td></td>
</tr>
<tr>
<td>• Program of regular investor outreach to develop loyal and diverse investor base.</td>
<td></td>
</tr>
<tr>
<td>• Set up short term ECP program for bridge financing as needed.</td>
<td></td>
</tr>
<tr>
<td>• Leverage OPEC Fund’s 46-year history in development financing to establish a Sustainable Development Goal Bond Framework for thematic issuance.</td>
<td></td>
</tr>
<tr>
<td>Global Medium Term Note (GMTN) Programme (in place)</td>
<td></td>
</tr>
<tr>
<td>• OPEC Fund intends to use the program for issuing benchmark bonds as well as opportunistic transactions from time to time.</td>
<td></td>
</tr>
<tr>
<td>Euro Commercial Paper (ECP)</td>
<td></td>
</tr>
<tr>
<td>• This program will allow for issuance of short term debt.</td>
<td></td>
</tr>
</tbody>
</table>

**Rationale for issuing SDG bonds**

• By issuing SDGs bonds, the OPEC Fund aims to provide its stakeholders with information on how it contributes to the SDGs and to leverage its sustainable investment strategy in low and middle income countries into the sustainable finance markets.
• The Fund also aims to support the further development of the sustainable bond market with the publication of its inaugural SDG bond framework.
# SDG Bond Framework

The Framework has been established in accordance with the latest version of the Social Bond Principles, the Green Bond Principles, and the Sustainability Bond Guidelines, and follows their four core components:

<table>
<thead>
<tr>
<th>Use of Proceeds</th>
<th>Process for Project Evaluation &amp; Selection</th>
<th>Management of Proceeds</th>
<th>Reporting</th>
<th>External Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6 categories covered:</strong></td>
<td></td>
<td></td>
<td></td>
<td>- OPEC Fund has engaged Sustainalytics - the largest independent provider of ESG research and ratings - to provide an independent Second Party Opinion (SPO).</td>
</tr>
<tr>
<td><strong>Social Categories:</strong></td>
<td></td>
<td></td>
<td></td>
<td>The SPO provider has concluded that the Framework is aligned to the Social Bond Principles, the Green Bond Principles, the Sustainability Bond Guidelines and to market practice.</td>
</tr>
<tr>
<td>• Affordable basic infrastructure &amp; Food security</td>
<td></td>
<td></td>
<td></td>
<td>OPEC Fund will appoint an independent third party to prepare an annual verification report of the allocation of the proceeds of the bond to eligible loans.</td>
</tr>
<tr>
<td>• Access to essential services: health</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Access to essential services: education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Access to essential services and affordable basic infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Employment generation &amp; Socio-economic advancement and empowerment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Green Category:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Renewable energy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contribution to 10 SDGs:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- [Image]

<table>
<thead>
<tr>
<th>Process for Project Evaluation &amp; Selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selected projects for loans have the potential to foster sustainable economic growth in low and middle income countries. They must comply with the eligibility criteria and general exclusions, and comply with OPEC Fund’s ESG guidelines and policy.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Management of Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>The net proceeds of the bonds will be managed through a disbursement approach: an amount equivalent to the net proceeds will be allocated to existing or new eligible loans as they are disbursed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPEC Fund is committed to reporting on the allocation of proceeds and the expected results of eligible loans until the bond proceeds are fully allocated.</td>
</tr>
</tbody>
</table>

| Reporting methodology and assumptions used to report on social and green eligible assets will be disclosed on an annual basis at least annually. |

<table>
<thead>
<tr>
<th>External Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPEC Fund has engaged Sustainalytics - the largest independent provider of ESG research and ratings - to provide an independent Second Party Opinion (SPO).</td>
</tr>
</tbody>
</table>

The SPO provider has concluded that the Framework is aligned to the Social Bond Principles, the Green Bond Principles, the Sustainability Bond Guidelines and to market practice.

OPEC Fund will appoint an independent third party to prepare an annual verification report of the allocation of the proceeds of the bond to eligible loans.

(*1) Loans supporting fossil fuels (oil and gas extraction and refining, infrastructure used primarily for the transportation of fossil fuels etc.), mining, nuclear, alcohol, tobacco, gambling or livestock management projects (for industrial scale meat, or dairy farms and processing units) will be excluded.
<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>FINANCING*</th>
<th>TARGET POPULATION</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to Essential Services: Food security</td>
<td>Loans financing:  • Sustainable agriculture development, small-scale irrigation and agriculture value chain development, and provision of farm infrastructure, financial services and agricultural inputs such as non-GMO seeds, organic or natural pesticides and fertilizers, farm machinery, storage facilities and warehouses for smallholder scale farmers; • Trade finance schemes to facilitate import and export of food; • Medical nutrition projects for vulnerable groups</td>
<td>Excluded and/or marginalized population and communities, people with low incomes, smallholder farmers, aging population, vulnerable youth, and victims of natural disasters</td>
<td></td>
</tr>
<tr>
<td>Access to Essential Services: Health &amp; Affordable Basic Infrastructure</td>
<td>Loans financing:  • Medical equipment; • Vaccination campaigns; • The development or expansion of health infrastructure; • Capacity building</td>
<td>Excluded and/or marginalized populations and/or communities, people with disabilities, undereducated, people with low incomes, aging populations and vulnerable youth</td>
<td></td>
</tr>
<tr>
<td>Access to Essential Services: Education</td>
<td>Loans financing education infrastructure construction/expansion, refurbishment and capacity building for all types of education (early childhood, primary, secondary and higher education, as well as vocational training)</td>
<td>Excluded and/or marginalized populations and/or communities, people with disabilities, undereducated, populations with low income</td>
<td></td>
</tr>
<tr>
<td>Access to Essential Services: Affordable Basic infrastructure</td>
<td>Loans financing basic infrastructure, such as:  • Water and sanitation projects such as construction, extension and operation of water collection, treatment and supply systems; • Transport projects such as construction or improvement of public transport infrastructure for better access to the entire territory; all vehicles financed will be electric or comply with local emissions requirements; • T&amp;D related to energy projects will be limited to areas where there is no access to electricity or access is not stable. The transmission grids will not be dedicated to fossil fuel power plants.</td>
<td>Underserved, owing to a lack of quality access to essential goods and services</td>
<td></td>
</tr>
<tr>
<td>Employment Generation &amp; Socio-economic Advancement and Empowerment</td>
<td>Loans to micro, small, medium-sized enterprises and job trainings to generate income for low-income people and vulnerable populations and fostering economic growth, social stability, and contributing to growth of a dynamic private sector</td>
<td>Underserved, owing to a lack of quality access to essential goods and services</td>
<td></td>
</tr>
<tr>
<td>Renewable Energy</td>
<td>Loans dedicated to energy projects such as basic infrastructure for local low-carbon energy to ensure access to reliable, sustainable and modern energy services at an affordable cost, such as electricity generation using solar photovoltaic technology, concentrated solar power (CSP) technology, wind power, ocean energy technologies, or from hydropower, geothermal energy or bioenergy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* More information on the eligibility criteria presented in the Framework
APPENDICES
## A. EVOLUTION OF OPERATIONS

Over time, operations have adapted to the needs and priorities of Partner Countries.

### Cumulative Approvals, Number of Projects

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Projects</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>10</td>
<td>20</td>
<td>27</td>
</tr>
<tr>
<td>Cumulative Approvals US$ billion</td>
<td>246</td>
<td>426</td>
<td>942</td>
<td>1476</td>
<td>2451</td>
<td>3843</td>
<td>4097</td>
</tr>
</tbody>
</table>

### Cumulative Development Results

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>US$ billion</td>
<td>12.5</td>
<td>30</td>
<td>48</td>
<td>103</td>
<td>190</td>
<td></td>
</tr>
</tbody>
</table>

- **1976**: IFAD conduit for US$861m member contributions
- **1980**: South-South Cooperation, BOP Support, Project Finance
- **1990**: Permanent Facility
- **2000**: CFC subscriptions for LDCs R&D funding
- **2010**: Trade Finance Facility established
- **2021**: Energy for the Poor Initiative
- **2021**: US$1bn COVID-19 response facility
- **2021**: Energy – Water – Food Nexus
- **2021**: Special Capital resources (SCR) created

*CFC: Common Fund for Commodities*
B. ORGANIZATION CHART

MINISTERIAL COUNCIL

GOVERNING BOARD

- AUDIT & RISK COMMITTEE
- BUDGET & STRATEGY COMMITTEE
- ETHICS COMMITTEE
- COMMITTEE ON DEVELOPMENT EFFECTIVENESS

DIRECTOR-GENERAL

- INTERNAL AUDIT (HEAD)
- SENIOR ADVISOR
- SENIOR ADVISOR
- CHIEF OF STAFF

Financial Operations Department (ADG)
- Treasury (Director)
- Financial Controls (Director)
- Financial Administration (Director)

Communication Department (Director)
- Editorial Content & Production (Head)
- Outreach & Multimedia (Head)

Risk Management Department (Sr. Director)
- Credit Risk (Director)
- Market Risk, Operational Risk & Policies (Director)

Private Sector & Trade Finance Operations Department (ADG)
- Business Development (Director)
- Portfolio Management (Director)
- Syndication Facility (Head)

Corporate Services Department (Sr. Director)
- Strategic Planning (Director)
- Administrative Services (Director)
- Information Technology (Director)

Strategic Planning & Economic Services Department (Sr. Director)
- Strategic Planning (Director)
- Development Effectiveness (Head)
- Grants & Technical Assistance (Head)

General Counsel & Legal Services (Sr. Director)
- Board Secretariat
- Planning & Coordination
- Compliance (Lead)
- PSOD Legal (Director)

Public Sector Operations Department (ADG)
- MENA, Eastern Europe & Central Asia (Director)
- Latin America & the Caribbean (Director)
- Asia & the Pacific (Director)
- Eastern & South Africa (Director)
- West & Central Africa (Director)
# C. KEY FINANCIAL METRICS

### Income Statement (US$ million)

<table>
<thead>
<tr>
<th></th>
<th>06 / 2022</th>
<th>06 / 2021</th>
<th>Y/E 2021</th>
<th>Y/E 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross income from development finance</td>
<td>88</td>
<td>84</td>
<td>169</td>
<td>169</td>
</tr>
<tr>
<td>Total provisions for impairment</td>
<td>-19</td>
<td>-</td>
<td>25</td>
<td>-3</td>
</tr>
<tr>
<td>Treasury &amp; other income</td>
<td>-25</td>
<td>11</td>
<td>30</td>
<td>51</td>
</tr>
<tr>
<td>Administrative &amp; other operating expenses</td>
<td>-37</td>
<td>-22</td>
<td>-71</td>
<td>-72</td>
</tr>
<tr>
<td><strong>Net Income for the period</strong></td>
<td><strong>7</strong></td>
<td><strong>72</strong></td>
<td><strong>153</strong></td>
<td><strong>144</strong></td>
</tr>
</tbody>
</table>

### Statement of Financial Position (US$ million)

<table>
<thead>
<tr>
<th></th>
<th>06 / 2022</th>
<th>06 / 2021</th>
<th>Y/E 2021</th>
<th>Y/E 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from banks</td>
<td>229</td>
<td>640</td>
<td>432</td>
<td>348</td>
</tr>
<tr>
<td>Treasury Investments</td>
<td>878</td>
<td>979</td>
<td>926</td>
<td>1092</td>
</tr>
<tr>
<td>Accounts receivable$^1$</td>
<td>53</td>
<td>66</td>
<td>52</td>
<td>51</td>
</tr>
<tr>
<td>Loans</td>
<td>4672</td>
<td>3982</td>
<td>4361</td>
<td>4122</td>
</tr>
<tr>
<td>Equity Investments</td>
<td>111</td>
<td>106</td>
<td>110</td>
<td>108</td>
</tr>
<tr>
<td>Property &amp; equipment</td>
<td>204</td>
<td>197</td>
<td>204</td>
<td>198</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>6146</strong></td>
<td><strong>5969</strong></td>
<td><strong>6085</strong></td>
<td><strong>5919</strong></td>
</tr>
</tbody>
</table>

### Statement of Financial Position (US$ million)

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<tr>
<th></th>
<th>06 / 2022</th>
<th>06 / 2021</th>
<th>Y/E 2021</th>
<th>Y/E 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable &amp; other liabilities</td>
<td>19</td>
<td>6</td>
<td>9</td>
<td>27</td>
</tr>
<tr>
<td>Post employment benefits</td>
<td>191</td>
<td>228</td>
<td>185</td>
<td>242</td>
</tr>
<tr>
<td>Member contribution distribution to SCR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>210</strong></td>
<td><strong>235</strong></td>
<td><strong>194</strong></td>
<td><strong>270</strong></td>
</tr>
<tr>
<td>Member Country Contributions (MCC)</td>
<td>3104</td>
<td>3104</td>
<td>3104</td>
<td>3104</td>
</tr>
<tr>
<td>Allowance for MCC Obligations</td>
<td>-603</td>
<td>-685</td>
<td>-681</td>
<td>-724</td>
</tr>
<tr>
<td>Reserves</td>
<td>3435</td>
<td>3316</td>
<td>3468</td>
<td>3269</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>5936</strong></td>
<td><strong>5735</strong></td>
<td><strong>5891</strong></td>
<td><strong>5649</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td><strong>6146</strong></td>
<td><strong>5969</strong></td>
<td><strong>6085</strong></td>
<td><strong>5919</strong></td>
</tr>
</tbody>
</table>

$^1$: Includes US$5.5MM exposure in derivatives as of June 2022

---

Special Capital Resources were created as at 1.1.2020 which involved the distribution of Member Country contributions as well as treasury assets from OCR to SCR.
# D. RISK LIMITS

## KEY STRATEGIC LIMITS

- Capital Adequacy Ratio (CAR) ≥ 30%
- Capital Utilization Ratio (CUR) ≤ 85%
- Leverage Ratio ≤ 150%
- SO/NSO Exposure 70%/30%
- NSO CUR ≤ 25%
- Treasury Credit and Market Risk CUR ≤ 5%
- Equity investments ≤ 10% of OCR equity
- Prudential Minimum Liquidity (PML) = 125% x Higher of (i) 60% of the next 3-year net cash requirements (NCR) and (ii) 250% of short-term debt
- Core Liquidity Portfolio:
  - 50% ≤ US Treasuries ≤ 80%
  - Other sovereigns and supranationals ≤ 50%
  - Corporates rated AA- and above ≤ 10%
  - ABS/MBS rated AAA ≤ 10%
- Low risk tolerance for operational risk.
- Low risk tolerance & zero tolerance for breaches of compliance obligations.

## KEY PRUDENTIAL LIMITS

- 5 / 10 largest SO / NSO exposures ≤ 40% / 60% of total SO / NSO exposure
- Limit based on % of Equity: 0%-15% of Equity depending on the country rating
- Overall (SO & NSO) NPL ratio ≤ 3%
- NSO Sector and Obligor limits
- Prudential Minimum Liquidity (PML) = 125% x Higher of (i) 60% of the next 3-year net cash requirements (NCR) and (ii) 250% of short-term debt
- Core Liquidity Portfolio:
  - 50% ≤ US Treasuries ≤ 80%
  - Other sovereigns and supranationals ≤ 50%
  - Corporates rated AA- and above ≤ 10%
  - ABS/MBS rated AAA ≤ 10%
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