Bank Directive

Financial Terms and Conditions of Bank Financing

Bank Access to Information Policy Designation
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Content
Elaborates on the terms and conditions of IBRD and IDA financial products.

Applicable to
IBRD,IDA

Issuer
Vice President, OPSVP

Sponsor
Vice President and Treasurer, TREVP; Vice President, DFIVP

SECTION I – PURPOSE AND APPLICATION

1. The purpose of this Directive is to set out the key financial terms and conditions of (i) IBRD loans and IBRD Guarantees, (ii) IDA Financing, (iii) IBRD Enclave IPF, and (iv) other financial products, including hedging products. This Directive is to be read concurrently with the applicable General Conditions for IBRD or IDA Financing.

2. This Directive applies to the Bank.

SECTION II – DEFINITIONS

As used in this Directive, the capitalized terms and acronyms have the meanings set out in the Bank Policy, "Financial Terms and Conditions of Bank Financing."

SECTION III – SCOPE

The key financial terms for IBRD loans, IDA Credits, IDA Grants, IBRD and IDA Guarantees and other financial products, are generally set out in the Bank Policy, "Financial Terms and Conditions of Bank Financing." Additional details of these terms are set out below.

1. Eligibility for Bank Financing

a. Eligibility for an IBRD loan, IBRD Guarantee and other financial products is determined primarily by the member country's per capita income and creditworthiness. Exceptionally, other factors (such as size, for certain small island economies) may determine a country's eligibility for IBRD financing. Eligibility for, and the specific terms of, IDA Financing are determined primarily by the member country's GNI per capita, creditworthiness for IBRD borrowing, and risk of debt distress. In addition, certain Small Island Economies are afforded eligibility for IDA Financing under the Small Island Economies Exception.

b. Annex 1 to this Directive lists countries ranked by GNI. Annex 2 to this Directive lists the member countries eligible for Bank financing, their per capita GNI, the type of financing for which they are eligible, the applicable maturity premiums, and the repayment terms applicable to loans to or for the benefit of each member country.

2. IBRD Loan Financial Terms

a. IFL Pricing

i. *Variable Spread*. The average funding cost element of the variable spread is recalculated by Management quarterly every January 1, April 1, July 1 and October 1, and the new rate is effective for all rate reset dates falling on or after each recalculation date, as the case may be.

ii. *Fixed Spread.*[1] The IBRD's projected funding cost, market risk premium, and basis swap adjustment may be revised by Management from time to time. Such pricing changes are applied prospectively to new loans. Current IFL pricing can be found at http://treasury.worldbank.org. As set out in the Bank Policy, "Financial Terms and Conditions of Bank Financing" the offering of IFLs with a fixed spread is suspended with effect from (and including) April 1, 2021.

iii. *Repayment Terms*. In the event that the Board's approval of the loan is significantly advanced or delayed from the date expected at negotiations, the grace period provided may no longer be in accordance with these terms. In that case, the first and final principal repayment dates may be changed prior to the loan approval date to comply with these terms.

iv. *Interest Rate Day-Count Convention*. The day count convention follows common market practice in the currency.

b. IBRD Loan Conversions[2]; Transaction Fees

i. Conversions of IBRD loans are governed by the applicable IBRD General Conditions and the Bank Directive, "Conversion of Financial Terms of IBRD and IDA Loans and Financing Instruments" (Conversion Directive). The Conversion Directive is available at http://treasury.worldbank.org. Specific details applicable to particular types of conversions are also specified in the individual Loan Agreement, as applicable.

ii. Conversions of IBRD loans and early terminations of such conversions may be subject to transaction fees, which are determined by Management from time to time. The fees for IBRD loan conversions are set forth in Annex 3 of this Directive.

c. Prepayment of IBRD Loans

i. The Borrower may prepay the principal amount of its loan in one or more installments, in accordance with the provisions of the Loan Agreement. In the case of IFLs and Fixed-Spread Loans (FSLs), the Borrower may specify which instalments are to be prepaid. If the Borrower does not so specify, the prepayment is applied as follows: (a) if the Loan Agreement provides for the separate amortization of disbursed amounts, the prepayment is applied in the inverse order of such disbursed amounts, with the disbursed amount that was withdrawn last being prepaid first and with the latest maturity of such disbursed amount being prepaid first; and (b) in all other cases, the prepayment is applied in the inverse order of instalments of principal of the loan, with the latest instalment being repaid first.

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[1] As set out in the Bank Policy, "Financial Terms and Conditions of Bank Financing" the offering of IFLs with a fixed spread is suspended with effect from (and including) April 1, 2021.

[2] As set out in the Bank Policy, "Financial Terms and Conditions of Bank Financing", the offering of fixed spread terms, and therefore also the offering of conversions or conversion features entailing spread-fixing of any kind, is suspended with effect from (and including) April 1, 2021.

ii. If the Borrower decides to prepay all or part of an IBRD loan, a prepayment premium, in an amount determined by Management based on the provisions in the applicable IBRD General Conditions, is charged. For IFLs, FSLs, and VSLs, the premium is based on: (A) IBRD's redeployment cost of the prepaid loan amount and (B) the cost of unwinding any outstanding interest or currency conversions plus (C) any transaction fees applicable to amounts that were previously converted. In the case of Variable Lending Rate 1989 (VLR89) Currency Pool Loan (CPLs), Single Currency Pool (SCP) loans, Variable Lending Rate 1982 (VLR82) Currency Pool Loans, and Fixed-Rate Single Currency Pool Loans, the method for determining the prepayment premium is based on the provisions in their respective Loan Agreements. Annex 4 of this Directive sets out the manner in which the prepayment premium for prepayment of IBRD loans is calculated.

iii. If the Bank determines that an extraordinary situation has arisen under which it is unable to provide the loan's currency for purposes of funding the loan, it may provide the Borrower with a substitute currency in accordance with the provisions of the applicable IBRD General Conditions. In such case, no prepayment premium is charged on the loan if it is prepaid while a substitute currency is outstanding unless an interest rate conversion was executed.

d. **Changes to Approved IBRD Repayment Terms.** Under the following exceptional circumstances, Management may, upon the Borrower's request, change existing repayment terms for an IBRD loan:

i. the principal amount of the loan disbursed and outstanding is less than the scheduled maturity payment; or

ii. extraordinary country, project or program circumstances have occurred.

3. IDA Financial Terms

a. **Acceleration of Concessional Credit Repayments to IDA.** IDA has included an accelerated repayment clause in the Financing Agreements of regular and blend credits approved since 1987. This clause allows IDA to double the principal repayments of the credit (i.e., shorten the maturity) if the Recipient's GNI per capita exceeds a threshold and the Recipient is IBRD creditworthy. Implementation is subject to approval by IDA's Board, after considering the Recipient's economic development. The Recipient has a choice to either (a) shorten the credit's maturity ('principal option'); (b) pay an interest rate that results in the same net present value as the principal option ('interest option'); or (c) establish a customized repayment schedule that results in the same net present value as the principal option ('customized option'). The GNI per capita threshold was originally set as exceeding the historic cut-off for 5 consecutive years (the 'old clause'), but in 1996 it was lowered for new credits approved to exceed the operational cut-off for 3 consecutive years (the 'new clause'). This feature is not available for Non-concessional IDA Credits.

b. **Voluntary Prepayment of IDA Concessional Credits.** In December 2010, IDA's Board approved a policy framework that allows IDA to offer IDA Graduates a discount to voluntarily prepay their outstanding IDA Credits beyond their contractual obligations. The policy framework is available to any IDA Graduate that (i) elects to voluntarily prepay all outstanding credits in full, or (ii) provides a partial prepayment applied to the latest maturities of its IDA portfolio, as determined by IDA. As an incentive to a graduate that voluntarily prepays its outstanding IDA Credits beyond its contractual obligations, IDA offers a discount.

The discount that IDA may offer depends on three factors: (a) an estimate of the discount rate; (b) the amount the Recipient elects to prepay; and (c) how the Recipient elects to treat the discount. The Recipient has an option to redirect the prepayment discount as a contribution to IDA. A discount is not available for prepayments of individual IDA Credits specified by Recipients.

c. **Prepayment of IDA Non-Concessional Credits.** If the Recipient decides to prepay all or part of an IDA Non-concessional Credit, a prepayment premium, in an amount determined by Management based on the provisions in the applicable IDA General Conditions, is charged. The premium is based on: (A) IDA's redeployment cost of the prepaid amount and (B) the cost of unwinding any outstanding interest or currency conversions plus (C) any transaction fees applicable to amounts that were previously converted. The prepayment premium for prepayment of IDA Non-concessional Credits is calculated in the same manner as it is calculated for IFLs as set out in Annex 4 of this Directive.

d. **IDA Non-Concessional Credits Conversions; Transaction Fees**

i. Conversions of IDA Non-concessional Credits are governed by the applicable IDA General Conditions and the Conversion Directive. The Conversion Directive is available at http://treasury.worldbank.org. Specific details applicable to particular types of conversions are also specified in the individual Financing Agreement, as applicable.

ii. Conversions of IDA Non-concessional Credits and early termination of such conversions may be subject to transaction fees, which are determined by Management from time to time and are expected to be in line with the transaction fees applicable to IBRD. The fees for IDA Non-concessional Credit conversions are set forth in Table 1 in Annex 3 of this Directive.

4. **Additional Fees for Private Sector Projects Involving IBRD Loans, IDA Credits, IDA Grants, and IBRD and IDA Guarantees.** To cover the additional cost of preparing IBRD and IDA support for private sector projects, the Bank charges additional up-front fees, consisting of initiation fees and processing fees usually payable by the private sector implementing entity, project sponsors or developers, or other relevant private sector participants. Initiation and processing fees are not usually payable by the Borrower or Government. The currently applicable up-front fee levels are determined by Management and are available at http://treasury.worldbank.org. The initiation and processing fees are non-refundable.

a. The initiation fee is charged to offset the Bank's internal preparation and development costs for private sector projects.

b. The processing fee is charged to reimburse the Bank for direct or indirect costs of external support (including external advisors) and other out-of-pocket expenses incurred by the Bank.[3]

5. **Invoicing of Up-front Fees.** Management determines appropriate timing of the invoicing of up-front fees, and Management may, taking into account the project circumstances and development and preparation costs, reduce, increase, adjust the timing of, or decide not to charge, upfront fees.

6. **IBRD Hedging Products.** Detailed information on the use of hedging products is set out in the IBRD Guidelines for Using Hedging Products, which are available at http://treasury.worldbank.org.

7. **Transaction Fees for IBRD Conversions and Hedging Products.** These are determined by Management from time to time, to cover the Bank's incremental operational costs, and, where applicable, incremental risks. The transaction fees for conversions and hedging products are set forth in Annex 3 of this Directive.

8. **Bank and Borrower or Recipient Responsibilities.** As described in the Bank Policy, "Financial Terms and Conditions of Bank Financing", the Borrower of an IBRD loan has a number of choices of financial terms for the loan. The Recipient of an IDA Financing may in some cases also have a choice from among different financial terms. The Bank is responsible for ensuring that the Borrower/Recipient is aware of available financing options at the appropriate time. The Bank provides information but does not recommend specific loan terms or advise the Borrower/Recipient in the selection. The Borrower/Recipient is solely responsible for choosing the financial terms of the loan.

9. **Management's Prerogative to Adjust Financial Terms.** As stated in Section IV of the Bank Policy, "Financial Terms and Conditions of Bank Financing", Management adjusts the IBRD/IDA financing terms set out in Annex 2 of this Directive, in the following circumstances:

   i. On July 1 of each year, to reflect changes arising from the annual assessment carried out in accordance with the Policy; and

   ii. At any point in time: (a) to reflect decisions responding to severe or repeated breaches of performance and policy actions under the SDFP; (b) to reflect any changes in IBRD or IDA eligibility; and (c) for countries exposed to severe natural disasters leading to significant damage and losses equivalent to over a third of the country's GDP in the aftermath of the crisis, based on an updated debt sustainability analysis.

10. **SBL Surcharge.** The SBL Surcharge is computed based on the incremental exposure in excess of the SBL Surcharge threshold. Incremental exposure is calculated based on the aggregate of net exposure arising from loans, guarantees and other relevant IBRD financial products. Net exposure in this context also takes into account any risk transfer mechanisms, including special private placement bonds and third-party bilateral guarantees of a member

[3] Costs and expenses may also be recovered through the processing fee for other forms of support from IBRD and IDA that are explicitly designed to facilitate the private sector project.

country's obligations to IBRD; but does not take into account multilateral exposure exchange agreements.

For the purpose of computing the incremental exposure in excess of the SBL Surcharge threshold, the following operations are excluded: all IBRD operations approved on or after May 20, 2021 and on or before June 30, 2022, including but not limited to: (a) additional financings approved during this period that relate to previously-approved operations; (b) additional phases approved during this period that are in respect of previously-approved multiphase programmatic approach operations; and (c) operations with a deferred drawdown feature. Operations excluded under this paragraph for the purpose of computing incremental exposure in excess of the SBL Surcharge threshold nonetheless continue to count towards compliance with the applicable country exposure limits including SBL.

The modality by which the SBL Surcharge is levied on the member country and its sub-national borrowers, if applicable, is set out in the IBRD General Conditions or in the Loan Agreement, as applicable.

SECTION IV – WAIVER

A Waiver of any provision of this Directive may be granted only in accordance with the provisions of Bank Policy "Operational Policy Waivers" and the Bank Procedure "Operational Policy Waivers and Waivers of Operational Requirements".

SECTION V – EFFECTIVE DATE

This Directive is effective as of the date on its cover.

SECTION VI – ISSUER

The Issuer of this Directive is the Vice President - Operations Policy and Country Services.

SECTION VII – SPONSOR

The Sponsors of this Directive are the Vice President and Treasurer and the Vice President, Development Finance. The Sponsor – Vice President and Treasurer – is responsible for the day-to-day management of this Directive as it relates to IBRD, and the Sponsor – Vice President, Development Finance – is responsible for the day-to-day management of this Directive as it relates to IDA.

SECTION VIII – RELATED DOCUMENTS

1. Bank Policy, "Financial Terms and Conditions of Bank Financing"
2. Bank Directive, "Conversion of Financial Terms of IBRD and IDA Loans and Financing Instruments"

3. Bank Guidance, “Conversion of Financial Terms of IBRD and IDA Loans and Financing Instruments (illustrative examples)”

4. Guidelines for Using Hedging Products

5. IDA/R2020-0018/2 “Additions to IDA Resources: Nineteenth Replenishment, IDA19: Ten Years to 2030: Growth, People, Resilience”, February 11, 2020 [For Public Disclosure]

6. IDA/R2020-0140/4 “Sustainable Development Finance Policy (SDFP) of the International Development Association”, April 23, 2020 [For Public Disclosure]

Questions regarding this Directive should be addressed to the Sponsor.

ANNEX 1

Countries Ranked by Per Capita Income

The financing terms below are effective for all IBRD loans and IDA Financing that are approved by the Board on or after July 1, 2021

A. IBRD Only [1]			
Category iv (over $7,155)			
St. Kitts and Nevis	17,400	Mauritius	10,230
Uruguay	15,830	Bulgaria	9,540
Trinidad and Tobago	15,410	Turkey	9,050
Poland	15,270	Argentina	8,930
Antigua and Barbuda	14,250	Kazakhstan	8,680
Croatia	14,190	Mexico	8,480
Chile	13,470	Montenegro	7,900
Seychelles	12,720	Brazil	7,850
Romania	12,570	Serbia	7,400
Panama	11,880	Dominican Republic	7,260
Costa Rica	11,460	Nauru [6]	NA
Russian Federation [5]	10,690	Palau	NA
China	10,610	Turkmenistan	NA
Malaysia	10,580		
Category iii (over $1,205 - $7,155)			
Thailand	7,050	Jordan [6]	4,310
Gabon	6,970	Georgia	4,290
Botswana	6,640	Armenia	4,220
Belarus	6,330	Belize	3,970
Bosnia and Herzegovina	6,090	Indonesia	3,870
Peru	6,010	Sri Lanka	3,720
Equatorial Guinea	5,810	Mongolia	3,670
Colombia	5,780	El Salvador	3,650
North Macedonia	5,720	Eswatini	3,580
Ecuador	5,530	Algeria	3,550
Lebanon [6]	5,510	Ukraine [5]	3,540
Suriname	5,510	Philippines	3,430
South Africa	5,410	Bolivia	3,200
Albania	5,210	Tunisia	3,100
Paraguay	5,140	Egypt, Arab Republic of	3,000
Libya	4,850	Morocco	2,980
Iraq [6]	4,660	Iran, Islamic Republic of	2,870
Jamaica	4,620	Vietnam	2,660
Moldova	4,570	Angola	2,230

Namibia	4,520	India	1,900
Guatemala	4,490	Venezuela, RB de	NA
Azerbaijan	4,450		
B. Blend [2]			
Category iv (over $7,155)			
St. Lucia [4]	8,790	St. Vincent and the Grenadines [4]	7,340
Grenada [4]	8,740		
Category iii (over $1,205 - $7,155)			
Dominica [4]	6,870	Timor-Leste [7]	1,830
Fiji [4]	4,720	Kenya	1,760
Cabo Verde [4]	3,060	Uzbekistan	1,670
Papua New Guinea	2,660	Cameroon	1,500
Nigeria	2,000	Pakistan	1,280
Congo, Republic of	1,830		
Category ii (over $1,045 - $1,205)			
Zimbabwe [3, 8]	1,090		
C. IDA Only (Gap Countries and IDA-only Countries)[2]			
Category iii (over $1,205 - $7,155)			
Maldives [4]	6,830	Sao Tome and Principe [4]	2,070
Guyana [7]	6,600	Bangladesh	2,010
Tuvalu [4]	5,820	Nicaragua	1,850
Kosovo	4,440	Mauritania	1,640
Samoa, Independent State of [4]	4,070	Cambodia	1,490
Djibouti [7]	3,320	Comoros [4]	1,450
Kiribati [4]	3,010	Senegal	1,430
Bhutan [7]	2,860	Benin	1,280
Vanuatu [4]	2,780	Myanmar	1,260
Lao PDR	2,480	Haiti	1,250
Solomon Islands [4]	2,300	Marshall Islands [4]	NA
Cote d'Ivoire	2,280	Micronesia, Fed. Sts. Of [4]	NA
Ghana	2,230	Tonga [4]	NA
Honduras	2,200		
Category ii (over $1,045 - $1,205)			
Nepal	1,190	Lesotho	1,100
Zambia	1,190	Tanzania	1,080
Kyrgyz Republic	1,160	Tajikistan	1,060
Category i ($1,045 or less)			
Guinea	1,020	Niger	540
Togo	920	Liberia	530
Ethiopia	890	Central African Republic	510

Mali	830	Afghanistan	500
Uganda	800	Sierra Leone	490
Burkina Faso	790	Madagascar	480
Rwanda	780	Mozambique	460
Guinea-Bissau	760	Somalia	310
Gambia, The	750	Burundi	270
Chad	660	Eritrea [3]	NA
Sudan	650	South Sudan	NA
Malawi	580	Syrian Arab Republic [3, 6]	NA
Congo, Democratic Republic of	550	Yemen, Republic of	NA

Key
NA = Estimates are available in ranges only

Changes during current fiscal year

1. Comoros has been granted the status of an IDA-only Country under the Small Island Economies Exception, effective FY22.

Changes during previous fiscal year

1. Moldova and Mongolia have been reclassified from Blend Country to IBRD-only borrower, effective July 1, 2020.
2. Sudan has been removed from the list of countries with loans/credits in nonaccrual status, effective March 25, 2021.

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1. World Bank Atlas methodology; 2020 per capita GNI (Gross National Income, formerly GNP) figures are in U.S. dollars.
2. Countries are eligible for IDA resources on the basis of (a) relative poverty and (b) lack of creditworthiness. The operational cut-off for IDA eligibility for FY22 is a 2020 GNI per capita of US$1,205, using Atlas methodology. To receive IDA resources, countries also meet tests of performance. An exception is made for some Small Island Economies. In addition to GNI per capita, decisions to graduate countries from IDA are based on an assessment of a country's macroeconomic prospects, creditworthiness, risk of debt distress, vulnerability to shocks, institutional constraints, and levels of poverty and social indicators.
3. Loans/credits in nonaccrual status as of July 1, 2021. General information on IBRD and IDA countries with loan/credits in nonaccrual status is available from the IBRD Credit Risk (CROCR) and Development Finance Corporate IDA and IBRD (DFCII) Departments, respectively.
4. The country is granted the status of an IDA-only Country under the Small Island Economies Exception and receives financing on IDA small economy terms.
5. These calculations are based on numbers and data from official statistics of Ukraine and the Russian Federation; by relying on those numbers and data, the Bank does not intend to make any judgment on the legal or other status of the territories concerned or to prejudice the final determination of the parties' claims.
6. Refugees are included in the population estimates of host country.
7. The country is an IDA-eligible Small State Economy that is not an island state. Effective July 1, 2017, IDA Financing is on small economy terms. If IBRD financing is provided, Small State Economies receive an exemption from the increase in IBRD's maturity premium in accordance with Section III.1.a.ii.F of the Bank Policy, "Financial Terms and Conditions of Bank Financing."
8. Lending eligibility of Zimbabwe as "Blend" is per its FY21 classification and subject to change if the country is removed from the list of countries with loans/credits in nonaccrual status.

ANNEX 2

IBRD, IDA and Blend Countries: Per Capita Income, Lending Eligibility, Maturity Premiums, and Repayment Terms

The financing terms below are effective for all IBRD loans and IDA Financings that are approved by the Board on or after July 1, 2021

- For questions on per capita income estimates, please contact the Director, DECDG
- For questions on IDA eligibility and IDA terms, and IBRD maturity premiums, the Director, DFCII
- For questions on creditworthiness and IBRD terms, the Director, CROCR
- For questions on customized IBRD repayment terms, the Director, FABDR

The following 2020 per capita income guidelines apply for operational purposes:

i. US$1,045 or less for granting civil works preference to eligible domestic contractors in evaluating civil works bids procured under international competitive bidding (see "World Bank Procurement Regulations for IPF Borrowers").
ii. US$1,205 or less as the operational cut-off for IDA eligibility.
iii. Over US$1,205 for IBRD terms.
iv. Over US$7,155 for initiating the IBRD graduation process.

IBRD Maturity premium pricing groups are as follows:

a. Group A: Blend Countries, Small State Economies, FCS Countries and recent IDA Graduates (for a period of six consecutive years beginning from July 1 of the calendar year of IDA graduation; and for the following IDA17 and IDA18 graduates for six consecutive years beginning from July 1, 2018: Angola, Armenia, Bosnia and Herzegovina, Georgia, India, Bolivia, Sri Lanka and Vietnam).
b. Group B: Countries not in Group A with a GNI per capita below or equal to GDI (Graduation Discussion Income).
c. Group C: Countries not in Group A or D with a GNI per capita above GDI (Graduation Discussion Income).
d. Group D: Countries not in Group A and classified as High-Income Member Countries (HICs).

The applicable maturity premiums for pricing groups A, B, C and D are set forth in Tables 2, 3, 4 and 5 below, respectively

TABLE 1.

Country	GNI per Capita [1] (US$)	Income Category	Lending Eligibility	LDC [4]	IBRD Terms[13]		IDA Repayment Terms[16,17]		
					Average maturity limit / Final maturity limit (years)	Maturity premium pricing group	Grace Period (years) [5]	Years to maturity[6]	Grant (%) [12]
Afghanistan	500	i	IDA[2,3]	LDC	-	-	6	38	100%
Albania	5,210	iii	IBRD		20 / 35	B	-	-	-
Algeria	3,550	iii	IBRD		20 / 35	B	-	-	-
Angola	2,230	iii	IBRD	LDC	20 / 35	A	-	-	-
Antigua and Barbuda	14,250	iv	IBRD		20 / 35	A	-	-	-
Argentina	8,930	iv	IBRD		20 / 35	C	-	-	-
Armenia	4,220	iii	IBRD		20 / 35	A	-	-	-
Azerbaijan	4,450	iii	IBRD		20 / 35	B	-	-	-

Country	GNI per Capita [1] (US$)	Income Category	Lending Eligibility	LDC[4]	IBRD Terms[13]		IDA Repayment Terms[16,17]		
					Average maturity limit / Final maturity limit (years)	Maturity premium pricing group	Grace Period (years)[5]	Years to maturity[6]	Grant (%) [12]
Bangladesh [9]	2,010	iii	IDA[2,3]	LDC	-	-	5	30	0%
Belarus	6,330	iii	IBRD		20 / 35	B	-	-	-
Belize	3,970	iii	IBRD		20 / 35	A	-	-	-
Benin [10]	1,280	iii	IDA[2,3]	LDC	-	-	6	38	50%
Bhutan [9, 11]	2,860	iii	IDA[2,3]	LDC	-	-	10	40	0%
Bolivia	3,200	iii	IBRD		20 / 35	A	-	-	-
Bosnia and Herzegovina	6,090	iii	IBRD		20 / 35	A	-	-	-
Botswana	6,640	iii	IBRD		20 / 35	B	-	-	-
Brazil	7,850	iv	IBRD		20 / 35	C	-	-	-
Bulgaria	9,540	iv	IBRD		20 / 35	C	-	-	-
Burkina Faso	790	i	IDA[2,3]	LDC	-	-	6	38	50%
Burundi	270	i	IDA[2,3]	LDC	-	-	6	38	100%
Cabo Verde [8]	3,060	iii	Blend[2]		20 / 35	A	10	40	0%
Cambodia [9]	1,490	iii	IDA[2,3]	LDC	-	-	5	30	0%
Cameroon	1,500	iii	Blend[2]		20 / 35	A	5	30	0%
Central African Republic	510	i	IDA[2,3]	LDC	-	-	6	38	100%
Chad	660	i	IDA[2,3]	LDC	-	-	6	38	100%
Chile	13,470	iv	IBRD		20 / 35	D	-	-	-
China	10,610	iv	IBRD		20 / 35	C	-	-	-
Colombia	5,780	iii	IBRD		20 / 35	B	-	-	-
Comoros [8]	1,450	iii	IDA[2,3]	LDC	-	-	10	40	50%
Congo, Democratic Republic	550	i	IDA[2,3]	LDC	-	-	6	38	50%
Congo, Republic of	1,830	iii	Blend[2]		20 / 35	A	5	30	0%
Costa Rica	11,460	iv	IBRD		20 / 35	C	-	-	-
Cote d'Ivoire [9]	2,280	iii	IDA[2,3]		-	-	5	30	0%
Croatia	14,190	iv	IBRD		20 / 35	D	-	-	-
Djibouti [9, 11]	3,320	iii	IDA[2,3]	LDC	-	-	10	40	0%
Dominica [8]	6,870	iii	Blend[2]		20 / 35	A	10	40	0%
Dominican Republic	7,260	iv	IBRD		20 / 35	C	-	-	-
Ecuador	5,530	iii	IBRD		20 / 35	B	-	-	-
Egypt, Arab Republic of	3,000	iii	IBRD		20 / 35	B	-	-	-
El Salvador	3,650	iii	IBRD		20 / 35	B	-	-	-
Equatorial Guinea [17]	5,810	iii	IBRD		20 / 35	A	-	-	-

Country	GNI per Capita [1] (US$)	Income Category	Lending Eligibility	LDC[4]	IBRD Terms[13]		IDA Repayment Terms[16,17]		
					Average maturity limit / Final maturity limit (years)	Maturity premium pricing group	Grace Period (years)[5]	Years to maturity[6]	Grant (%) [12]
Eritrea [7]	NA	i	IDA[2,3]	LDC	-	-	6	38	-
Eswatini	3,580	iii	IBRD		20 / 35	A	-	-	-
Ethiopia [20]	890	i	IDA[2,3]	LDC	-	-	6	38	100%
Fiji [8]	4,720	iii	Blend[2]		20 / 35	A	10	40	0%
Gabon	6,970	iii	IBRD		20 / 35	B	-	-	-
Gambia, The	750	i	IDA[2,3]	LDC	-	-	6	38	100%
Georgia	4,290	iii	IBRD		20 / 35	A	-	-	-
Ghana [9]	2,230	iii	IDA[2,3]		-	-	5	30	0%
Grenada [8]	8,740	iv	Blend[2]		20 / 35	A	10	40	0%
Guatemala	4,490	iii	IBRD		20 / 35	B	-	-	-
Guinea	1,020	i	IDA[2,3]	LDC	-	-	6	38	50%
Guinea-Bissau	760	i	IDA[2,3]	LDC	-	-	6	38	100%
Guyana [9, 11]	6,600	iii	IDA[2,3]		-	-	10	40	0%
Haiti [10]	1,250	iii	IDA[2,3]	LDC	-	-	6	38	100%
Honduras [9]	2,200	iii	IDA[2,3]		-	-	5	30	0%
India	1,900	iii	IBRD		20 / 35	A	-	-	-
Indonesia	3,870	iii	IBRD		20 / 35	B	-	-	-
Iran, Islamic Republic of	2,870	iii	IBRD		20 / 35	B	-	-	-
Iraq [15]	4,660	iii	IBRD		20 / 35	A	-	-	-
Jamaica	4,620	iii	IBRD		20 / 35	B	-	-	-
Jordan [15]	4,310	iii	IBRD		20 / 35	B	-	-	-
Kazakhstan	8,680	iv	IBRD		20 / 35	C	-	-	-
Kenya	1,760	iii	Blend[2]		20 / 35	A	5	30	0%
Kiribati [8]	3,010	iii	IDA[2,3]	LDC	-	-	10	40	100%
Kosovo, Republic of [9]	4,440	iii	IDA[2,3]		-	-	5	30	0%
Kyrgyz Republic	1,160	ii	IDA[2,3]		-	-	6	38	50%
Lao PDR [9]	2,480	iii	IDA[2,3]	LDC	-	-	5	30	0%
Lebanon [15]	5,510	iii	IBRD		20 / 35	A	-	-	0%
Lesotho [9,22]	1,100	ii	IDA[2,3]	LDC	-	-	5	30	0%
Liberia	530	i	IDA[2,3]	LDC	-	-	6	38	50%
Libya [17]	4,850	iii	IBRD		20 / 35	A	-	-	-
Madagascar	480	i	IDA[2,3]	LDC	-	-	6	38	50%
Malawi	580	i	IDA[2,3]	LDC	-	-	6	38	50%
Malaysia	10,580	iv	IBRD		20 / 35	C	-	-	-
Maldives [8]	6,830	iii	IDA[2,3]		-	-	10	40	100%
Mali	830	i	IDA[2,3]	LDC	-	-	6	38	50%
Marshall Islands [8]	NA	iii	IDA[2,3]		-	-	10	40	100%

Country	GNI per Capita [1] (US$)	Income Category	Lending Eligibility	LDC [4]	IBRD Terms[13]		IDA Repayment Terms[16,17]		
					Average maturity limit / Final maturity limit (years)	Maturity premium pricing group	Grace Period (years)[5]	Years to maturity [6]	Grant (%) [12]
Mauritania [9]	1,640	iii	IDA[2,3]	LDC	-	-	5	30	0%
Mauritius	10,230	iv	IBRD		20 / 35	A	-	-	-
Mexico	8,480	iv	IBRD		20 / 35	C	-	-	-
Micronesia, Fed. Sts. Of [8]	NA	iii	IDA[2,3]		-	-	10	40	100%
Moldova [19]	4,570	iii	IBRD		20 / 35	A	-	-	-
Mongolia [19]	3,670	iii	IBRD		20 / 35	A	-	-	-
Montenegro	7,900	iv	IBRD		20 / 35	A	-	-	-
Morocco	2,980	iii	IBRD		20 / 35	B	-	-	-
Mozambique	460	i	IDA[2,3]	LDC	-	-	6	38	100%
Myanmar [9]	1,260	iii	IDA[2,3]	LDC	-	-	5	30	0%
Namibia	4,520	iii	IBRD		20 / 35	B	-	-	-
Nauru [15, 17]	NA	iv	IBRD		20 / 35	A	-	-	-
Nepal	1,190	ii	IDA[2,3]	LDC	-	-	6	38	0%
Nicaragua [9]	1,850	iii	IDA[2,3]		-	-	5	30	0%
Niger	540	i	IDA[2,3]	LDC	-	-	6	38	50%
Nigeria	2,000	iii	Blend[2]		20 / 35	A	5	30	0%
North Macedonia	5,720	iii	IBRD		20 / 35	B	-	-	-
Pakistan	1,280	iii	Blend[2]		20 / 35	A	5	30	0%
Palau	NA	iv	IBRD		20 / 35	A	-	-	-
Panama	11,880	iv	IBRD		20 / 35	C	-	-	-
Papua New Guinea	2,660	iii	Blend[2]		20 / 35	A	5	30	0%
Paraguay	5,140	iii	IBRD		20 / 35	B	-	-	-
Peru	6,010	iii	IBRD		20 / 35	B	-	-	-
Philippines	3,430	iii	IBRD		20 / 35	B	-	-	-
Poland	15,270	iv	IBRD		20 / 35	D	-	-	-
Romania	12,570	iv	IBRD		20 / 35	C	-	-	-
Russian Federation [14]	10,690	iv	IBRD		20 / 35	C	-	-	-
Rwanda	780	i	IDA[2,3]	LDC	-	-	6	38	50%
Samoa, Independent State of [8]	4,070	iii	IDA[2,3]		-	-	10	40	100%
Sao Tome and Principe [8]	2,070	iii	IDA[2,3]	LDC	-	-	10	40	100%
Senegal [9]	1,430	iii	IDA[2,3]	LDC	-	-	5	30	0%
Serbia	7,400	iv	IBRD		20 / 35	B	-	-	-
Seychelles	12,720	iv	IBRD		20 / 35	A	-	-	-
Sierra Leone	490	i	IDA[2,3]	LDC	-	-	6	38	100%
Solomon Islands [8]	2,300	iii	IDA[2,3]	LDC	-	-	10	40	50%
Somalia	310	i	IDA[2,3]	LDC	-	-	6	38	100%
South Africa	5,410	iii	IBRD		20 / 35	B	-	-	-

Country	GNI per Capita [1] (US$)	Income Category	Lending Eligibility	LDC[4]	IBRD Terms[13]		IDA Repayment Terms[16,17]		
					Average maturity limit / Final maturity limit (years)	Maturity premium pricing group	Grace Period (years)[5]	Years to maturity[6]	Grant (%) [12]
South Sudan	NA	i	IDA[2,3]	LDC	-	-	6	38	100%
Sri Lanka	3,720	iii	IBRD		20 / 35	A	-	-	-
St. Kitts and Nevis	17,400	iv	IBRD		20 / 35	A	-	-	-
St. Lucia [8]	8,790	iv	Blend[2]		20 / 35	A	10	40	0%
St. Vincent and the Grenadines [8]	7,340	iv	Blend[2]		20 / 35	A	10	40	0%
Sudan	650	i	IDA[2,3]	LDC	-	-	6	38	100%
Suriname	5,510	iii	IBRD		20 / 35	A	-	-	-
Syrian Arab Republic [7, 15]	NA	i	IDA[2,3]		-	-	6	38	-
Tajikistan	1,060	ii	IDA[2,3]		-	-	6	38	100%
Tanzania	1,080	ii	IDA[2,3]	LDC	-	-	6	38	0%
Thailand	7,050	iii	IBRD		20 / 35	B	-	-	-
Timor-Leste [11]	1,830	iii	Blend[2]	LDC	20 / 35	A	10	40	0%
Togo	920	i	IDA[2,3]	LDC	-	-	6	38	50%
Tonga [8]	NA	iii	IDA[2,3]		-	-	10	40	100%
Trinidad and Tobago	15,410	iv	IBRD		20 / 35	A	-	-	-
Tunisia	3,100	iii	IBRD		20 / 35	B	-	-	-
Turkey	9,050	iv	IBRD		20 / 35	C	-	-	-
Turkmenistan	NA	iv	IBRD		20 / 35	B	-	-	-
Tuvalu [8]	5,820	iii	IDA[2,3]	LDC	-	-	10	40	100%
Uganda	800	i	IDA[2,3]	LDC	-	-	6	38	50%
Ukraine [14]	3,540	iii	IBRD		20 / 35	B	-	-	-
Uruguay	15,830	iv	IBRD		20 / 35	D	-	-	-
Uzbekistan	1,670	iii	Blend[2]		20 / 35	A	5	30	0%
Vanuatu [8]	2,780	iii	IDA[2,3]		-	-	10	40	50%
Venezuela, RB de	NA	iii	IBRD		20 / 35	A	-	-	-
Vietnam	2,660	iii	IBRD		20 / 35	A	-	-	-
Yemen, Republic of	NA	i	IDA[2,3]	LDC	-	-	6	38	100%
Zambia [9,22]	1,190	ii	IDA[2,3]	LDC	-	-	5	30	0%
Zimbabwe [7, 21]	1,090	ii	Blend[2]		20 / 35	A	5	30	-

Key
NA = Estimates are available in ranges only

1. World Bank Atlas methodology; 2020 per capita GNI (Gross National Income, formerly GNP) figures are in U.S. dollars.
2. Countries are eligible for IDA resources on the basis of (a) relative poverty and (b) lack of creditworthiness. The operational cut-off for IDA eligibility for FY22 is a 2020 GNI per capita of US$1,205, using Atlas methodology. To receive IDA resources, countries also meet tests of performance. An exception is made for some Small Island Economies (see footnote 8). In addition to GNI per capita, decisions to graduate countries from IDA are based on an assessment of a country's macroeconomic prospects, creditworthiness, risk of debt distress, vulnerability to shocks, institutional constraints, and levels of poverty and social indicators.
3. Countries eligible only for IDA resources except for limited IBRD Enclave support.
4. Countries that are classified as least developed countries (LDCs) by the United Nations.
5. IDA regular term credits approved on or after July 1, 2017 have a 6-year grace period. IDA blend term credits continue to have a 5-year grace period, and IDA small economy term credits continue to have a 10-year grace period.
6. Effective July 1, 2017, the maturity for IDA regular term credits is 38 years with principal repayable at 3.125 percent per annum for years 7-38, with a service charge of 0.75 percent in SDR terms. The maturity for IDA small economy term credits continue to be 40 years with principal repayable at 2 percent per annum for years 11-20 and 4 percent per annum for years 21-40. Effective July 1, 2017, blend term credits have a maturity of 30 years, a grace period of 5 years, a 0.75 percent service charge and 1.25 percent interest charge, both in SDR terms, and with principal repayable at 3.3 percent per annum for years 6-25 and 6.8 percent per annum for years 26-30. IDA Concessional Credits include an acceleration clause, providing for the possibility of doubling of principal payments from creditworthy borrowers where per capita income remains above eligibility thresholds. IDA credits on hardened terms (approved during IDA13-IDA15) and non-concessional credits are exempt from the accelerated repayment provisions.
7. Loans/credits in nonaccrual status as of July 1, 2021. Grant eligibility is determined when the country reengages with IDA/IBRD. General information on IBRD and IDA countries with loan/credits in nonaccrual status is available from the IBRD Credit Risk (CROCR) and Development Finance Corporate IDA and IBRD (DFCII) Departments, respectively.
8. Countries that are granted the status of an IDA-only Country under the Small Island Economies Exception. For credits approved on or after July 1, 2011, Blend Countries that have been granted the Small Island Economies Exception receive IDA Concessional Credits on small economy terms.
9. The IDA-eligible country's GNI per capita has been above the operational cut-off for IDA eligibility for more than two consecutive years (Gap Country). It receives IDA Financing on blend terms unless (a) it is granted the Small Island Economies Exception; or (b) it is an IDA-eligible Small State Economy that is not an island state. See Bank Policy Financial Terms and Conditions, Paragraph III.2.a.i.B and Annex 5.
10. The country's GNI per capita has been above the IDA operational cut-off for either one or two consecutive years, and the country continues to access IDA resources on regular terms or small economy terms, as relevant.
11. IDA-eligible Small State Economy that is not an island state. Effective July 1, 2017, IDA Financing is on small economy terms. If IBRD financing is provided, Small State Economies receive an exemption from the increase in IBRD's maturity premium in accordance with Section III.1.a.ii.F of the Bank Policy, "Financial Terms and Conditions of Bank Financing."
12. Grant eligibility varies by fiscal year and is based on the IDA grant framework in accordance with the IDA16 Agreement entitled "Additions to IDA Resources: Sixteenth Replenishment – IDA16: Delivering Development Results" (February 15, 2011). In IDA19, Gap (footnote 9) and Blend countries that are eligible to receive financing from the Window for Host Communities and Refugees (WHR) are eligible for WHR-funded grants as set out in Section III 2.b.i.B of the of Bank Policy, "Financial Terms and Conditions of Bank Financing". Eligibility for IDA grants may be affected for countries that are subject to hardening of terms under the SDFP. The ceiling of US$1 billion applies only to grant allocations under the Country Allocations and does not apply to grants from IDA windows. Country Allocations beyond the US$1 billion ceiling would be on credit terms applicable to the country, or as determined under the SDFP.
13. Current financing terms by country are available on the World Bank Treasury website (http://www.worldbank.org/en/about/unit/treasury/financial-products/ibrd/ibrd-lending-rates-and-fees#2). The maturity premium levels effective on or after July 1, 2018 do not apply to loans that meet both the following conditions: (i) the Invitation to Negotiate is issued on or before June 30, 2018; and (ii) the Board approves the loan on or before September 30, 2018. For those loans, the maturity premium is the one in force on June 30, 2018. Note that the maturity premium level (if any) applicable to DDOs and Cat DDOs is that in effect at the time of each withdrawal. The maturity premium levels effective on or after July 1, 2018 do not apply to Bank guarantees approved by the Board on or before September 30, 2018. For those Bank guarantees, the applicable maturity premium is the one in force on June 30, 2018. The SBL Surcharge may apply to member countries as described in Section III.10. of this Directive, and in Section III.1.a.ii.D. and Annex 2 of the Bank Policy, "Financial Terms and Conditions of Bank Financing."

14. These calculations are based on numbers and data from official statistics of Ukraine and the Russian Federation; by relying on those numbers and data, the Bank does not intend to make any judgment on the legal or other status of the territories concerned or to prejudice the final determination of the parties' claims.
15. Refugees are included in the population estimates of host country.
16. The financing terms for countries eligible under the Scale-Up Window (SUW) are identical to the IBRD Flexible Loan terms; the currencies available are USD, EUR, GBP, and JPY. The maturity premium applicable to the SUW is set forth in Table 2 below, which corresponds to the maturity premiums for IBRD Borrowers belonging to pricing group A. Current IBRD Flexible Loan terms are available on the World Bank Treasury website (https://treasury.worldbank.org/en/about/unit/treasury/ibrd-financial-products/lending-rates-and-fees).
17. IBRD Lending subject to Bank Policy, "Lending Operations: Choice of Borrower and Contractual Agreements."
18. IDA-only Country that is also a Small Island Economy, therefore receives IDA Financing on small economy terms.
19. Moldova and Mongolia are granted temporary access to IDA financing from the CRW on blend terms in FY22.
20. Country's allocations beyond the US$1 billion ceiling are on IDA regular term credits or as determined under the SDFP (see footnote 12 above).
21. Lending eligibility of Zimbabwe as "Blend" is per its FY21 classification and subject to change if the country is removed from the list of countries with loans/credits in nonaccrual status.
22. The country's GNI per capita has been below the IDA operational cut-off for either one or two consecutive years, and the country continues to access IDA resources on blend terms.

Changes during current fiscal year

1. The temporary adjustment of IDA grant eligibility that was in effect in FY21 due to COVID-19 has expired on June 30, 2021.
2. Comoros has been granted the status of an IDA-only Country under the Small Island Economies Exception, effective FY22.
3. Moldova and Mongolia are granted access to IDA financing from the CRW on blend terms in FY22.
4. Current classification of IBRD eligible borrowers under Group A is based on FY21 FCS list. Latest list of FCS countries is available on the following link: (https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations).
5. Panama's GNI per capita dropped below High-Income Country (HIC) threshold resulting in a move from Group D to Group C.
6. Botswana's GNI per capita dropped below Graduation Discussion Income (GDI) and hence, moved from Group C to Group B.

Changes during previous fiscal year

1. Moldova and Mongolia were reclassified from Blend Country to IBRD-only borrower, effective July 1, 2020.
2. Moldova and Mongolia were granted temporary access to IDA financing from the CRW on blend terms in FY21.
3. Due to COVID-19, a temporary adjustment of IDA grant eligibility was in effect during and up to the end of FY21: for countries with an updated debt sustainability analysis indicating deterioration in debt risks, the country's grant eligibility will be adjusted during and up to the end of FY21. Please visit a country page on the IDA "Debt" webpage [https://ida.worldbank.org/debt] for the most recent update.
4. Countries at high risk of debt distress receiving their IDA allocations fully on grant terms were subject to a ceiling of US$1 billion per fiscal year per country; Country's Allocations beyond the US$1 billion ceiling are on IDA regular term credits or as determined under the SDFP.
5. Dominican Republic moved from group B to group C, as the country's per capita GNI remained above GDI for a second consecutive year.
6. Venezuela moved from group B to group A, as the country was added to the FCS list.
7. The official name of Samoa changed to Independent State of Samoa.
8. The grant eligibility of Madagascar changed from 0% to 50% due to deterioration of risk of debt distress, effective August 27, 2020.
9. The grant eligibility of Guinea-Bissau changed from 50% to 100% due to deterioration of risk of debt distress, effective February 1, 2021.
10. Sudan has been removed from the list of countries with loans/credits in nonaccrual status, effective March 25, 2021.

TABLE 2

Group A: Blend Countries, Small State Economies, FCS Countries and relevant recent IDA Graduates	
Average Maturity	**Maturity Premium (bps)**
Up to 8 year average	0
8+ to 10 year average	10
10+ to 12 year average	20
12+ to 15 year average	30
15+ to 18 year average	40
18+ to 20 year average	50

TABLE 3

Group B: Countries not in Group A with a GNI per capita below or equal to GDI	
Average Maturity	**Maturity Premium (bps)**
Up to 8 year average	0
8+ to 10 year average	10
10+ to 12 year average	25
12+ to 15 year average	40
15+ to 18 year average	55
18+ to 20 year average	70

TABLE 4

Group C: Countries not in Group A or D with a GNI per capita above GDI	
Average Maturity	**Maturity Premium (bps)**
Up to 8 year average	0
8+ to 10 year average	10
10+ to 12 year average	30
12+ to 15 year average	50
15+ to 18 year average	70
18+ to 20 year average	90

TABLE 5

Group D: Countries not in Group A and classified as High-Income Member Countries (HICs)	
Average Maturity	**Maturity Premium (bps)**
Up to 8 year average	5
8+ to 10 year average	15
10+ to 12 year average	40
12+ to 15 year average	65
15+ to 18 year average	90
18+ to 20 year average	115

ANNEX 3

Table 1: Transaction Fees on Conversions

Expressed as a percentage per annum on the outstanding loan amount unless otherwise indicated.

The offering of conversions or conversion features entailing spread-fixing of any kind is suspended with effect from (and including) July 1, 2021.

Transaction Type	For Fixed and Variable Spread Loans	
Interest Rate Conversion	**USD[(1)]**	**EUR[(1)], JPY[(1)], GBP[(1)]**
Reference rate fixings of disbursed amounts	0.05%	0.10%
Interest Rate Caps/Collars of disbursed amounts	On a case-by-case basis	
Currency Conversion		
Of undisbursed loan amounts [(2)]	0.125%	
Of disbursed loan amounts	0.06%	0.11%
Automatic currency conversion to local currency		
Early termination of any conversion[(3)]	0.02%	

[1] Currency of the loan prior to the Conversion.
[2] Expressed as a percentage of the principal amount involved, and payable as a lump sum.
[3] Transaction fees expressed as a percentage per annum are converted to a one-time lump sum.

Table 2: Transaction Fees on Hedging Products

Transaction Type	Transaction Fee	
Hedges on Liabilities to IBRD		
Currency Swaps	0.02%	
Interest Rate Swaps	0.01%	
Interest Rate Caps/Collars	0.125% one time	
Commodity Swaps	0.375% one time	
Hedges on Liabilities to Others		
	Major Currencies	**Local Currencies**
Currency Swaps	0.10%	0.02%
Interest Rate Swaps	0.03%	0.01%
Hedges on commodities and indices	Case-by-case	Case-by-case

Table 3: Transaction Fees on Natural Disaster Risk Management Products

Transaction Type	Transaction Fee
Natural Disaster Risk Management Products	case-by-case

ANNEX 4

IBRD Loan Prepayment Premium

IBRD Flexible Loans (IFLs), Fixed Spread Loans (FSLs) and Variable Spread Loans (VSLs)

1. IBRD may charge a prepayment premium to cover the cost to IBRD of redeploying prepaid funds. The calculation of the redeployment cost for all or any portion of a loan that has not been converted is carried out in accordance with para.1. a. below and, for all or any portion of a loan that has been converted, in accordance with para.1. b. below.

   a. For prepayments of unconverted portions of a loan, loans with conversions of unwithdrawn amounts and no additional conversions, and loans with a conversion to fix the spread and no additional conversions, the prepayment premium is calculated as follows:

      i. The amount of the prepayment premium is based on the difference between: (i) the fixed or variable spread net of waivers[1], if any, payable, on the prepaid loan and (ii) the fixed or variable spread net of waivers[1], respectively, in effect for the relevant loan currency with an average repayment maturity equivalent to the remaining average repayment maturity of the prepaid cash flows of the loan at the date of prepayment.

      ii. The prepayment premium is equal to the present value of the prepaid cash flows multiplied by the difference in the spread computed in sub-paragraph (i), with an assumed floor value of zero.

      iii. The present value computed in (ii) is the premium the Borrower is charged by the Bank.

   b. Prepayment of converted portions of loans

   If all or any portion of a loan has been converted, the prepayment premium is calculated based on the following components:

      i. The prepayment premium as outlined in paragraph (a) above;

      ii. An "Unwinding Amount"[2] in connection with the early termination of any conversion. The "Unwinding Amount" is the cost or gain to the Bank in relation to the termination of any swap effected for the relevant conversion.[3] Any such cost results in an additional

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[1] The redeployment cost of unconverted portions of loans with fixed spread accounts for differences in the contractual spread, projected funding cost, market risk premium, basis swap adjustment and maturity premium, if applicable. The calculation of the redeployment premium uses the fixed spread in effect at loan prepayment based on average remaining maturity of the prepaying loan, assuming redeployment into a loan with the same maturity/country classification/risk characteristics as the prepaid loan at the time of prepayment. The redeployment cost of unconverted portions of loans with variable spread accounts for differences in the contractual spread and maturity premium, if applicable.

[2] "Unwinding Amount" has the meaning given to it in the applicable IBRD General Conditions.

[3] The Bank may have effected the relevant conversion by entering into a hedge transaction with a market counterparty or, by applying a screen rate (in the circumstances described in the Conversion Directive). In both cases an

amount payable by the Borrower to the Bank, and any such gain is subtracted from the amount to be prepaid by the Borrower or is paid to the Borrower in the absence of any redeployment cost;[4]

iii. A transaction fee, which is applied to the amount of the principal that is being prepaid on a per annum basis, and discounted to the date of prepayment[5] (see TRE website for transaction fee information: http://treasury.worldbank.org).

2. In the case of IFLs or FSLs, partial prepaid amounts are applied as directed by the Borrower. In the case of VSLs, partial prepaid amounts are applied first to the latest maturities due on the loan.

Pre-Pool Loans, Currency Pool Loans (CPLs), and Single Currency Pool Loans (SCPs)

3. Assessment of the prepayment premium waiver on Currency Pool Loans (CPLs), Single Currency Pool Loans (SCPs), and pre-pool loans is based on the following procedure:

   a. The latest available carrying values and estimated values for loans in various categories, as reported annually in IBRD's audited financial statements, are the basis for assessing whether to grant a waiver of the contractual prepayment premium.[6]

   b. The prepayment premium on the loan is waived in its entirety if the estimated value of all loans in a particular category is less than or equal to the carrying value. However, the premium is applied if the estimated value is greater than the carrying value – with the added proviso that it is the smaller of the computed contractual premium on the loan and the premium over the carrying value as determined by the estimated value. If interest rates rise, the "off-marketness" of the lending rates are narrowed, and the contractual prepayment premium on these loans may be higher than the premium of the estimated value over the carrying value. In that case, the Borrower pays the latter as the premium, thus receiving a partial prepayment premium waiver.

   c. For financial intermediary loans with flexible amortization schedules, IBRD waives the premium if the financial intermediaries make the prepayments after receiving the prepayments from the sub-Borrowers.

Unwinding Amount may be payable either by the Bank or the borrower as the Bank would have taken a position in order to effect the conversion that would have to be reversed or undone because of a loan prepayment.

4 The Bank effects a market transaction or uses a screen rate calculation on the prepayment date, or shortly thereafter, and it generally takes two business days to settle a swap. “Unwinding Amount” is calculated based on the assumption that the Bank swapped 100% of the converted portion of the prepaid loan.

5 The transaction fee is not applicable for prepayments of portions of loans whose currency was converted prior to withdrawal, provided no subsequent conversions of withdrawn amounts took place.

6 "Carrying" value and "estimated" value are terms used in IBRD's financial statements. The "carrying" value of an IBRD loan is synonymous with the book value of the loan and is expressed in USD equivalent terms. It is usually defined as the historical value of currencies in USD equivalents outstanding on the loan, plus the translation adjustment on the loan. IBRD loans do not have a secondary market. "Estimated" values of IBRD loans published in IBRD's financial statements are used as a proxy for the market-to-market value of IBRD loans.

4. Prepayment premium schedules for pre-pool loans, CPLs, and SCPs are included in the Loan Agreements for those loans. Premia are calculated in accordance with these schedules as illustrated below.

Variable-Rate CPL and Variable-Rate SCPs[7]

5. For a variable rate CPL or SCP, for each of the maturities being prepaid, the premium rate is calculated by multiplying the current interest rate on the loan with the appropriate factor from the "Premiums on Prepayment" schedule in the Loan Agreement. The premium rate so computed is then applied to the appropriate maturity to arrive at the prepayment premium for that maturity. Premia computed for all maturities being prepaid are added together to arrive at the prepayment premium for the loan.

6. As an illustration, assume a Category III country prepays any variable-rate pool loan with four remaining maturities. Each maturity is US$1 million and the total prepayment is US$4 million. Assume further that the current interest rate on the loan is 6.5 percent and the factor from the "Premiums on Prepayment" schedule in the Loan Agreement is 0.18. The premium rate for the maturities being prepaid is (065*.18), which is .0117, or 1.17 percent. Multiplying US$4 million by the premium rate of 1.17 percent, produces the total premium of US$46,800 for the loan.

Converted Variable-Rate CPL and Variable-Rate SCPs

7. For CPLs and SCPs with an interest rate of LIBOR[8] plus 1% or a swap rate-based fixed rate, the prepayment premium payable is an amount reasonably determined by Management to represent any cost of redeploying the amount to be prepaid at the London interbank offered rate for six month deposits in United States Dollars from the date of its prepayment to its maturity date.

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[7] From May 2006 to June 30, 2009, the Bank offered borrowers of variable-rate CPLs and SCPs the option to convert the interest rate to either a LIBOR-based rate or a swap rate-based fixed rate. The prepayment policy for these converted loans is set forth in paragraph 7.

[8] During the transition out of LIBOR, IBRD follows the principle of equivalence in respect of deriving the interest rate from the relevant reference rate.