

Offering Circular



International Finance Corporation

DISCOUNT NOTES

The International Finance Corporation (the “Corporation”), intends to offer on a continuous basis notes (“Discount Notes”) with maturities of 360 days or less at a discount rate that may be a positive or negative number and, in certain circumstances, on an interest-bearing basis. The Discount Notes are offered through a group of dealers (the “Dealers”) consisting (on the date hereof) of the Dealers listed on Annex A attached hereto. Dealers may be added or removed from time to time at the discretion of the Corporation, and a list of the current Dealers can be obtained from the Corporation by contacting the Corporation as provided in Annex A. The Corporation may also offer and sell Discount Notes directly to investors on its own behalf. The Discount Notes may be offered in the United States and Eurodollar markets. Neither the Dealers nor the Corporation will accept any customer’s order for Discount Notes to be issued by the Corporation for less than \$100,000 aggregate face amount per maturity date. Discount Notes will be issued only in uncertificated book-entry form and are available in denominations of \$1,000 and integral multiples thereof. The maturities of Discount Notes offered by the Corporation and the discount rate (which may be a positive or negative number) for various maturities will be established from time to time by the Corporation. Information as to the maturities available and such discount rates (as well as the corresponding interest rates for Discount Notes to be sold on an interest-bearing basis) may be obtained from the Dealers.

Each of the Dealers has undertaken to the Corporation to use its best efforts to facilitate secondary market transactions in the Discount Notes.

The Federal Reserve Bank of New York acts as Fiscal Agent of the Corporation with respect to Discount Notes pursuant to a Fiscal Agency Agreement. On original issuance, all Discount Notes will be issued only in book-entry form through the office of the Fiscal Agent in New York. Discount Notes will be held by Holding Institutions designated by the Dealers, including JPMorgan Chase Bank, N.A. and Citibank, N.A. as depositaries for Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme, respectively. After original issuance, Discount Notes will continue to be held by such Holding Institutions unless a purchaser arranges for the transfer of its Discount Notes to another Holding Institution. Payment of the purchase price for Discount Notes and payment of Discount Notes at maturity are to be made in immediately available funds to accounts of Holding Institutions.

The Discount Notes are not the obligations of the International Bank for Reconstruction and Development or of any government.

The validity and the terms and conditions of the Discount Notes will be governed by the law of the State of New York.

October 11, 2022

No person has been authorized to give any information or to make any representation other

than those contained in this Offering Circular in connection with the offering or sale of the Discount Notes and, if given or made, such information or representation must not be relied upon as having been authorized by the Corporation or any Dealer. Neither the delivery of this Offering Circular nor any offering or sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the financial condition or affairs of the Corporation since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or the date of any documents most recently incorporated by reference in, and forming part of, the Offering Circular (as described in “Availability of Information” and “Incorporation by Reference” below) or that any other information supplied in connection with the Discount Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Corporation or any Dealer to subscribe for, or purchase, any Discount Notes. Neither this Offering Circular nor any other information supplied in connection with the Discount Notes should be considered as a recommendation by the Corporation or any of the Dealers that any potential investor should purchase any Discount Notes. Each investor contemplating purchasing any Discount Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Corporation.

Purchase Price of Discount Notes and Payments at Maturity

The Discount Notes will generally be non-interest bearing obligations sold at a discount rate that may be a positive or negative number, with the face amount thereof payable in full on the maturity date thereof. If the discount rate for a Discount Note is negative, the face amount payable on the maturity date of the Discount Note will be less than the purchase price for the Discount Note.

The Discount Notes will be sold at a fixed price. The initial offering price of an issue of Discount Notes will be equal to the difference between the face amount of the Discount Notes and the amount derived from the following formula:

$$\begin{array}{rcccl}
 \text{Face Amount of} & & \text{Percentage of Discount Rates} & & \text{Number of Days from the Issue} \\
 \text{Discount Notes} & \times & \text{(may be a positive or negative} & \times & \text{Date to, but Excluding the Maturity} \\
 & & \text{number)} & & \text{Date of the Discount Notes} \\
 \hline
 & & & & 360 \text{ days}
 \end{array}$$

The purchase price of a Discount Note sold at par will be equal to the face amount of the Discount Note. The purchase price of an interest-bearing Discount Note will be equal to the face amount of the Discount Note, and the principal amount of an interest-bearing Discount Note, together with interest accrued thereon to the maturity date thereof, will be payable in full on the maturity date of the interest-bearing Discount Note.

We will not offer a Discount Note having a maturity date that is not expected to be a business day. For this purpose, the term “business day” means any day other than a Saturday, a Sunday or any other day on which the Federal Reserve Bank of New York is closed for business. In the event that the Federal Reserve Bank of New York is, however, closed for business on the maturity date of any Discount Note, the maturity date for that Discount Note shall be deemed to be the next day on which the Federal Reserve Bank of New York is open for business, but without any adjustment to the amount payable on that Discount Note.

Book-entry System

The Federal Reserve Bank of New York will take delivery of and hold Discount Notes as record owner and custodian, but only for other Federal Reserve Banks and Holding Institutions located in the Second Federal Reserve District. Holding Institutions located in other Federal Reserve Districts can hold Discount Notes through their respective Federal Reserve Bank or Branch. A Holding Institution is a depository institution that has an appropriate book-entry account with a Federal Reserve Bank or Branch. Transfers of Discount Notes between Holding Institutions can be made through the Federal Reserve Communications System.

The aggregate holdings of Discount Notes of each Holding Institution will be reflected in the book-entry account of such Holding Institution with its Federal Reserve Bank or Branch. Each Holding Institution, and each other intermediate holder in the chain to the ultimate beneficial owner, will have the responsibility of establishing and maintaining accounts for its customers having interests in Discount Notes. Federal Reserve Banks will be responsible only for maintaining the book-entry accounts of Holding Institutions, effecting transfers on their books and ensuring that payments from the Corporation, through the Federal Reserve Bank of New York, are credited to appropriate Holding Institutions. With respect to Discount Notes, Federal Reserve Banks will act only on the instructions of Holding Institutions for which they maintain such Discount Notes. The Federal Reserve Banks will not record pledges of Discount Notes.

The Corporation will not impose fees in respect of Discount Notes. However, owners of Discount Notes may incur fees payable in respect of the maintenance and operation of the book-entry accounts in which such Discount Notes are held.

United States Membership in the Corporation

The United States became a shareholder of the Corporation pursuant to an Act of Congress (the “International Finance Corporation Act”, 22 U.S.C. §§ 282 et seq.). The United States is the Corporation’s largest shareholder, having 19.86% of its shares and 18.79% of the total voting power at August 29, 2022. Each member country, including the United States has one representative on the Corporation’s Board of Governors. The Corporation is an instrumentality of its member governments including the United States Government.

Eligibility for Investment

The Discount Notes may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which are under the authority and control of the United States or any officers thereof (31 C.F.R. § 202.6(b)). The Discount Notes are also acceptable as collateral for Treasury tax and loan accounts, subject to applicable margin adjustments (31 C.F.R. § 203.21(d)).

National banks and state member banks of the Federal Reserve System may, under Federal law, deal in the Discount Notes without limitation and may hold Discount Notes for their own account subject to a limit of 10% of their unimpaired capital and surplus (12 U.S.C. § 24 (Seventh)). Surplus and reserve funds of Federal Home Loan Banks may be invested in the Discount Notes if obligations of the Corporation are eligible investments for fiduciary and trust funds under the laws of the state where the Federal Home Loan Bank is located (12 U.S.C. §§ 1431(h) and 1436(a)).

Approval of the United States Government

As required by its Articles of Agreement (the “Articles”), the Corporation has obtained the approval of the United States Government for the raising of funds in or outside the United States through the issuance of the Discount Notes.

Status Under Securities Acts

Under the provisions of Section 13(a) of the International Finance Corporation Act, as amended, the Discount Notes are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 3(a)(12) of the Securities Exchange Act of 1934, as amended.

Validity of the Discount Notes

The validity of the Discount Notes has been passed upon by the Vice President and General Counsel of the Corporation and by Sullivan & Cromwell LLP, counsel for the Dealers, who, with respect to certain matters, have relied upon the opinion of the counsel of the Corporation. The opinions of counsel of the Corporation and of Sullivan & Cromwell LLP are conditioned upon, and subject to certain assumptions regarding, future action required to be taken by the Corporation in connection with the issuance and sale of any particular Discount Note and other matters which cannot be ascertained on the date of their opinions.

Use of Proceeds

The net proceeds to the Corporation from the sale of Discount Notes will be used in the general operations of the Corporation.

Tax Matters

The following is a summary of the provisions of the Articles affecting the taxation of Discount Notes and this section describes certain anticipated United States federal income, withholding and estate tax consequences resulting from the ownership of Discount Notes. The information set forth herein is provided as of the date of this Offering Circular, and each of the Corporation and any relevant Dealer disclaims any undertaking to advise you of changes which thereafter may be brought to our or their attention. This is a limited summary based upon certain generally applicable United States federal income, withholding and estate tax laws as now in effect and as currently interpreted and does not include any description of the tax laws of any state, local or foreign government that may apply. It is not intended as tax advice to any person, and all persons considering the purchase of Discount Notes should consult their own tax counsel or other expert. For purposes of the discussion below, the term "US Holder" refers to (a) an individual who is a citizen or resident of the United States; (b) a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States or any state thereof, including the District of Columbia; (c) an estate whose income is subject to United States federal income tax regardless of its source; or (d) a trust (i) that has a valid election in effect to be treated as a U.S. person for United States federal income tax purposes or (ii) if a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust.

The discussion below only applies to holders that purchase Discount Notes in the initial offering of the Discount Notes and that hold the Discount Notes as a capital asset for United States federal income tax purposes. This discussion addresses only United States federal income taxation and does not discuss all of the tax consequences that may be relevant to a holder of Discount Notes in light of its individual circumstances, including foreign, state or local tax consequences, estate and gift tax consequences, and tax consequences arising under the Medicare contribution tax on net investment income or the alternative minimum tax. This section does not describe all of the tax consequences that may apply to a holder of Discount Notes if the holder is a member of a special class of taxpayers that is subject to special United States federal income tax rules, such as a dealer in securities, a trader in securities that elects to use a mark-to-market method of accounting for their securities holdings, a bank, a life-insurance company, a tax-exempt organization, a person that owns Discount Notes that are

a hedge or that are hedged against interest rate risks, a person that owns Discount Notes as part of a straddle or conversion transaction for tax purposes, a person that purchases or sells Discount Notes as part of a wash sale for tax purposes, or a US Holder whose functional currency for tax purposes is not the U.S. dollar.

If an entity or arrangement treated as a partnership for United States federal income tax purposes holds Discount Notes, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for United States federal income tax purposes, or partners in such partnerships, should consult their tax advisors with regard to the United States federal income tax treatment of an investment in Discount Notes.

A Discount Note will be treated as issued with original issue discount (“OID”) in an amount equal to the excess, if any, of the (i) the sum of the face amount of the Discount Note plus any interest that is paid on the Discount Note over (ii) the issue price for the Discount Note. If a US Holder is an accrual basis taxpayer, a taxpayer in a special class (including, but not limited to, a regulated investment company, common trust fund, or a certain type of pass-through entity), or a taxpayer that is subject to the cash basis method of tax accounting who so elects, the US Holder will be required to accrue the OID on the Discount Note on either a straight-line basis or under the constant-yield method, based on daily compounding, and would reduce their basis in the Discount Note by any interest payments received prior to maturity. All other US Holders would not accrue OID on the Discount Note ; however, it is likely that they would include any interest payments on the Discount Note in ordinary income when received, although it is possible that they would instead reduce their basis in the Discount Note by the interest payments. In addition, any gain that such a US Holder recognizes upon the sale or maturity of its Discount Note would be ordinary income to the extent of the accrued OID at such time not previously included in income, which would be determined on a straight-line basis unless the US Holder makes an election to accrue the OID under the constant-yield method. Furthermore, a US Holder that is not required to accrue OID on its Discount Note will be required to defer deductions for interest on borrowings allocable to its Discount Note to the extent of the accrued OID on the Discount Note until the US Holder includes the accrued OID in income for tax purposes. Except as described above with respect to accrued OID, any gain or loss that a US Holder recognizes upon a sale of a Discount Note would be short-term capital gain or loss.

If a Discount Note is issued for a price that exceeds the sum of the face amount of the Discount Note and any interest that is paid on the Discount Note, then a US Holder will be treated as holding the Discount Note with amortizable bond premium in an amount equal to such excess. If the US Holder makes an election to amortize bond premium with respect to the Discount Note and it holds the Discount Note until maturity, then it will recognize an ordinary deduction (that is not treated as a miscellaneous itemized deduction) at such time that is equal to the amount of amortizable bond premium. If the US Holder makes an election to amortize bond premium and it sells the Discount Note prior to maturity, then it will recognize an ordinary deduction (that is not treated as a miscellaneous itemized deduction) at the time of the sale equal to the amount of the bond premium that accrued during the period that the US Holder held the Discount Note. In either case, the US Holder's basis in the Discount Note would be reduced by the amount of the ordinary deduction. If a US Holder does not elect to amortize bond premium with respect to a Discount Note, then the US Holder's basis will include the amortizable bond premium, and thus a US Holder that holds the Discount Note until maturity would recognize a short-term loss upon the maturity of the Discount Note that is equal to the amount of amortizable bond premium. A US Holder's ability to use capital losses is subject to limitations. If a taxpayer makes an election to amortize bond premium, it would apply to all debt instruments, other than debt instruments the interest on which is excludible from gross income, that the taxpayer holds at the beginning of the first taxable year to which the election applies or that it thereafter acquires, and the election may not be revoked without the consent of the IRS.

The United States Treasury Department has issued to the Corporation a ruling dated February 14, 1992 (the “Ruling”) regarding certain United States tax consequences under the Code of the receipt of interest on securities issued by the Corporation. The Ruling provides that interest paid by the Corporation on such securities, including accrued OID, constitutes income from sources outside the United States.

Under the Ruling, the Corporation’s payments of OID on the Discount Notes ordinarily would not be subject to United States federal income tax, if paid to a nonresident alien individual (or foreign estate or trust) or to a foreign corporation, whether or not such person is engaged in trade or business in the United States. However, absent any special statutory or treaty exception, such payments would be subject to United States federal income tax if: (a) such payments are derived by such person in the active conduct of a banking, financing or similar business within the United States or are received by a corporation the principal business of which is trading in stock or securities for its own account, and in either case such payments are attributable to an office or other fixed place of business of such person within the United States; or (b) such person is a foreign corporation taxable as an insurance company carrying on a United States insurance business and such payments are attributable to its United States business.

The Corporation’s Articles provide that the Corporation’s securities and interest, if any, thereon are not subject to any tax by a member (a) which tax discriminates against the securities solely because they are issued by the Corporation or (b) if the sole jurisdictional basis for the tax is the place or currency in which the securities are issued, made payable or paid, or the location of any office or place of business maintained by the Corporation. The imposition of United States federal income tax in the manner described above is not inconsistent with the Corporation’s Articles.

Under its Articles, the Corporation is not under any obligation to withhold or pay any taxes on any interest on the securities it issues. The Ruling accordingly determined that neither the Corporation nor an agent appointed by it for the purpose of paying interest on securities issued by the Corporation is required to withhold tax on interest paid by the Corporation. Payments of OID on Discount Notes will be made by the Fiscal Agent without deduction in respect of any such tax.

Furthermore, neither the Corporation nor, under regulations effective January 1, 2001, the Fiscal Agent is subject to the reporting requirements that are imposed by United States tax law with respect to certain payments of interest and principal and accruals of OID on debt obligations. Neither the Corporation nor the Fiscal Agent is required to implement backup withholding with respect to such payments and accruals. However, the Fiscal Agent may file information returns with the Internal Revenue Service with respect to payments of OID on the Discount Notes within the United States to certain non-corporate United States persons as if such returns were required of it.

In addition, brokers, trustees, custodians and other intermediaries within the United States are subject to the reporting and backup withholding requirements with respect to certain payments of OID on Discount Notes held for the account of certain non-corporate United States persons. Foreign persons holding Discount Notes within the United States through such intermediaries may be required to establish their status in order to avoid information reporting and backup withholding of tax by such intermediaries in respect of payments on Discount Notes.

In the case of United States federal estate tax, the Rulings determined that, unless an applicable death tax convention with a foreign country provides otherwise, securities of the Corporation are deemed to be situated outside the United States for purposes of the United States federal estate tax and are not includable in the value of the gross estate for purposes of such tax in the case of the estate of a nonresident of the United States who is not a citizen of the United States.

Information with Respect to Foreign Financial Assets. Owners of “specified foreign financial assets” with an aggregate value in excess of \$50,000 (and in some circumstances, a higher threshold)

may be required to file an information report with respect to such assets with their tax returns. “Specified foreign financial assets” may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts that have non-United States issuers or counterparties, and (iii) interests in foreign entities. Holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the Discount Notes.

Availability of Information

The Corporation prepares:

- (a) unaudited quarterly financial statements and audited annual financial statements;
- (b) an annual information statement (the “Information Statement”) which describes the Corporation, including its capital, operations and administration, the Articles, the Corporation’s legal status, and its principal financial policies, and contains the Corporation’s most recent audited financial statements; and
- (c) an annual report that includes a description of the Corporation’s operations and results for the relevant fiscal year.

The Corporation is subject to certain information requirements of 17 C.F.R. Part 289 (Regulation IFC), promulgated by the U.S. Securities and Exchange Commission (the “Commission”) under the United States International Finance Corporation Act of 1955, as amended, and in accordance therewith files with the Commission its unaudited quarterly and audited annual financial statements and its most recent Information Statement and annual report (collectively the “IFC Information”).

The IFC Information is filed with the Commission electronically through the EDGAR system and may be obtained at the Internet Address: www.sec.gov/edgar.shtml. Copies of the IFC Information also will be available without charge from the Corporation upon written request. Written requests should be directed to the Corporation’s principal office at 2121 Pennsylvania Avenue, N.W., Washington, D.C., 20433, Attention: Treasury Market Operations Department.

Incorporation by Reference

The Information Statement dated October 11, 2022, including the Corporation’s audited annual financial statements as of June 30, 2022, and any Information Statement and any quarterly or annual financial statements filed by the Corporation pursuant to Regulation IFC subsequent to October 11, 2022 and prior to the termination of the offering of Discount Notes under this Offering Circular shall be deemed to be incorporated by reference into this Offering Circular and to be a part hereof.

Any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

ANNEX A

Dealers

As of October 11, 2022, the Dealers consist of:

1. Barclays Capital Inc.
2. BofA Securities, Inc.
3. CastleOak Securities, L.P.
4. Jefferies & Company, Inc.
5. J.P. Morgan Securities LLC
6. Mesirow Financial, Inc.
7. Mizuho Securities USA LLC
8. Nomura Securities International, Inc.
9. UBS Securities LLC
10. Wells Fargo Securities LLC

Dealers may be added or removed from time to time at the discretion of the Corporation. A list of the current Dealers can be obtained from the Corporation upon request. Written requests should be directed to the Corporation at its principal office at:

International Finance Corporation
2121 Pennsylvania Avenue, N.W.
Washington, D.C., 20433
Attention: Treasury Market Operations Department