

World Bank says demand for blockchain bond tops expectations

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Bitcoin mining is viewed at BitFarms in Saint Hyacinthe, Quebec in 2018

The World Bank raised Aus\$110 million (\$80.9 million) in the first-ever blockchain bond offering following investor demand that exceeded expectations, the global lender announced Thursday.

The Washington-based bank, which has embraced blockchain as a valuable tool in its economic development mission, had initially expected to garner Aus\$50 million (\$36.8 million) for the two-year [bond](#), with a possible doubling of that size depending on [investor](#) interest.

"I am delighted that this pioneer bond transaction using the distributed ledger technology, bond-i, was extremely well received by investors," World Bank Treasurer Arunma Oteh said in a statement.

"We are particularly impressed with the breadth of interest from official institutions, fund managers, government institutions and banks."

Blockchain is a digital public registry of transactions that has aroused considerable enthusiasm in financial and government circles over its potential to facilitate transactions and improve supply chains and product verification in myriad industries.

World Bank areas of focus that could be helped by blockchain and other disruptive technologies include land administration, health, education and carbon markets, the bank said.

Investors included Commonwealth Bank of Australia, First State Super, Northern Trust and the Treasury Corporation of Victoria.

Derek Young, [chief operating officer](#) for group investments at QBE Insurance Group, another investor, said in remarks provided by the bank that blockchain offered "untapped potential for the application of this product to capital markets."

There is no central bank behind blockchain. The vehicle will be organized around Australian dollars.

The [technology](#) is most often associated with cryptocurrencies—like

bitcoin—which often raise suspicions about their reliability and volatility, as well as their use for criminal purposes.

However, even some critics of bitcoin have said [blockchain](#) offers significant potential among emerging financial technologies.

Microsoft was an independent code reviewer for the bond offering, while TD Securities served as market maker.

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