

## **Issuance of “Inclusive Business Bonds” ~ Reaching 4.5 billion at the BOP through bond investments ~**

**Tokyo, Japan, September 24, 2014** --- IFC, a member of the World Bank Group, and Daiwa Securities Group today announced plans to issue the Inclusive Business Bonds which is to raise funds to finance IFC's operations for lending for inclusive business projects.

This will be the first transaction to issue and offer the Inclusive Business Bonds (the Bonds), and Daiwa Securities is to offer the Bonds to individual and institutional investors in Japan. The Bonds is planned to be denominated in Brazilian Real (BRL) and to be issued in October 2014.

### 4.5 billion people at the BOP

There are 4.5 billion people who comprise the low-income segments of the world populations. That is often referred to as the base of the economic pyramid, or the BOP. IFC further defines the BOP as these individuals earning less than US\$8 per day in terms of purchasing-power parity or who lack access to basic goods and services. Many people at the BOP pay higher prices for basic goods and services than do wealthier consumers and they often receive lower quality as well.

### Inclusive businesses

Inclusive business models are commercially viable and replicable business models that include low-income consumers, retailers, suppliers, or distributors in core operations. Inclusive business is economically and socially sustainable. Companies all over the world are already looking at the market size of US\$5 trillion – this is the combined spending power of the 4.5 billion people at the BOP.

IFC is the largest global development institution focused exclusively on the private sector and the largest multilateral investor in inclusive business. Over the past 10 years, IFC committed over US\$11 billion in investments to more than 400 companies with inclusive business models in over 90 developing countries. IFC has reviewed its investments in these inclusive business projects for the last 10 years and found financial returns similar to the other projects and higher development results.

### Overview of the bond program and use of proceeds

The net proceeds of the issue of the Notes (which may be converted into US dollars) will be allocated to a special sub-portfolio linked to IFC's lending operations that IFC's criteria for projects funded under Inclusive Business Bonds. Proceeds will generally be used to support IFC lending to inclusive businesses projects.

Daiwa Securities works actively to encourage impact investment—such as the *Inclusive Business Bonds*—which aims to provide solutions to existing social problems.

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■ About IFC

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. Working with private enterprises in about 100 countries, we use our capital, expertise, and influence to help eliminate extreme poverty and boost shared prosperity. In FY14, we provided more than \$22 billion in financing to improve lives in developing countries and tackle the most urgent challenges of development. For more information, visit [www.ifc.org](http://www.ifc.org).

■ About the Daiwa Securities Group

Daiwa Securities Group Inc., founded in 1902, is one of the largest independent and comprehensive securities company in Japan. The Group contributes to the development of society and economy by providing a broad range of financial services worldwide through its global network. The Group's core business includes brokerage, investment banking, asset management, investment, and technology services. Additionally, the Group entered into banking business in 2011. In April 2012, Daiwa Securities, the retail arm of the Group, merged with Daiwa Securities Capital Markets, the wholesale arm.

Operational base of the Group spreads around the world, including Japan, the United States, Europe, and Asia-Oceania. The Group employs near 14,000 personnel worldwide, and its customer asset under custody is approximately JPY50.5 trillion. (All figures are as of the end of Jun.2014)