

The logo for MS&AD Insurance Group, featuring the letters "MS&AD" in white on a dark green rectangular background.

MS&AD Insurance Group



The MS&AD Insurance Group Invests in World Bank's Sustainable Development Bond

Washington, DC / Tokyo, February 10, 2017 – The World Bank (International Bank for Reconstruction and Development, IBRD, Aaa/AAA) and MS&AD Insurance Group Holdings, Inc. (President: Yasuyoshi Karasawa, hereinafter “the MS&AD Insurance Group”) are pleased to announce the completion of a private placement investment in the Sustainable Development Bond issued by the World Bank, denominated in US dollars. The USD 120 million bond maturing in 2027 has been designed in collaboration with the MS&AD Insurance Group which wants to invest in a Sustainable Development Bond with the World Bank. Nomura International plc was appointed as the sole lead manager for this transaction.

The World Bank raises funds in the international capital markets to support the financing of sustainable development projects in borrowing member countries. These projects focus on poverty reduction and inclusive growth across a range of sectors including education, healthcare, agriculture and food security, and essential infrastructure. World Bank Sustainable Development Bonds provide investors with an opportunity to support member countries in achieving their development goals.

Members of the MS&AD Insurance Group, namely Mitsui Sumitomo Insurance Co., Ltd., Aioi Nissay Dowa Insurance Co., Ltd., Mitsui Sumitomo Aioi Life Insurance Co., Ltd., and Mitsui Sumitomo Primary Life Insurance Co., Ltd. participated in the investment. This is the first time multiple Japanese insurance companies under the same group jointly invested in World Bank's Sustainable Development Bonds.

The MS&AD Insurance Group's mission is to contribute to the development of a vibrant society and help secure a sound future for the earth by bringing security and safety through the global insurance and financial services business.

“The MS&AD Insurance Group continues to create value through contributions to the solution for social issues by identifying risks and providing information on risks, preventing risks from being realized and reducing the impact of risks, and reducing the economic burden when risks become real through our risk management services and insurance products. We also prioritize responsible investment and are a signatory to the Principles for Responsible Investment Initiative. By investing in World Bank bonds, we will be able to contribute to tackling the challenges to achieve sustainable development,” said **Teruhiko Ito, Executive Officer, MS&AD Insurance Group.**

“With these World Bank Sustainable Development Bonds, we’re pleased to offer MS&AD Insurance Group the opportunity to invest in safe and liquid fixed-income instruments with optimal returns while also enabling them to do their part in helping realize the World Bank’s twin goals of eliminating poverty and boosting shared prosperity that are aligned with the international development community’s sustainable development goals. The Japanese investor community has always been an important part of our funding program and we appreciate their ongoing support of World Bank’s development activities around the world,” said **George Richardson, Head of Capital Markets at the World Bank.**

“It was a pleasure working with Mitsui Sumitomo Insurance Company (MSI) on designing the terms and conditions of this Sustainable Development Bond, and we appreciate Nomura’s role as financial intermediary in executing the transaction. MSI coordinated the private placement transaction, giving the companies in MS&AD Insurance Group the opportunity to invest in a product that not only meetings their financial goals, but also empowers them to make a difference in the communities around the world. We look forward to our continued relationship with investors like MS&AD Insurance Group who are interested in products like World Bank Sustainable Development Bonds to make a positive impact,” said **Yoshiyuki Arima, Capital Markets Representative at the World Bank Treasury in Tokyo.**

Example of projects financed by the World Bank

Philippines: Disaster Risk Management

Purpose: To help rebuild the economy and infrastructure in rural areas of Central Philippines after Typhoon Haiyan.

Expected Results (include) Boost the incomes of farmers and fishermen and repair 230 kilometers of farm-to-market roads in Central Philippines that was badly hit by the super typhoon.



IBRD Financing: IBRD Financing : USD 500 million

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The Philippines is the third-most vulnerable country in the world to extreme weather-related events, earthquakes, sea-level rise, and storm surges. Typhoon Haiyan, locally named ‘Yolanda’ struck the Philippines on November 8, 2013 with an estimated 11.2 million people affected. In the immediate aftermath, the World Bank pledged nearly US \$1 billion in financial assistance. World Bank Group President Jim Yong Kim announced that the World Bank was preparing more than \$62 million in follow-on funding for jobs, roads and bridges. The US \$62 million is part of a US \$508.25 million project designed to raise rural incomes and boost productivity for farmers and fishermen nationwide and repair 230 km of farm-to-market roads in Central Philippines that were badly hit by the super typhoon.

For more information about the World Bank’s work in disaster risk management see World Bank press release, “World Bank Group supporting Philippines Typhoon reconstruction with \$500 million financial package”:

- (Japanese)

<http://www.worldbank.org/ja/news/press-release/2013/11/18/world-bank-group-supporting-philippines-typhoon-reconstruction-with-500-million-financial-package>

- (English)

<http://www.worldbank.org/en/news/press-release/2013/11/18/world-bank-group-supporting-philippines-typhoon-reconstruction-with-500-million-financial-package>

Brazil - Espirito Santo Integrated Sustainable Water Management Project

Purpose: To improve sustainable water resource management and increase access to sanitation in Brazil

Expected Results (include) The financing of a water treatment plant is expected to remove 1,590 tons of BOD per year and will provide improved sanitation services for about 164,000 people. The project also supports improved watershed management and restoration of forest cover through reforestation of 2000 hectares, and is expected to improve the quality of surface and coastal waters in selected watersheds.

IBRD Financing: \$225 million



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Due to rapid and unplanned urbanization in the State of Espírito Santo, Brazil is facing challenges related to lack of clean water and water sanitation services. It is also more vulnerable to natural disasters. It is projected that within the next 20 years the capital city of Vitoria and surrounding areas may be forced to seek additional water sources to meet its water demand. Watershed degradation is resulting in high levels of erosion and insufficient coverage of sewerage collection and treatment is resulting in pollution of its waterways. This World Bank-financed project addresses disaster risk linked to flooding by improving metropolitan coordination and planning mechanisms for the management of urban water. It also provides tools for preparedness and response, such as a warning system which is expected to cover 70% of the state's territory.

For more information: <http://www.worldbank.org/projects/P130682?lang=en>

About the MS&AD Insurance Group

MS&AD Insurance Group Holdings, Inc. is the insurance holding company of the new Group formed in April 2010 through the business integration between Aioi Insurance Co., Ltd., Nissay Dowa General Insurance Co., Ltd., and Mitsui Sumitomo Insurance Group Holdings, Inc.. The MS&AD Insurance Group's vision is to create a world-leading insurance and financial services group that continues to seek sustainable growth and to enhance enterprise value, by rapidly and significantly improving quality and expanding its operating presence and corporate resources. The MS&AD insurance Group defines its mission as "to contribute to the development of a vibrant society and help secure a sound future for the earth by bringing security and safety through the global insurance and financial services business". The MS&AD Insurance Group is working towards the realization of this mission through "Next Challenge 2017", its four-year medium-term management plan.

About the World Bank

The World Bank (International Bank for Reconstruction and Development, IBRD), rated Aaa/AAA (Moody's/S&P), is an international organization created in 1944. It operates as a global development cooperative owned by 189 nations. It provides its members with financing, expertise and coordination services so they can achieve equitable and sustainable economic growth in their national economies and find effective solutions to pressing regional and global economic and environmental problems. The World Bank Group has two main goals: to end extreme poverty and promote shared prosperity. The World Bank (IBRD) seeks to achieve them primarily by providing loans, risk management products, and expertise on development-related disciplines to its borrowing member government clients in middle-income countries and other creditworthy countries, and by coordinating responses to regional and global challenges. The World Bank has been issuing bonds in the international capital markets for over 60 years to fund its sustainable development activities and achieve a positive impact. Information on bonds for investors is available on the World Bank Treasury website: www.worldbank.org/debtsecurities