

【NEWS RELEASE】

November 19, 2019
SMBC Nikko Securities Inc.

SMBC Nikko underwrites The Gunma Bank’s Green Bond

TOKYO, November 19, 2019--- SMBC Nikko Securities Inc. (“SMBC Nikko”) announced that SMBC Nikko acted as a joint book runner and green bond structuring agent* to underwrite green bond of The Gunma Bank, Ltd. (President, Representative Director: Akihiko Fukai / location of head office: Maebashi-shi, Gunma; “Gunma Bank”) (the “Green Bond”).

As various environmental and social issues become more critical, Gunma Bank formulated the “Gunma Bank Group SDGs Declaration” (the “SDGs Declaration”) in February 2019 with an aim to promote efforts as a group toward achievement of “the Sustainable Development Goals (SDGs)” adopted by the United Nations. In the SDGs Declaration, the preservation and creation of global environment are set as the one of the priority issues for the realization of a sustainable society and the creation of economic value.

While various companies’ efforts related to ESG is drawing a lot of interests in the society as a whole, Gunma Bank has decided to issue this bond ahead of other regional banks for the purpose of announcing its proactive approach to SDGs to each stakeholder and assisting customers working to preserve the environment and create a beautiful environment.

2019 Mid-Term Business Plan “Innovation New Dimension”—Toward delivering value, launched in April 2019 and ending in March 2022, is based on the concept of the SDGs Declaration. Gunma Bank aims for contribution to the development of regional communities through engagement with the achievement of the Business Plan.

SMBC Nikko has established a dedicated department—SDGs Finance—and has been actively working on ESG promotion with the aim of addressing environmental and social issues through business activities in the financial and capital markets. We believe that this underwriting will provide our insight into green bonds and sustainable development goals (SDGs) financing, while at the same time leading to further expansion of ESG investment and products on ESG themes. In addition, through the underwriting of Green Bond, SMBC Nikko will contribute towards achieving SDGs: “Affordable and Clean Energy” and “Climate Action”.



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This material is an English translation of Japanese announcement made on November 19, 2019. Although the company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed and thus you are encouraged to refer to the original Japanese document.

※ A green bond structuring agent supports the issuance of green bonds by advising the issuer on formulation of a green bond framework and on obtaining second-party opinions.

<Outline of The Gunma Bank, Ltd. 5th Issuance of Basel III-compliant Subordinated Bonds (Green Bond) >

Name	The Gunma Bank, Ltd. 5th Issuance of Basel III-compliant Subordinated Bonds (Green Bond)
Tenor	10NC5 years
Rate	(i) For the first five years (until November 26, 2024):0.37% per annum (ii) thereafter: 6-month Euro-yen LIBOR plus 0.42%
Issue amount	10 billion yen
Pricing date	November 19, 2019
Payment date	November 26, 2019
Redemption date	November 26, 2029
Acquired credit rating	A (R&I), AA- (JCR)
Green bond structuring agent	SMBC Nikko Securities Inc.

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