

September 22, 2022

The Norinchukin Bank

Investment in African Development Bank’s “Feed Africa” Theme Bond

—a USD 100 million investment to support food production increase in Africa—



The Norinchukin Bank (the “Bank”) announces that it invested USD 100 million in a 7-year “Feed Africa” Theme Bond (“the bond”), issued by the African Development Bank (the “AfDB”).

The AfDB’s mission is to spur sustainable economic development and social progress in its regional member countries, thus contributing to reducing poverty and improving lives. In 2015, the AfDB identified five strategic operational priorities—known as the “High 5s”—to accelerate the achievement of its Strategy. They are namely: “Light Up and Power Africa”, “Feed Africa”, “Industrialize Africa”, “Integrate Africa”, and “Improve the Quality of the Life for the People of Africa”.

Since 2015, the AfDB has issued a certain number of theme bonds linked to its High 5s, for the purpose of financing projects under each of five strategic operational priorities. The bond in which the Bank invested is intended to support the AfDB’s “Feed Africa” High 5. The AfDB will use its best efforts to direct an amount equal to the net proceeds of the issued notes to lending projects which aim to advance the “Feed Africa” strategic priority, subject to and in accordance with its lending standards.

It is estimated that in Africa, the nutritional deficiency rate in 2020 is 21 % of the population, and one in five is currently falling in a state of hunger or malnutritional states*1. Furthermore, while more than 60% of the work force in Africa is employed in the agriculture sector, these people are suffering from poverty mainly because of low productivity*2. Achieving agricultural transformation and increasing food production are therefore the key solutions to address these issues. The funds raised by the bond are used for projects that contribute to solving these issues.

The Bank defined its purpose in 2021 as “Dedicated to sustaining all life. – Work together with our stakeholders to foster the AFF (agricultural, fishery and forestry) industries and to create a prosperous future for food and lifestyles, and thereby contribute to a sustainable global environment –.” Being a member of cooperative organizations supporting the AFF industries, the Bank recognizes that its businesses are part of the life and natural environment sustained through these industries. The Bank pursues sustainability management including the achievement of the SDGs, through solving environmental and social issues to ensure sustainability of its business activities and our society the AFF industries belong to.

Also, the Bank aims to extend JPY 10 trillion in sustainable finance by fiscal 2030 in its medium- to long-term goals to achieve its purpose, through investments and loans that contribute to the sustainable environment and society as well as the AFF industries. Through this investment, the

Bank aims to support the AfDB's initiatives and contribute to the increase in food production in Africa.

The Bank will continue to make investments that contribute to solving various environmental and social issues in order to realize its vision of becoming "the leading bank that supports the agriculture, fishery and forestry industries, food production and consumption, and the daily lives of local communities."

*1 Source : <https://ja.wfp.org/news/un-report-pandemic-year-marked-spike-world-hunger>
(Japanese)

*2 Source : https://www.afdb.org/sites/default/files/2019/07/05/high_5_feed_africa.pdf

[Summary Terms of the Bond]

Issuer	The African Development Bank
Issue Amount	USD 100 million
Tenor	7 years

[Potential Project in Scope] Project to Develop Irrigation Schemes through Value Chain Development in Tunisia

For irrigated agricultural areas in Tunisia, the project supports improvement of cropping techniques, improve the quality of agricultural products and crop yield. This program will improve agricultural productivity and help set up efficient management of water and rehabilitation of irrigation areas over 9,000 hectares.

Link : <https://projectsportal.afdb.org/dataportal/VProject/show/P-TN-AAB-001?cur=ua>

** Introduction of this project is for case study purpose only and use of the proceeds of the bond is not limited to the above-mentioned project or project criteria.