

Nomura Sustainability Week 2024

The Role of Debt Capital Markets within Sustainability

September 9, 2024

Nomura International plc.
Managing Director
Head of Debt Syndicate

Nick Dent

We aspire to create a better world by harnessing the power of financial markets

Introduction

About myself

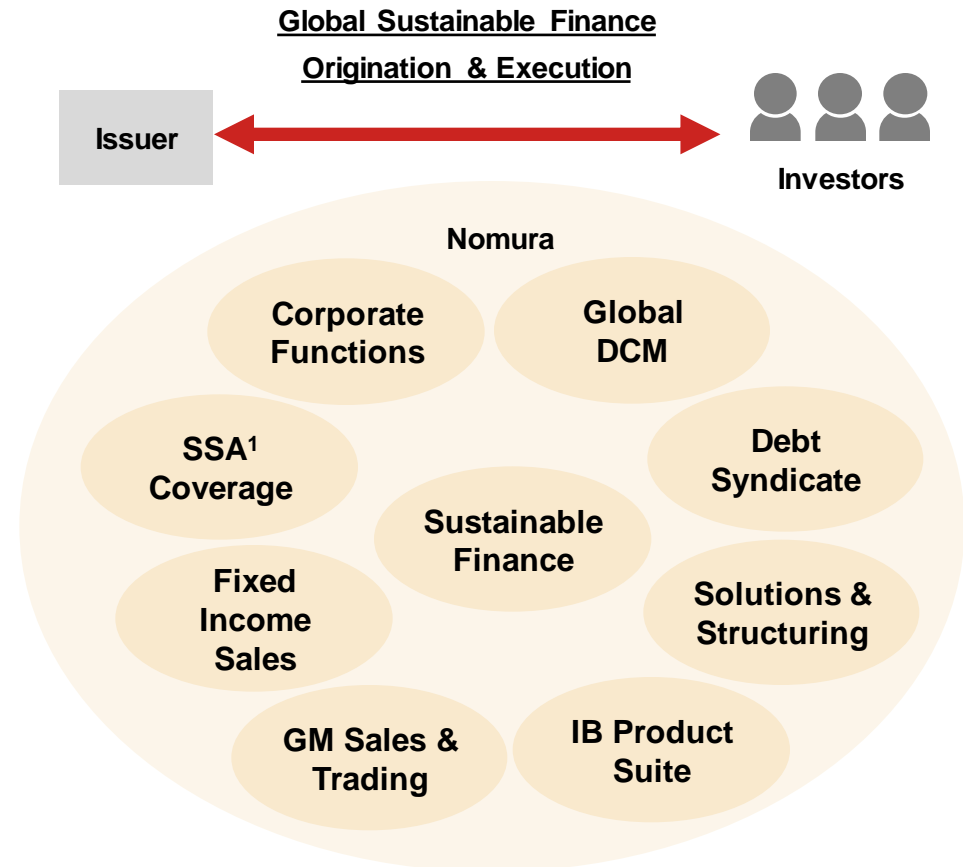


Nick Dent

Managing Director
Head of Debt Syndicate
Member of Nomura Sustainable Business Forum

- Nick has worked in Capital Markets for almost 26 years. His experience includes Risk Management at Salomon Brothers, 10 years of Eurobond Trading and Syndicate at Credit Suisse, and prior to Nomura, he was Head of Rates Syndicate at Merrill Lynch.
- Nick has been at Nomura for 13 years and is Head of Syndicate. This is a multi-asset class fixed income business area covering SSA¹, Financial Institutions, Emerging Markets, Corporates, MTNs and Sustainability products.
- Nick holds a degree in Politics and Economics from Loughborough University, United Kingdom and graduated in 1995.

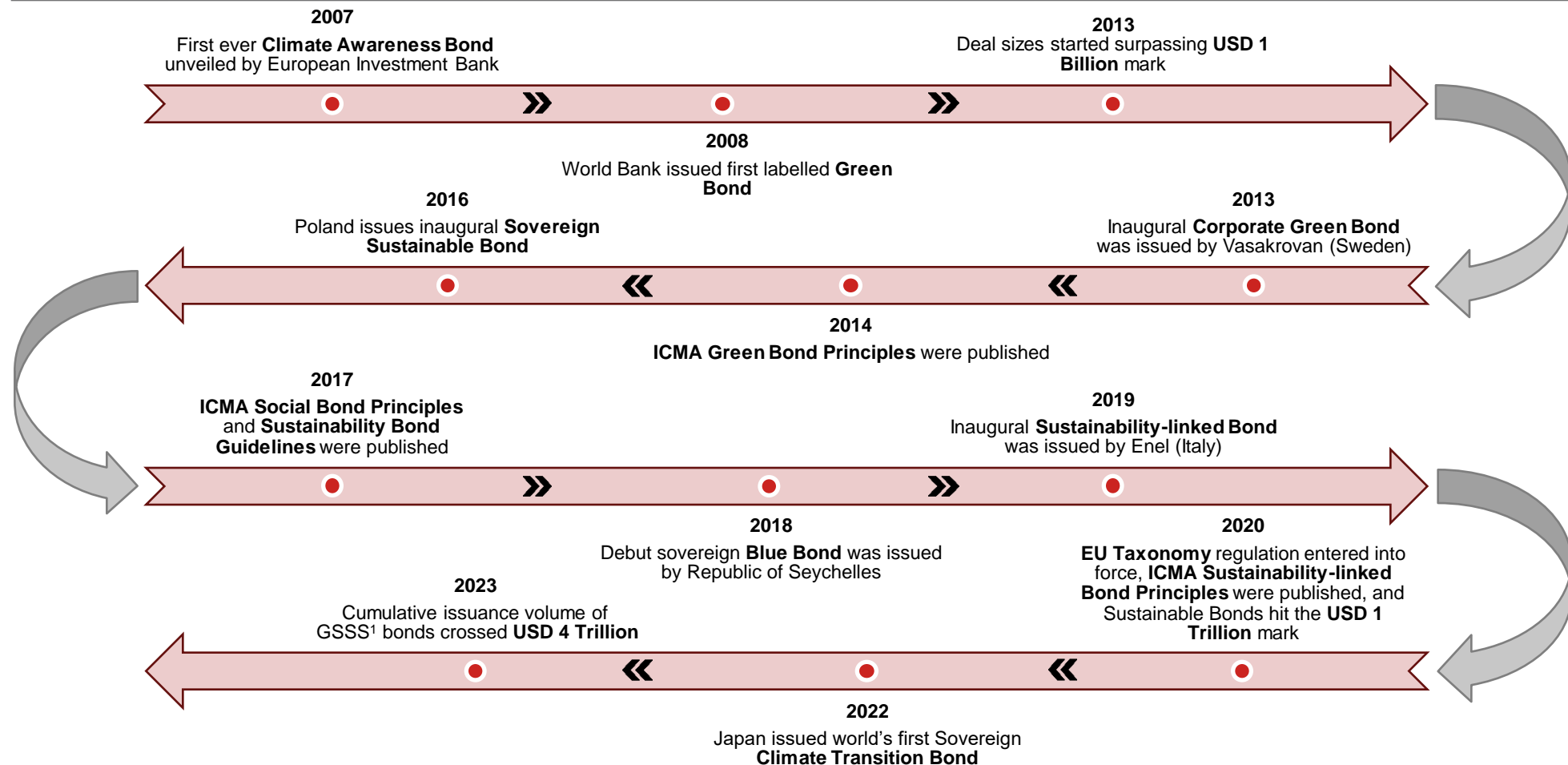
About our team



Key Milestones and Market Evolution

- The market has seen enormous growth and expansion of scope and accessibility with rapid innovation and evolving regulations

Over the Years

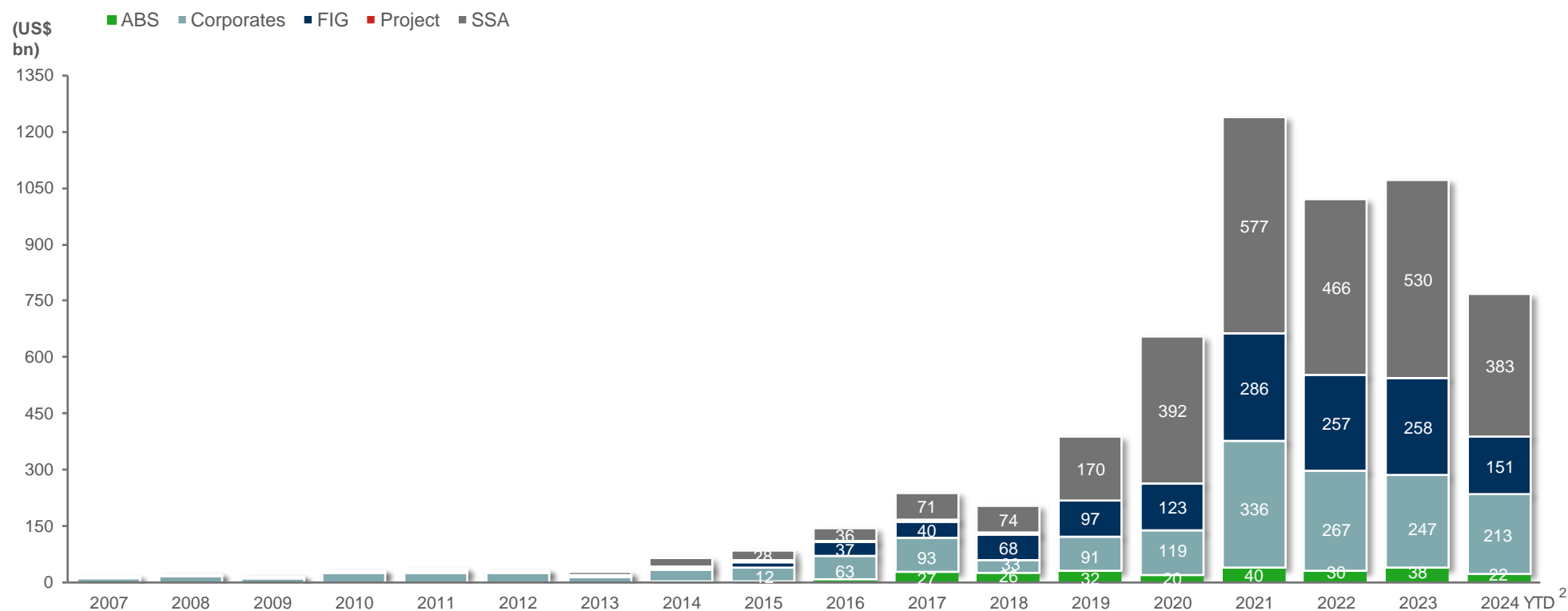


1. green, social, sustainable, and sustainability-linked

Market Growth

- Sustainable bonds market has experienced remarkable growth, reflecting significant shift towards responsible investing. Initially nascent, the market has expanded exponentially with demand from a range of issuers including SSAs¹, Corporates and FIG

Sustainable Bonds Issuance – SSA¹ Remains at the Forefront



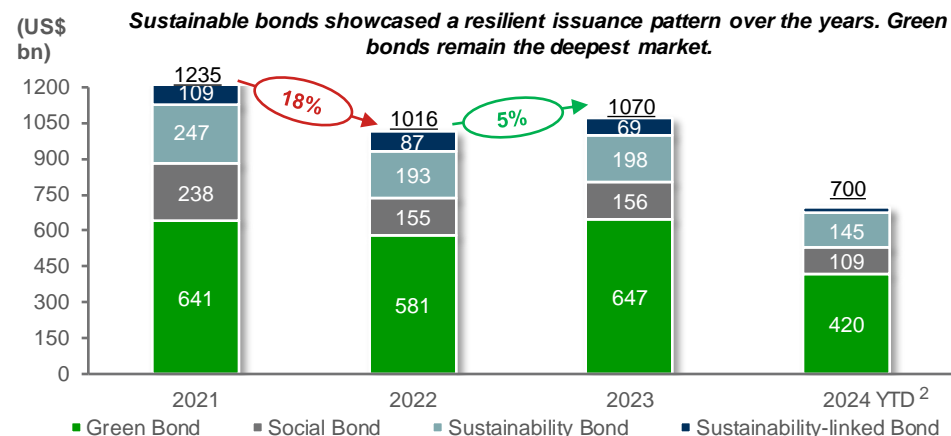
1. Supranational, Sovereigns and Agencies

2. Source: Bloomberg New Energy Finance; as of 31st July 2024. FIG includes banks, insurers, asset managers, private equity, REITs and financial leasing companies

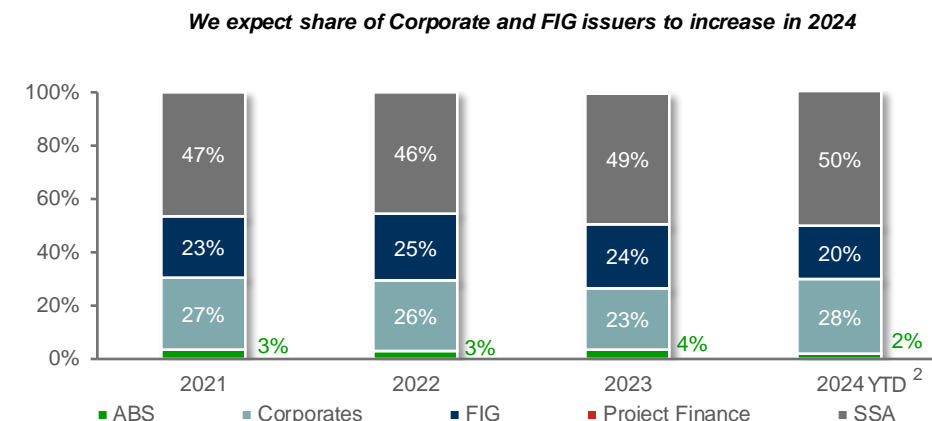
Market Trend

- Sustainable bonds market, encompassing green, social, sustainability, sustainability-linked and transition bonds, is experiencing growth driven by a global focus on sustainable finance

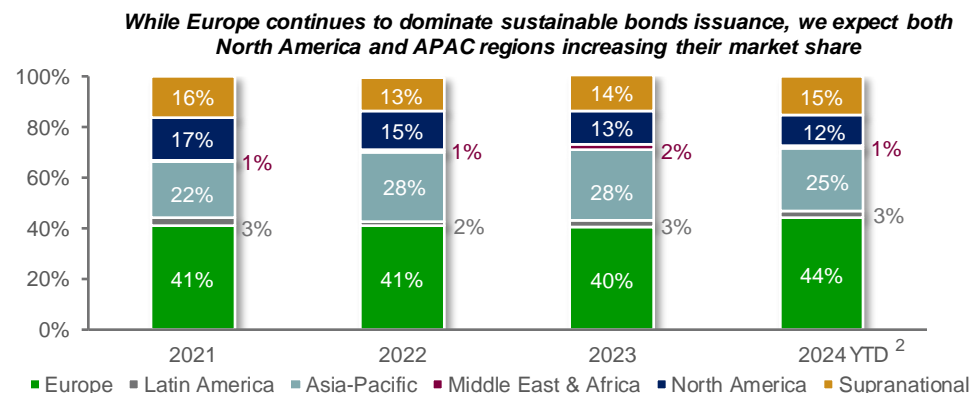
Sustainable Bonds Issuance – A Healthy Pause for Assessment



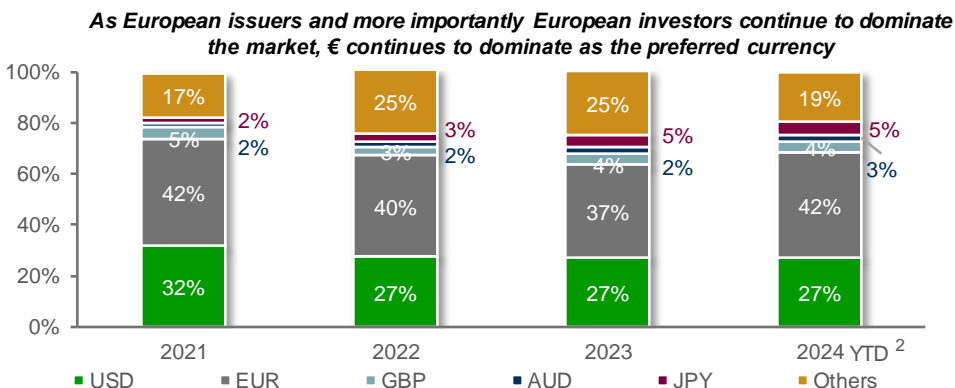
Breakdown by Issuer type – SSA¹ remains at the forefront



Regional Breakdown – Europe continues to lead from the front



Breakdown by Currency – € remains the currency of choice



1. Supranational, Sovereigns and Agencies

2. Source: Bloomberg New Energy Finance; as of 31st July 2024. FIG includes banks, insurers, asset managers, private equity, REITs and financial leasing companies

International DCM – Overview of Sustainable Finance

- Nomura achieved landmark advances over the past number of years in sustainable bonds underwriting. Our wider sustainable firm strategy has well positioned Nomura in the sustainable markets globally

About International DCM

- Sustainability Forums oversee a wide range of Sustainability initiatives
- Continuously investing in growth areas and strengthening our internal capabilities in the sustainability space
- Sustainability linked capabilities across products

DCM Highlights

Awards:

- Lead Manager of the Year for **Transition Bonds** at Environmental Finance's Bond Awards 2023
- Investment Bank of the Year for **Sustainable SSA¹ Financing 2022** at The Banker magazine's Investment Banking Awards
- Lead Manager of the Year for **Corp Social Bonds** at Environmental Finance's Bond Awards 2022

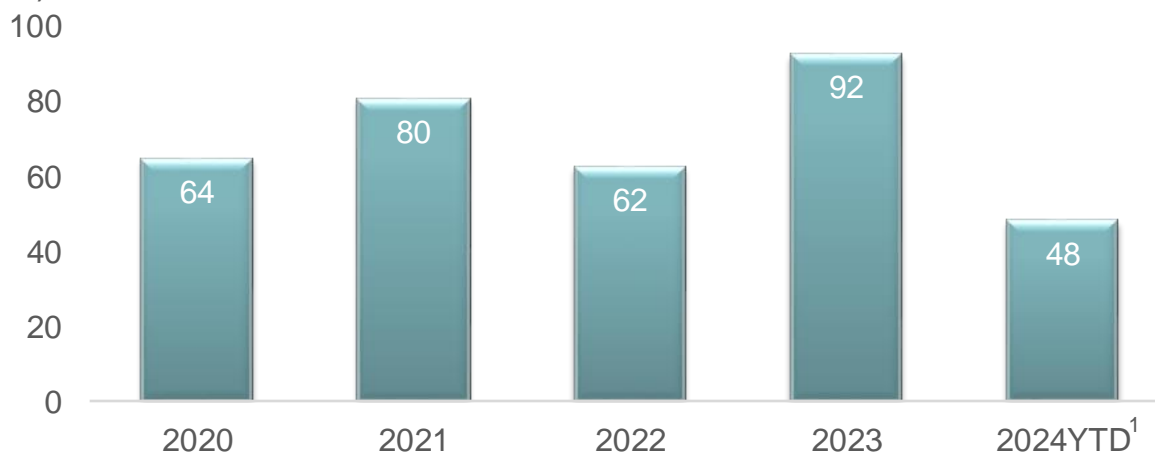


Sustainable Finance, Capital Raised



(US\$ bn)

Our Sustainable Bonds Issuance Volume (Overall Notional)



1. Source: Bloomberg; as of 28th August 2024
 2. Supranational, Sovereigns and Agencies

Competitive advantage

Nomura's Strengths

ESG Ratings

- S&P: 63
- Sustainalytics: 20.6
- MSCI ESG: AA
- CDP: A-

Early Commitment

- ✓ We made an early commitment to the green and social bond markets, placing one of the first themed Uridashi bonds and playing a leading role in COVID-19 response bonds

Global Cross Border

- ✓ We have showcased our expertise through successful navigation of global cross-border transactions

Thought Leadership

- ✓ We are leaders in driving the evolution of the market, through corporate commitments including publications like Maishu and Sustainable Finance Monthly and ESG Now, the sustainable finance conference

Nomura's Recent Sustainable Bonds Credentials

United Mexican States SDG Samurai Bond 1.430% due Aug 2027 1.720% due Aug 2029 1.880% due Aug 2031 2.270% due Aug 2034 2.930% due Aug 2044 JPY152,000,000,000 Aug 2024	Development Bank of Japan Inc. Sustainability Bond 4.000% due Aug 2027 US\$600,000,000 Aug 2024	Canada Pension Plan Investment Board Green Bond 4.700% due Jul 2027 A\$1,000,000,000 Jul 2024	Council of Europe Development Bank Social Inclusion Bond 4.625% due Jun 2027 US\$1,000,000,000 Jun 2024	International Development Association Sustainability Bond 4.375% due June 2029 US\$4,000,000,000 Jun 2024	Wallonie Social Bond 3.900% due Jun 2024 €750,000,000 May 2024	The Arab Energy Fund Green Bond 5.428% due May 2029 US\$750,000,000 Apr 2024	Banco BPM Green Bond 4.875% due Jan 2030 €750,000,000 Jan 2024
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1. Supranational, Sovereigns and Agencies
2. Source: Bloomberg; as of 27th August 2024

Track Record – Global SSA¹ Bonds

Global SSA¹ Bond Underwriting Ranking



2024 YTD ²				
Rank	Bank	Vol (\$m)	Trade (#)	Mkt %
1	Citi	100,529	384	7.12%
2	JPM	99,318	355	7.03%
3	DB	81,593	289	5.77%
4	Barclays	76,236	273	5.40%
5	BofA	67,326	183	4.77%
6	BNPP	67,130	2225	4.75%
7	HSBC	61,787	248	4.37%
8	MS	59,189	328	4.19%
9	TD	53,392	309	3.78%
10	RBC	53,091	361	3.76%
11	CACIB	46,182	177	3.27%
12	Nomura	43,932	316	3.11%

Competitive advantage – Thought Leadership

- We are leaders in driving the evolution of the market through dedicated industry bodies. Nomura actively engaged in implementing Japan's version of ICMA's Social Bond Principles (Japanese Social Bond Guidelines), expanding them with additional social categories

Thought Leadership



Member of the ICMA Green Bond Principles and Social Bond Principles Advisory Council 2023 and 2024



Signatory to UN Principles for Responsible Banking (PRB)



Member of the Partnership for carbon Accounting Financials (PCAF)



Member of the ICMA Green Bond Principles and Social Bond Principles Working Groups



Member of the Net-Zero Banking Alliance (NZBA); committed to deploying \$125bn in sustainable financing over the next 5 years(2021/22-2025/26)



Member of the Sustainable Bond Market Advisory Group at the London Stock Exchange

NICMR

Nomura Research Centre of Sustainability



Wholesale ESG Sectoral Appetite Statement



Inaugural Task Force on Climate-related Financial Disclosures (TCFD) report



GFMA Climate Finance Market Structure report, with Nomura sponsorship and leadership

Outlook – Market Poised for Robust Growth

- In-depth review of emerging market trends, regulatory developments and growing opportunities in the sustainable bonds market space driven by strong demand

What Lies Ahead



Proactive Regulations

- ✓ EU Taxonomy
- ✓ CSRD¹
- ✓ SFDR²
- ✓ SEC Climate Disclosure Rules



- ✓ AI – Data and RegTech
- ✓ Use of DLT³ & Blockchain Technology in issuance and reporting
- ✓ Digital Bond Issuance



- ✓ Natural Capital & Biodiversity
- ✓ Blue Bonds
- ✓ Outcome Bonds
- ✓ Circular Economy



- ✓ Regional Growth - APAC
- ✓ Issuance Surge in Emerging Markets
- ✓ Europe – Major Hub

Critical Component – Transition Finance



Japan's Green Transformation Programme -

Japan is emerging as a key player in this area with world's first sovereign Climate Transition Bonds



Member of the ICMA Advisory Council of the Principles for 2 years in a row and member of the ICMA Green Bond Principles and Social Bond Principles Working Groups



We currently hold a prominent 1st position globally in Transition Bonds. These bonds help hard-to-abate sectors in mobilizing capital for climate action



Reaching net-zero demands substantial capital investment. Corporates embracing the sustainable bonds, underscores the essential contribution of private finance in driving these efforts

1. Corporate Sustainability Reporting Directive
3. Distributed Ledger Technology

2. Sustainable Finance Disclosure Regulation



In keeping with its aim to Drive Sustainability, Nomura is committed to helping resolve social issues and creating a more sustainable future. By supporting clients' sustainability initiatives and the transition to a decarbonized society, Nomura will continue to deliver high added value towards the creation of a truly prosperous society.

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