Daiwa Capital Markets

European Banks – Credit Update

- European Green Bond Standard takes shape as co-legislators reach political consensus and compromise on key details.
- Limited primary market activity among SSAs, while FIGs continue to front-load funding requirements in a relatively conducive market.
- Secondary market spreads continued to widen in EUR as the market expects more rate hikes in the near term, while USD spreads tighten slightly.

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Co-legislators reach agreement on European Green Bond Standard

Last week, the EU Parliament and Council of member states reached a preliminary agreement on the creation of the European Green Bond Standard (EU-GBS). A political consensus was reached on some contentious items such as transition plans, flexibility pockets and grandfathering. The long-awaited agreement has been plagued by disagreements over how strict the set of rules and regulations need to be, and whether all issuers marketing green bonds in Europe should be required to comply. As an integral part of the European Green Deal, it was decided that the GBS should remain a voluntary standard, enabling companies and public entities to raise funds in capital markets that are aligned with the comprehensive taxonomy regulation. Additionally, it was agreed to extend the standard to include other sustainable or sustainability-linked bonds (SLB). Entities choosing to use the standard when marketing a green bond will be required to disclose information about how the bond's proceeds will be used, but are also obliged to show how those investments feed into the transition plans of the company as a whole. The official text of the agreement will likely take weeks to be finalised and requires official approval by the European Parliament and EU member states before it can enter into force.

Compromises on transition plans and flexibility pockets

The original position of the EU Parliament was to make it mandatory for audited transition plans to be provided for would-be issuers of EU-GBS bonds. These should outline how the issuer would achieve climate neutrality by 2050 as part of the pre-contractual disclosures and sustainability impact reporting. Third-party reviewers evaluating these plans need to be registered with the European Securities and Markets Authority (ESMA) and shall ensure compliance with the taxonomy regulation. We consider these transition plans to be highly aspirational as they pose a variety of challenges for issuers and auditors alike. Additional bureaucracy and litigation risk are added on top of the near impossible task for auditors to certify with a positive opinion transition plans that are a relatively novel concept, especially as far out as 2050. Fortunately, this was recognised during the latest round of negotiations and the clause has been weakened.

Regarding the so-called 'flexibility-pockets', the co-legislators managed to find a compromise too. Currently only 1% of assets in Europe and 3% of assets globally qualify under the EU taxonomy and therefore the idea that GBS aligned bonds need to be 100% aligned was temporarily abandoned. Instead, flexibility pockets allow for a certain percentage of proceeds to be exempt from taxonomy compliance but under strict conditions. Activities must comply with 'do no significant harm' (DNSH) and minimum social safeguards but must not have technical screening criteria in place at time of issuance. After pressure from member states, it was agreed to raise the flexibility pocket to 15%, up from the 10% previously discussed. In our view, this is a sensible feature of the GBS that should encourage the uptake of the format.

Limited grandfathering and review of transitional activities not conductive

Another limiting factor for the issuance of GBS-branded bonds is whether they are allowed to carry that label should the eligibility criteria change. The evolving nature of the taxonomy's technical screening criteria aims to keep up with technical developments and the changing assessment of what is considered a sustainable activity. Therefore, bonds that are considered taxonomy-compliant one day may lose that status in the future. As this may deter potential issuers from entering the market in the first place, the concept of grandfathering was introduced. The Council's initial position for indefinite grandfathering was given up and the negotiating parties settled on a seven-year period on the behest of Parliament. The grandfathering rules and tenor will apply equally to governments and corporates rather than being separate.

The Commission will also report every three years on whether the list of 'transitional' economic activities qualifying as green investment are still considered eligible. This can be seen as a late 'win' for opponents of natural gas and nuclear energy being considered transitional activities under the taxonomy as it means they will be under regular scrutiny, potentially deterring investors from allocating funds. We consider the limited grandfathering period a hindrance to the issuance of EU-GBS bonds as it may limit tenors and discourage issuers from placing debt into the market given the ambiguity over their status. Furthermore, we also expect that the regular review of transition activities will disincentive the financing of natural gas and nuclear power plants under the taxonomy label and run counter to emission reduction targets of member states.

Ultimately, the relevance of the Green Bond Standard will depend on how quickly the EU can address usability issues of the taxonomy, allowing for a broader application. Initially, we only expect a small number of issuers to place these bonds into the market given the prevailing strict requirements, remaining criteria ambiguity, litigation risk and significant reporting and transparency requirements. For non-EU issuers that operate in regions that are or already have developed their own green taxonomies, issuers may wish to place bonds into Europe under the GBS label. However, for that to succeed we believe that international cooperation on equivalence with the EU ruleset needs to accelerate as it is currently still in its infancy.

Primary and secondary markets

European **primary market** issuance volumes for SSAs stood at EUR8bn over the course of last week, below market expectations of EUR12-17bn. FIG supply of EUR15bn was above the weekly forecast amount of EUR8-13bn. The total 2023 year-to-date FIG volume of EUR183bn is 46% ahead of last year's issuance volume. SSA volumes are also ahead of last year's level, up 24.1% at EUR218bn. For the current week, survey data suggest SSA volumes will range between EUR13.5-18.5bn and FIGs are expected to issue EUR9-14bn.

SSAs retained a steady flow of transactions last week. Daiwa Capital Markets Europe (DCME) acted as joint lead-manager on the 5-year trade of the **European Bank for Reconstruction and Development (EBRD)**. The USD2bn transaction attracted an order book in excess of USD5bn, one of the largest ever for EBRD. The large order book also contributed to the overall tight final spread of SOFR MS+31bps, an exceptional 4bps tightening among SSA issuers. **L-Bank** also returned to the USD market with a 3-years USD2bn bond that priced SOFR MS+26bps (-2bps from IPT). With few Dollar SSA transactions in the market last week, both issuers drew almost USD8bn in combined orders, keen to get into the market ahead of important US data releases and the upcoming FOMC meetings.

(Table 1) Key Transactions

Bank	Rank	Amount	Maturity	Final Spread (bps)	IPT (bps)	Book Orders
SSA						
EBRD	Sr. Unsecured	USD2bn	5Y	SOFR MS + 31	SOFR MS + 35	>USD5bn
Galicia	Sr. Unsecured (Sustainable)	EUR500m	6Y	SPGB + 25	SPGB + 30	>EUR1.55bn
Land NRW	Sr. Unsecured	EUR2bn	50Y	MS + 104	MS + 106	>EUR6bn
IBBSH	Sr. Unsecured	EUR500m	8Y	MS + 2	MS + 4	>EUR1.35bn
L-Bank	Sr. Unsecured	USD2bn	3Y	SOFR MS + 26	SOFR MS + 28	>USD2.9bn
Rentenbank	Sr. Unsecured	EUR1.5bn	7Y	MS - 3	MS – 1	>EUR4.6bn
FIG (Senior)						
Intesa	SP	JPY11bn	2Y	YMS + 100	YMS + 100	n.a.
Intesa	SP	JPY10.1bn	3Y	YMS + 120	YMS + 120	n.a.
Intesa	SP	JPY3.2bn	7Y	YMS + 140	YMS + 140	n.a.
Intesa	SNP	EUR1.5bn	5NC4	MS + 170	MS + 190	>EUR3bn
Intesa	SNP	EUR750m	10Y	MS + 255	MS + 270	>EUR2bn
Banco Santander	SP	AUD375m	5Y	ASW + 160	ASW + 160	n.a.
HSBC	Sr. HoldCo	USD2bn	6NC5	T + 185	T + 210	>USD7.5bn
HSBC	Sr. HoldCo	USD2.25bn	11NC10	T + 220	T + 245	>USD6.3bn
HSBC	Sr. HoldCo	USD2.75bn	21NC20	T + 210	T + 245	>USD8.3bn
Morgan Stanley	Sr. Unsecured	USD2bn	6NC5	MS + 125	MS + 150	n.a.
Credit Agricole	SP	EUR1.75bn	2Y	3mE + 32	3mE + 55/60	>EUR3.3bn
Credit Agricole	SP	EUR1bn	7Y	MS + 90	MS + 110/115	>EUR2bn
De Volksbank	SNP (Green)	EUR500m	7Y	MS + 160	MS + 170	>EUR850m
NatWest	Sr. HoldCo	USD1bn	4NC3	T + 135	T + 165	>USD6bn
NatWest	Sr. HoldCo	USD1bn	11NC10	T + 210	T + 240	>USD7.75bn
Lloyds	Sr. HoldCo	USD1.25bn	6NC5	T + 170	T + 190	n.a.
Credit Mutuel	SP	EUR1.5bn	6Y	MS + 88	MS + 115	>EUR3.1bn
FIG (Subordinated)						
HSBC	AT1	USD2bn	PNC5.5	8.0%	8.50%	n.a.
Barclays	AT1	SGD400m	PNC5.25	7.30%	7.65%	>SGD750m
Barclays	AT1	GBP1.5bn	PNC6	9.25%	9.625%	>GBP5bn
CaixaBank	AT1	EUR750m	PNC6.5	8.25%	8.625%	>EUR2.5bn

Source BondRadar, Bloomberg;

Several multi-tranche **FIG** transactions were in the market last week. **Intesa Sanpaolo (Intesa)** issued JPY24.3bn (~EUR168m) across three tranches. The SP Euroyen bonds comprised of 2-year, 3-year and 7-year tenors and due to demand being concentrated mostly in the short end, Intesa decided to drop a 5-year and 10-year tranche. Spreads were in line with initial guidance as spreads for the shorter legs were fixed from the onset. Although the deal appears to have offered some relative value compared to Intesa's trading levels in Euro, the primary intention is thought to have been investor diversification in Yen. The deal follows two SNP notes for a combined EUR2.25bn. The 5NC4 and 10Y bonds had new issue premiums around 25bps and 35bps respectively. **Crédit Agricole (CA)** launched two SP bonds with tenors of 2 and 7-years for a combined EUR2.75bn. The short-dated 2-year floater nominally received more interest from investors but subscription levels were in fact higher for the longer leg (1.9x vs 2.2x). With this transaction, Crédit Agricole made another sizeable step towards meeting its 2023 funding requirement for SP or senior unsecured, which is EUR15bn. According to data from Bloomberg, CA has issued EUR9.6bn in SP bonds already this year, seemingly front-loading much of its funding activity in what so far has been a relatively benign funding environment. NIPs on the 2-year was around 10bps and 15bps on the 7-year. Subordinated debt markets were also busy with UK banks and CaixaBank all issuing AT1 notes across a variety of currencies (USD, SGD, GBP and EUR). Investors were drawn to the attractive yields on offer as reflected in **Barclays'** sizeable GBP5bn order book for its GBP1.5bn AT1 that eventually priced at 9.25%. The UK bank diversified its offering with an additional AT1 in Singapore Dollars, offering Barclays some funding arbitrage compared to USD and Sterling. Strong demand for **CaixaBank's** Euro AT1 meant the deal was sized at the upper end of its initial expectation of EUR500m-750m. The note tightened by 37.5bps to 8.25% and is thought to in part fund RWA growth as well as pre-finance an upcoming June-2024 call date on its existing EUR1bn AT1.

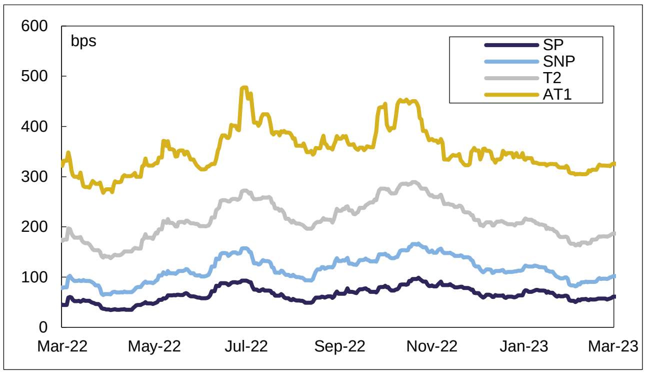
Secondary market spreads were wider last week for EUR and USD. CDS indices on European senior (84bps) and subordinated financials (143bps) as measured by iTraxx benchmarks priced -4bps and -11bps tighter against the previous week's levels.

Widening spreads in the secondary market saw French, Dutch and Swedish banks perform the worst in the SP segment. Alongside banks from the UK, French banks are the only ones with spreads 2.3bps wider YTD. In the SNP segment, German (+6.9bps) and UK banks (+6.5bps) were wider than the average (+5.3bps). Among Tier 2, French (+5.1bps) and Spanish banks (+6.9bps) were the outliers, registering wider spreads than the average (+3.7bps).

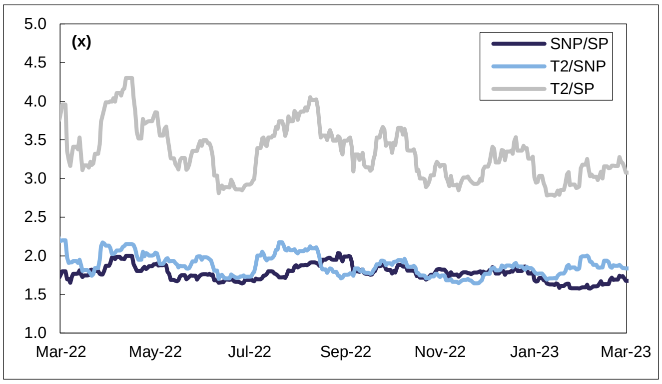
Weekly average EUR spreads were wider with SP (+4.1bps), SNP (+5.3bps) and Tier 2 (+3.7bps). USD average spreads were tighter for SP (-0.5bps), SNP (-2.5bps) and Tier 2 (-5.0bps). Based on Bloomberg data, 87% of FIG tranches and 78% of SSA tranches issued in February quoted tighter than launch.

Western European Banks EUR Spreads and Yields

Aggregate EUR Z-spread LTM (bps)



Multiples (x)



Source: Bloomberg, Daiwa Capital Markets Europe. SP = Senior Preferred/Senior OpCo; SB = Senior Non- Preferred/ Senior HoldCo; T2= Tier 2; AT1 = Additional Tier 1. All figures based on Z to worst spread of public benchmark issuances.

Selected Names

	Sr Preferred/Sr OpCo					Sr Non-Preferred/Sr HoldCo					Tier 2				
	Dur.	Yield	Z	Z 5DΔ	Z YTD	Dur.	Yield	Z	Z 5DΔ	Z YTD	Dur.	Yield	Z	Z 5DΔ	Z YTD
Commerz	3.3	3.9	29.6	5.8	-14.6	3.2	4.7	111.4	6.5	-48.2	2.7	5.0	129.7	3.3	-25.2
Barclays	1.2	4.1	4.5	1.1	29.7	2.9	4.9	127.2	4.8	-29.3	7.1	6.2	247.0	6.9	-62.9
BBVA	3.8	4.2	62.3	6.0	-2.1	3.4	4.3	62.0	5.4	1.0	3.6	5.4	147.7	7.5	-13.2
BFCM	4.1	4.2	56.7	7.0	6.3	6.0	4.5	113.9	5.1	8.2	4.0	5.1	174.9	5.1	17.8
BNPP	3.9	4.2	50.9	6.6	7.7	4.4	4.5	105.4	5.3	-13.1	3.5	4.8	135.3	5.7	3.6
BPCE	3.9	4.1	56.2	5.2	3.1	4.7	4.5	117.1	4.3	-2.9	8.2	5.7	167.4	5.0	3.3
Credit Ag.	3.8	4.1	55.0	7.1	4.4	4.7	4.4	95.2	5.6	-2.8	2.7	4.6	82.9	1.4	-20.8
Credit Sui.	4.5	4.7	105.0	-4.5	-81.9	4.1	8.1	424.6	16.6	-48.4					
Danske	2.4	4.2	58.4	3.8	-20.2	2.6	4.8	96.3	2.5	-22.2	5.9	5.8	194.6	7.7	-43.3
Deutsche	2.2	4.2	58.4	5.4	-27.2	3.8	5.2	147.2	8.0	-31.8	2.8	5.7	202.5	6.1	-43.8
DNB	3.0	4.1	48.7	3.9	-6.3	4.7	4.3	73.6	4.5	-3.6	2.2	4.8	78.4	0.0	-320.1
HSBC	4.4	3.8	28.2	5.5	0.7	3.4	4.4	82.3	5.0	-14.4	4.0	4.9	151.0	7.5	-0.7
ING	2.5	6.1	222.6	-4.3	-79.4	4.8	4.6	90.3	5.0	-9.1	5.3	5.7	193.0	5.0	-27.4
Intesa	3.5	4.4	74.3	2.2	-7.5	3.9	4.8	134.1	4.2	-1.7	3.9	4.8	95.8	-36.1	-36.9
Lloyds	1.8	4.1	19.9	1.2	-0.2	3.1	4.3	53.6	5.4	-16.3	2.3	4.7	99.8	-6.3	-372.6
Nordea	3.6	3.8	12.2	6.7	5.7	5.5	4.2	66.3	4.4	9.3	6.3	5.3			
Rabobank	2.9	3.7	5.8	7.6	9.9	5.3	4.4	92.8	6.0	-2.0	5.2	5.4	186.0	5.9	7.9
RBS	3.1	5.1	150.9	2.4	-18.6	5.3	4.4	92.8	6.0	-2.0	5.2	5.4	186.0	5.9	7.9
Santander	2.7	4.3	56.5	4.1	-1.2	3.9	4.4	87.6	5.9	-1.8	3.6	4.8	123.5	7.3	10.4
San UK	1.9	4.0	14.9	6.4	9.2	2.8	4.8	141.8	5.0	-47.2	3.6	4.8	123.5	7.3	10.4
SocGen	4.2	4.1	63.6	5.7	-3.7	4.6	4.5	115.1	4.5	-18.6	6.9	5.7	192.9	7.1	-44.5
StanChart	3.6	4.3	72.0	3.0	-8.7	4.5	4.6	107.1	7.0	-48.4	5.0	5.8	209.2	10.0	-80.8
Swedbank	3.0	4.1	42.1	5.2	-4.7	4.1	4.5	101.3	4.7	-8.3	4.8	5.6	206.7	5.0	-23.1
UBS	3.2	4.2	63.7	7.0	-5.8	3.6	4.4	83.1	6.1	-33.0	2.1	8.9	90.1	0.0	-106.4
UniCredit	3.3	4.6	102.0	7.1	-30.1	3.2	5.2	166.3	8.7	-36.5	5.7	6.9	283.0	9.9	-66.7

Source: Bloomberg, Daiwa Capital Markets Europe. Dur.= Duration. Yield= Yield to worst (%). Z = Z-Spread to Worst (bps). Z 5DΔ = last 5 days Z-spread net change (bps). Z YTD = year to date Z-Spread net change (bps). Blank cells represent lack of statistically significant data. Figures may not be representative of the whole market.

Western European Banks USD Spreads and Yields

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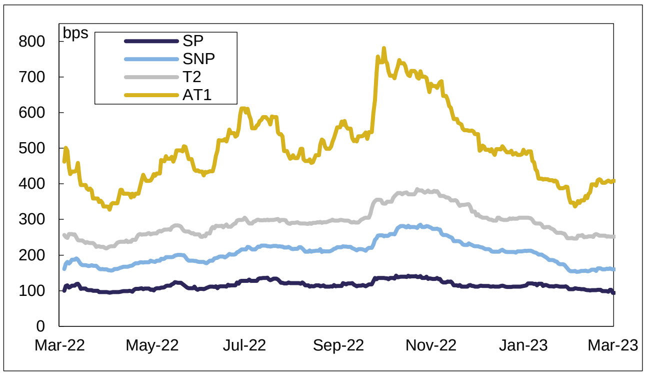

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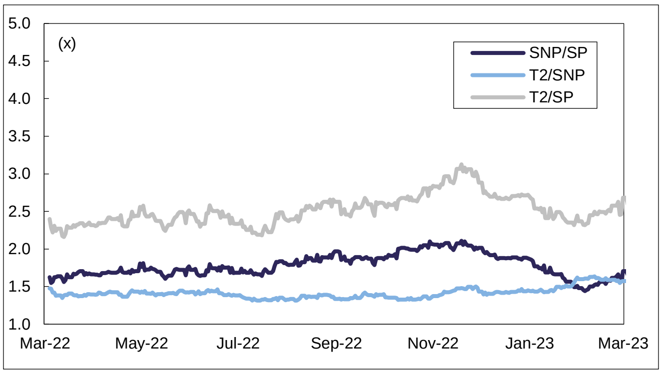

Source: Bloomberg, Daiwa Capital Markets Europe. SP = Senior Preferred/Senior OpCo; SB = Senior Non- Preferred/ Senior HoldCo; T2= Tier 2; AT1 = Additional Tier 1. All figures based on Z to worst spread of public benchmark issuances.

Selected Names

	Sr Preferred/Sr OpCo					Sr Non-Preferred/Sr HoldCo					Tier 2				
	Dur.	Yield	Z	Z 5DΔ	Z YTD	Dur.	Yield	Z	Z 5DΔ	Z YTD	Dur.	Yield	Z	Z 5DΔ	Z YTD
Barclays	1.1					3.9	6.1	182.7	-4.3	-44.4	4.6	6.4	264.7	-4.2	-50.5
BFCM	4.1	4.2	56.7	7.0	6.3	3.0	6.1	155.7	-3.9	-45.2	4.6	6.4	264.7	-4.2	-50.5
BNPP	3.9	4.2	50.9	6.6	7.7	4.4	5.9	161.5	-1.9	-41.2	3.5	5.9	150.1	-3.4	-53.4
BPCE	3.9	4.1	56.2	5.2	3.1	4.2	6.1	162.9	-0.9	-49.8	2.7	6.6	290.0	-6.1	-84.7
Credit Ag.	3.8	4.1	55.0	7.1	4.4	2.8	5.8	109.7	-0.4	-47.2	6.8	6.0	234.5	-0.8	-75.2
Credit Sui.	1.9	7.5	270.4	-1.1	-73.6	3.3	8.6	426.5	0.0	-46.2	2.4	8.7	372.5	18.7	-188.3
Danske	2.4	4.2	58.4	3.8	-20.2	2.0	6.1	118.3	-0.4	-82.9	2.4	8.7	372.5	18.7	-188.3
Deutsche	2.2	4.2	58.4	5.4	-27.2	2.6	6.4	179.1	-1.1	-79.8	7.0	7.4	361.0	-9.6	-121.3
HSBC	4.4	3.8	28.2	5.5	0.7	3.7	6.0	166.6	0.6	-56.8	8.6	6.3	256.8	1.5	-46.5
ING	2.5	6.1	222.6	-4.3	-79.4	3.6	5.7	141.1	-0.3	-39.0	0.0	8.6	477.9	0.0	-430.6
Intesa	3.5	4.4	74.3	2.2	-7.5	6.6	7.5	363.2	-6.7	-72.1	4.8	8.4	447.7	-12.3	-55.7
Lloyds	2.0				0.0	3.5	5.9	145.3	-3.4	-43.8	6.7	6.3	268.0	-4.5	-36.8
Nordea	3.6	3.8	12.2	6.7	5.7	3.6	5.6	126.7	-5.7	-21.9	6.8	5.9			
Rabobank	2.9	3.7	5.8	7.6	9.9	3.8	5.7	128.3	-0.5	-35.4	7.4	5.9	143.7	-2.2	-19.8
RBS	3.1	5.1	150.9	2.4	-18.6	3.8	5.7	128.3	-0.5	-35.4	7.4	5.9	143.7	-2.2	-19.8
Santander	2.7	4.3	56.5	4.1	-1.2	3.9	5.9	167.1	-1.8	-42.2	6.6	6.4	254.5	-7.4	-44.0
San UK	1.1	5.7	11.7	1.2	-29.2	4.0	6.2	160.3	1.3	-64.0	2.3				
SocGen	4.2	4.1	63.6	5.7	-3.7	3.6	6.1	171.0	-5.5	-62.8	6.8	6.7	308.5	-4.9	-41.3
StanChart	3.6	4.3	72.0	3.0	-8.7	2.2	5.9	111.3	-0.1	-82.2	7.9	6.3	250.1	-3.0	-89.1
UBS	2.4	5.6	42.2	0.2	-31.2	3.4	5.8	153.4	-3.8	-36.9	7.9	6.3	250.1	-3.0	-89.1
UniCredit	3.6	5.3	154.2	3.0	-48.4	2.8	6.7	207.3	0.0	0.0	5.7	8.4	431.9	-12.3	-105.8

Source: Bloomberg, Daiwa Capital Markets Europe. Dur.= Duration. Yield= Yield to worst (%). Z = Z-Spread to Worst (bps). Z 5DΔ = last 5 days Z-spread net change (bps). Z YTD = year to date Z-Spread net change (bps). Blank cells represent lack of statistically significant data. Figures may not be representative of the whole market.

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Daiwa Securities Co. Ltd. and Daiwa Securities Group Inc.: Daiwa Securities Co. Ltd. is a subsidiary of Daiwa Securities Group Inc.

Other Disclosures Concerning Individual Issues:
1) As of 26 April 2016, Daiwa Securities Co. Ltd., its parent company Daiwa Securities Group Inc., GMO Financial Holdings, Inc., and its subsidiary GMO CLICK Securities, Inc. concluded a basic agreement for the establishment of a business alliance between the four companies.
As of end-December 2017, Daiwa Securities Group Inc. owned shares in GMO Financial Holdings, Inc. equivalent to approximately 9.3% of the latter's outstanding shares. Given future developments in and benefits from the prospective business alliance, Daiwa Securities Group Inc. could boost its stake in GMO Financial Holdings, Inc. to up to 20% of outstanding shares.

2) Daiwa Real Estate Asset Management is a subsidiary of Daiwa Securities Group Inc. and serves as the asset management company for the following J-REITS: Daiwa Office Investment Corporation (8976), Daiwa Securities Living Investment Corporation (8986).

3) Samty Residential Investment became a consolidated subsidiary of Daiwa Securities Group Inc. effective 10 September 2019.

4) On 30 May 2019, Daiwa Securities Group Inc. formalized an equity/business alliance with Samty, and as of 14 June 2019 it owned 16.95% of shares outstanding in Samty along with convertible bonds with a par value of Y10bn. Conversion of all of said convertible bonds into common shares would bring the stake of Daiwa Securities Group Inc. in Samty to 27.28%.

5) Daiwa Securities Group Inc. and Credit Saison Co., Ltd. entered into a capital and business alliance, effective 5 September 2019. In line with this alliance, Daiwa Securities Group Inc. is to acquire up to 5.01% of Credit Saison's total common shares outstanding (excl. treasury shares; as of 31 Jul 2019).

Notification items pursuant to Article 37 of the Financial Instruments and Exchange Law
(This Notification is only applicable to where report is distributed by Daiwa Securities Co. Ltd.)
If you decide to enter into a business arrangement with our company based on the information described in this report, we ask you to pay close attention to the following items.

- In addition to the purchase price of a financial instrument, our company will collect a trading commission* for each transaction as agreed beforehand with you. Since commissions may be included in the purchase price or may not be charged for certain transactions, we recommend that you confirm the commission for each transaction. In some cases, our company also may charge a maximum of ¥2 million per year as a standing proxy fee for our deposit of your securities, if you are a non-resident.
- For derivative and margin transactions etc., our company may require collateral or margin requirements in accordance with an agreement made beforehand with you. Ordinarily in such cases, the amount of the transaction will be in excess of the required collateral or margin requirements**.
- There is a risk that you will incur losses on your transactions due to changes in the market price of financial instruments based on fluctuations in interest rates, exchange rates, stock prices, real estate prices, commodity prices, and others. In addition, depending on the content of the transaction, the loss could exceed the amount of the collateral or margin requirements.
- There may be a difference between bid price etc. and ask price etc. of OTC derivatives handled by our company.
- Before engaging in any trading, please thoroughly confirm accounting and tax treatments regarding your trading in financial instruments with such experts as certified public accountants.

* The amount of the trading commission cannot be stated here in advance because it will be determined between our company and you based on current market conditions and the content of each transaction etc.
** The ratio of margin requirements etc. to the amount of the transaction cannot be stated here in advance because it will be determined between our company and you based on current market conditions and the content of each transaction etc.

When making an actual transaction, please be sure to carefully read the materials presented to you prior to the execution of agreement, and to take responsibility for your own decisions regarding the signing of the agreement with our company.

Corporate Name: Daiwa Securities Co. Ltd.
Registered: Financial Instruments Business Operator, Chief of Kanto Local Finance Bureau (Kin-sho) No.108
Memberships: Japan Securities Dealers Association, The Financial Futures Association of Japan, Japan Investment Advisers Association, Type II Financial Instruments Firms Association