

NEWS RELEASE

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CGIF Increases Capital to Boost its Support for ASEAN Local Currency Bond Markets

6 December 2017, Manila

The Special Meeting of Contributors of Credit Guarantee and Investment Facility ("CGIF"), a trust fund of Asian Development Bank, agreed on 6 December 2017 to increase CGIF's capital base from \$ 700 million to \$ 1.2 billion, thus enhancing CGIF's ability to support development of local currency bond markets in ASEAN countries and help corporates and project in the region to tap these new funding sources. With this capital increase, CGIF's guarantee capacity will be expanded from the current \$1.8 billion to \$ 3 billion or more in next few years.

"This substantial increase is a resounding vote of confidence from our Contributors for what we have achieved in our short history of operations and a strong sign of their expectations for what we should aim to achieve in the coming years as an operational flagship of ASEAN+3 regional cooperation", says Kiyoshi Nishimura, Chief Executive Officer of CGIF.

Starting with its inaugural guarantee issuance in April 2013, CGIF has, to date, issued nineteen guarantees in the total amount of \$1.1 billion to support local currency corporate/project bonds issued in ASEAN countries. With the current guarantee capacity expected to be fully utilized in the near future due to strong demand for its guarantee supports from corporates and projects in the region, CGIF urgently needed to expand its guarantee capacity through capital increase and CGIF's Contributors have responded to this call.

"With the expanded capacity, CGIF is now well positioned to play a greater role in developing and strengthening of the local currency and regional bond markets to promote economic growth and financial development of the region, as aspired by our Contributors", says Nishimura.

Under CGIF's Medium-term Business Strategy adopted by CGIF's Board in August 2017, CGIF aims to enhance its developmental role by starting to help those ASEAN countries which do not yet have functioning bond markets to create their own bond markets, in addition to CGIF's ongoing operations in existing ASEAN local currency bond markets. CGIF will also intensify its efforts to help mobilize long-term savings in the region to finance ASEAN's critically needed infrastructure investments in matching currency and tenors by promoting project bonds and other new bond instruments in the bond markets in the region.

About CGIF

CGIF is a multilateral facility established by the Association of Southeast Asian Nations (“ASEAN”) members, China, Japan, Korea (“ASEAN+3”) and Asian Development Bank (“ADB”). It is established as a trust fund of ADB with an initial paid-in capital of USD700 million from its contributors. As a key component of the Asian Bond Markets Initiative, CGIF was established to develop and strengthen local currency and regional bond markets in the ASEAN+3 region. CGIF commenced its guarantee operations on 1 May 2012 and seeks to provide credit enhancements, mainly in local currencies, issued by credit worthy ASEAN+3-domiciled bond issuers.

CGIF’s Credit Ratings

| Rating Agency | Scale | Ratings | Outlook | Date Reviewed |
|-------------------------|---------------------------------|---------------------|---------|-------------------|
| Standard & Poor's | Global (Long Term & Short Term) | AA / A-1+ | Stable | 23 June 2017 |
| RAM Ratings | Global / ASEAN / National | gAAA / seaAAA / AAA | Stable | 19 December 2016 |
| MARC | National | AAA | Stable | 25 January 2017 |
| TRIS Ratings | National | AAA | Stable | 06 November 2017 |
| Fitch Ratings Indonesia | National | AAA | Stable | 14 September 2017 |

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