




The World's **First** Water Bank



Years Ago,  
No One Thought  
About a Water Bank As a  
World Necessity - **We Did!**

International  
**Water Bank**

## OVERVIEW

The International Water Bank (“**IWB**” or “**Bank**”) is the first Bank in the world established to help eliminate the obstacles of investing in the water sector by providing financing for water projects, technologies, innovations, infrastructure, and other water-related initiatives, as well by providing professional advisory and structuring services for the water sector around the world.

This unique initiative will aid in the development of this vital sector that is crucial to our survival and sustainable development. The International Water Bank aims to be the world leader in the water sector, and the reference address for water finance on a global scale, by working hand-in-hand as partners and advisors to governments, financial institutions, NGO’s, and other organizations that operate in the water space.



## **A GROWING DEMAND FOR WATER**

Water is arguably the most important natural resource on this planet, essential to both human survival and the effective functioning of industries sectors ranging from food and water to sanitation, healthcare, and energy. It is crucial for addressing the basic needs of all people and in many regions, is the difference between life and death. As the world's population increases exponentially and the world grows on a socio-economic level, the demand for the world's water resources for domestic, industrial, and development purposes are increasing and will continue to increase in parallel. Furthermore, with climate change, people around the world are vulnerable to increased water stress – mainly due to flooding, droughts, poor water sanitation, inadequate water and wastewater infrastructure, and mismanagement of water around the world.

The Organization for Economic Cooperation and Development (OECD) forecasts that by 2050, nearly 4 billion people will be living in river basins that are under severe water stress. In addition, they predict that the global financing needs for water infrastructure (not including irrigation and energy) will range from US\$6.7-22.6 trillion between 2030-2050. The World Bank Group's recent report on global water supply and sanitation services estimates that approximately US\$1.7 trillion (in present value terms) is needed to reach the Sustainable Development Goal ("SDG 6") of "Safe Drinking Water for All" by 2030.

While individuals, governments, and other consumer and policy organizations are all instrumental in managing, sharing, and preserving this precious commodity, there is a growing requirement for the provision of specialized financing and economic solutions that can have a positive and tangible impact in responding to increasing challenges of water scarcity and water security for all. Given the context, the International Water Bank was conceived to be the first Bank in the world that provides financial products and solutions dedicated to lending for water projects that serve all people. So far, **IWB** has been endorsed and supported by various organizations, international financiers, sustainable development initiatives, and water sector specialists. However, for this venture to fulfill its maximum potential, it must be supported by governments around the globe for the benefit of their nations and citizens, rich or poor. The intention is to ensure the successful establishment of the Bank at the highest professional and international standards. **IWB** seeks to engage with private and public sectors alike, as they seek to serve the water-related demands of urban and rural dwellers, as well as poor communities around the world.

## A CATALYST FOR SECURITY

**IWB's** vision is “securing water for all”, and in particular for the poor – **IWB** believes access to water is an undeniable right. **IWB's** mission is to “reduce water stress, improve water security and quality, facilitate easy access for people and countries in need through environmentally-friendly and sustainable practices, while also providing finance for the water industry and yielding attractive returns for investors”. The vision and mission solidify **IWB's** unique proposition as a socially-responsible and commercially-focused organization with a policy and development mandate. This mission is supported by relevant objectives that define the charter and responsible-investing profile that **IWB** has set for itself.

From a supply perspective, the current global financing landscape necessitates a water investment bank to act as a global leader in this sector. This is precisely the gap that **IWB** intends to fill: **IWB** strives to be the first Bank and private equity investor that is exclusively dedicated to water.

**IWB** seeks to further differentiate itself by bringing alongside its investing potential, assistance and advisory services to develop a host of projects including those that have previously not been viable due to political, operational, or financing complexities. These projects will also support innovation, engage institutions, and address unique infrastructure challenges.



## **ADDING VALUE**

Aside from mounting water stress, a clear gap in the water market has emerged in the form of aging water infrastructure across many industrialized regions across Europe and the United States. This has translated into a significant water financing market opportunity. OECD highlights that in the United Kingdom alone, 75% of urban water networks are over 100 years old. Likewise, at current network renewal rates in France, it would take 140 years for full replacement of wastewater collection and treatment networks, while in Japan, it is estimated that the replacement costs of water supply facilities will amount to US\$580 billion by 2050.

Investments in water and wastewater-related utilities, infrastructure, and innovative technologies in these industrialized countries and other countries around the world would provide relatively stable returns in the range of 6-12% for debt and equity, which represents a solid basis for potential investment in the space. Emerging markets and developing economies are also beginning to address challenges related to increasing water stress and can provide opportunities for further market growth and returns.

## **PARTNERING FOR SUCCESS**

The International Water Bank aims to develop symbiotic partnerships with the private sector, governments and International Financing Institutions. The aim is to allow these governments and financing institutions to leverage **IWB** as a key vehicle for investing in water, while fulfilling development mandates. Furthermore, **IWB** intends to pursue concessional lending with its partners, to address the water supply, sanitation and other water-related challenges of low-income and underserved communities face on a daily basis. A robust Corporate Social Responsibility (CSR) agenda will reinvest a portion of its capital, carry and proceeds in concessional projects and initiatives.

**IWB** will finance individuals and small companies who develop innovations and technologies for the water sector but lack financing. New innovative ideas that will be a breakthrough in the water industry, that help in saving and producing water for small communities to meet certain water demands and assist in water crisis in a sustainable way.



## STRATEGY

Risk management is at the core of **IWB's** responsible investment approach, and **IWB** intends to adopt a combination of the IFC and Equator principles as guidance. **IWB** is setting an investment bank with different times to market for each distinct license. Both, however, are key components of **IWB's** broader positioning and strategy to allow the Bank to capture the immediate private equity market opportunity and develop regulatory relationships to ramp up its investment banking operations.

**IWB's** investment philosophy assumes that "uniquely well-placed" management teams can earn superior risk-adjusted returns by leveraging their long-standing relationships and market knowledge to acquire and develop water solutions that will address global water stress issues.

A further differentiator for the **IWB** proposition includes a skilled investment team and water experts that **IWB** is currently in the process of hiring. This team will bring water, investment, and operational expertise, together with an investment track record that can provide incoming investors with assurance with respect to fund investment and management capabilities. Clearly defined investment technologies will be an integral part of the way forward.

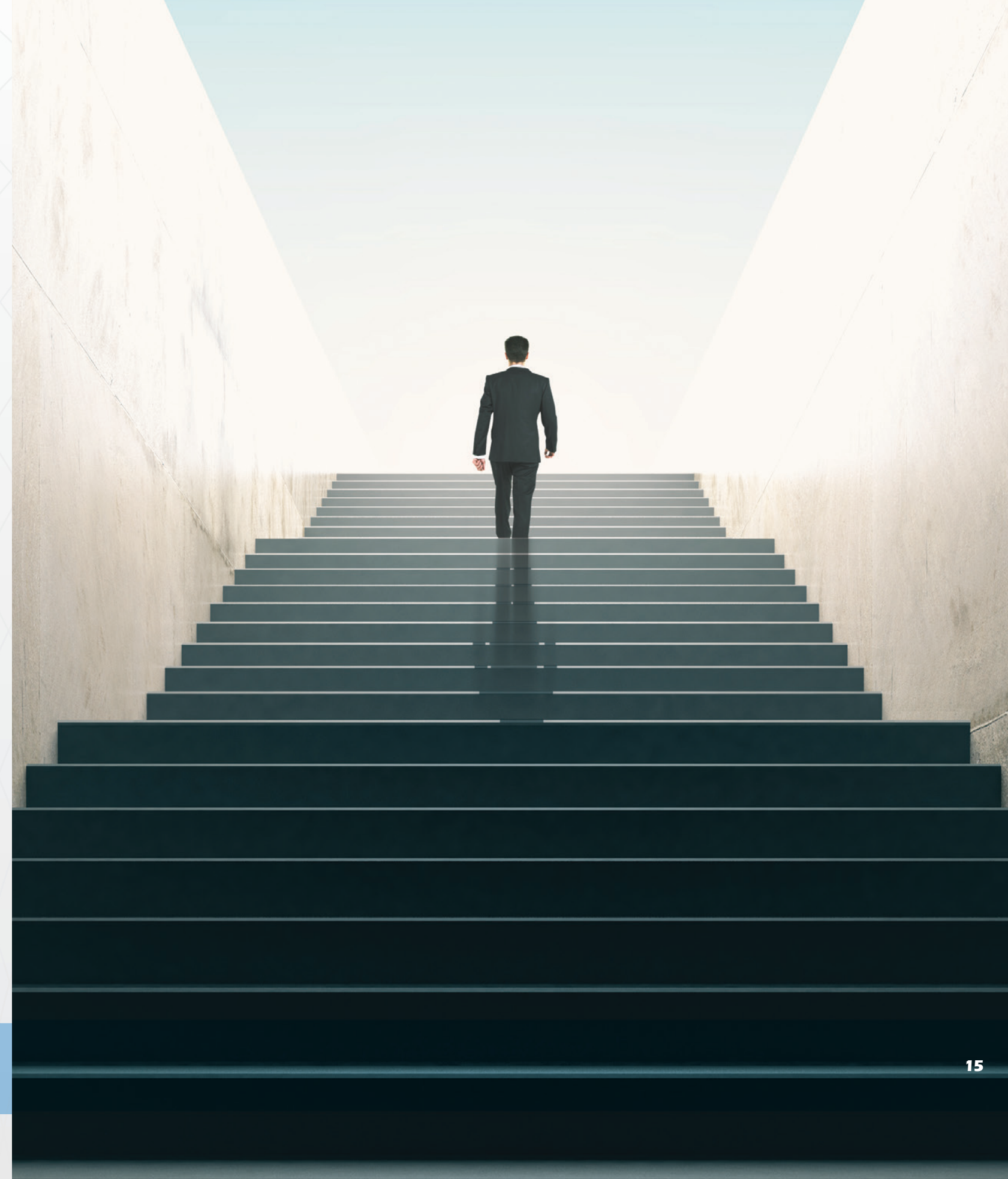
The Bank will be distinguished through its transparent governance, sustainable investing, and attractive return targets, and reinforced by a strong proprietary pipeline of projects that **IWB** will bring to potential investors. **IWB** intends to raise an initial US\$500 million in stage one, which will be allocated as a start across a range of projects to build a solid track record. Examples of the types of water development opportunities that the **IWB** will initially seek to include are specific domestic and industrial wastewater niches that provide both users and governments with solutions in desalination, innovation, conservation and financing water transportation. **IWB** as an investment bank will offer financial and advisory services for the whole water sector worldwide. In stage two, **IWB** intends to raise up to US\$5 billion for the **IWB** investment bank, targeting a return on equity of 10-12% from inception.



## **NEXT STEPS**

The board of the International Water Bank Holding is comprised of individuals who possess high professional expertise in both the finance and water sectors. This board is advising and supervising each step towards the final successful incorporation of the bank, ensuring that the process adheres to the highest levels of professionalism and solid governance. In addition, a feasibility study has been performed and completed by **IWB's** financial advisor and auditor, PricewaterhouseCoopers.

Recently, **IWB** began to recruit a best in-class executive management team to lead the bank's incorporation and commence the implementation of its vision and mission. The board has started the process of obtaining the necessary and relevant investment banking license for **IWB**, and incorporation of the International Water Bank will take approximately one year. In the first stage of incorporation, founders will be invited to **IWB** Holding. These founders will be considered as founders in the International Water Bank, and their equity stakes in **IWB** Holding will be transferred to the bank and considered their equity in the International Water Bank.





**Securing**  
Water  
**For All**

International  
**Water Bank**



