

January 27, 2012

Daiwa Securities Group Inc.

## **ADB To Issue Second Water Bond**

～Supporting water development in Asia and the Pacific through investment～

The Asian Development Bank (“ADB”) and Daiwa Securities Group announce the issuance of the Water Bonds (the “Bonds”) to finance ADB’s work in the water sector in Asia and the Pacific.

ADB disbursed more than \$750 million through its ordinary capital resources in 82 water-related projects throughout 2010. To support its water programs, ADB issued its first Water Bonds in April 2010, raising a total of \$638 million.

ADB lending in the water sector is expected to total over \$6.6 billion in 2012 and 2013, and ADB is planning the issuance of the second Water Bonds. ADB will provide assistance in an amount at least equal to the net proceeds of the Bonds to water-related projects in developing member countries in Asia and the Pacific.

In the same way as the first transaction in 2010, the issuance will be arranged by Daiwa Securities Capital Markets Co. Ltd., the wholesale securities firm under the Daiwa Securities Group, and the Bonds will be distributed by Daiwa Securities Co. Ltd., the Group's retail securities firm, to Japanese retail and institutional investors.

Water issues are multi-faceted, and are also becoming a major obstruction to economic growth in developing Asia. ADB's Water Bonds will provide Japanese investors with an opportunity to support the water business and contribute to poverty reduction in Asia and the Pacific through their investment.

The Water Bond is an example of Daiwa’s Impact Investment initiative. Under this initiative, Daiwa Securities Group actively pursues its commitment to social responsibility by seeking out investments that achieve social impact.

## Summary Terms of the Water Bonds



Issuer	The Asian Development Bank (ADB)
Currency	Turkish Lira
Issue Amount	TRY 474.5 million
Tenor	3 years
Coupon	6.29% per annum
Denomination	TRY 10,000
Offering Period	February 6, 2012~ February 17, 2012
Delivery of the Notes in Japan	February 22, 2012
Maturity Date	February 26, 2015

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### ■ About the Asian Development Bank (ADB)

ADB, based in Manila, is dedicated to reducing poverty in Asia and the Pacific through inclusive economic growth, environmentally sustainable growth and regional integration. Established in 1966, it is owned by 67 members -- 48 from the region.

Whether it be through investment in infrastructure, health care services, financial and public administration systems, or helping nations prepare for the impact of climate change or better manage their natural resources, ADB is committed to helping developing member countries evolve into thriving, modern economies that are well integrated with each other and the world. The main devices for assistance are loans, grants, policy dialogue, technical assistance and equity investments.

### ■ About the Daiwa Securities Group

Founded in 1902, the Daiwa Securities Group is one of the largest independent and comprehensive securities group in Japan. Through its global network, the Group provides a broad range of financial services to our clients worldwide, including wealth management and support for corporate activities, and thus contributing to the development of our society and economy. The core business areas include brokerage, development and distribution of financial products including equity, bond, investment trusts and derivatives, underwriting of equity, bond and other securities, M&A advisory, asset management, and investment. In addition, the Group entered into banking business in 2011.

The Daiwa Securities Group has its operational base around the world, including Japan, the U.S., Europe, and Asia Oceania.

A total of approximately 16,000 employees work for the Group companies worldwide, and the customer assets under custody totals around JPY39 trillion and a combined asset under management of two asset management companies is about JPY12.6 trillion. (All figures are as of the end of Sept 2011)