

August 10, 2015

Daiwa Securities Group Inc.

## **Issuance of ADB Water Bonds**

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

Daiwa Securities Group announces the planned issuance on 26 August 2015 of the Water Bonds (the “Water Bonds”) by the Asian Development Bank (“ADB”) to finance ADB’s work in the water sector in Asia and the Pacific.

ADB outlined its vision for integrated water management in its “Water for All” water policy, and, established the Water Financing Program in response to international calls for increased financing for water. After nine years of the Water Financing Program, ADB has strong results on safe water supply and improved sanitation, more efficient and productive irrigation and drainage, and reduced risk to floods. ADB’s water investment pipeline for 2015-2017 is currently estimated at \$9.0 billion.

In April 2010, ADB introduced its first Water Bonds in the Japanese market, raising USD 638 million equivalent. To date, ADB has issued over \$1.4 billion equivalent of the Water Bonds. This issue will be arranged and distributed by Daiwa Securities Co. Ltd. as seller to Japanese retail and institutional investors. During the life of the Water Bonds, ADB will use its best efforts to apply an amount equal to the net proceeds and use it in its ordinary operations to finance a pool of projects related to the water sector. In case it would be unable to use the proceeds in relation to the water sector, ADB will use such proceeds in its ordinary operations.

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 water-related projects and contribute to poverty reduction in Asia and the Pacific through their investments.

The Water Bonds are examples 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	Asian Development Bank
Currency	Turkish Lira
Issue size	TRY 252 million
Tenor	4 years
Coupon	9.10% per annum
Denomination	TRY 10,000 (over TRY20,000)
Offering Period	August 13, 2015 ~ August 24, 2015
Delivery of the Notes in Japan	August 27, 2015
Maturity Date	August 15, 2019

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### ■ Asian Development Bank (ADB)

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to the majority of the world's poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

### ■ About the Daiwa Securities Group

■ Daiwa Securities Group Inc., founded in 1902, is one of the largest independent and comprehensive securities company in Japan. The Group contributes to the development of society and economy by providing a broad range of financial services worldwide through its global network. The Group's core business includes brokerage, investment banking, asset management, investment, and technology services. Additionally, the Group entered into banking business in 2011. In April 2012, Daiwa Securities, the retail arm of the Group, merged with Daiwa Securities Capital Markets, the wholesale arm.

The operational base of the Group spreads around the world, including Japan, the United States, Europe, and Asia-Oceania.

The Group employs near 15,000 personnel worldwide, and its customer asset under custody is approximately JPY56.6 trillion. (All figures are as of the end of June 2015.)

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