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June 9, 2008

**Daiwa Securities Group offers the first CER-Linked Uridashi Bond
Created in Collaboration with the World Bank**

Tokyo, June 9, 2008, Daiwa Securities Group and the World Bank announced that they have launched the market's first Certified Emission Reduction (CER*) Linked Uridashi Bond. The issuer for the bonds is the World Bank (International Bank for Reconstruction and Development- IBRD, rated Aaa/AAA). The USD denominated bond offers investors 100% principal protection in USD. It will have a fixed rate coupon for an initial period, and then a coupon linked to the future performance of CER market prices and the actual versus estimated delivery of CERs that will be generated by a hydropower plant located in the Guizhou Province in China.

By purchasing this bond, investors can indirectly participate in the market for greenhouse gas emission reductions. Investors will also be supporting demand for CERs generated from a specific UNFCCC-registered clean energy project. The market for CERs contributes to a reduction of global greenhouse gas emissions and the transition to a low carbon growth economy.

In the Japanese market, this issue will be referred to as the "CO₂L Bond (**)", or, the "'Cool' Bond".

This is the first Uridashi that references the emission reductions generated from a specific project under the framework defined by the Kyoto Protocol. The issue is underwritten by Daiwa Securities SMBC Europe Limited, arranged by Daiwa Securities SMBC Co. Ltd., the wholesale securities firm under Daiwa Securities Group, and distributed by Daiwa Securities to Japanese investors.

The World Bank and Daiwa Securities Group are each committed to providing products that respond to investors looking for investment opportunities that contribute to sustainable development.

Summary terms of the bond

Description	CER Linked USD denominated Uridashi Bond
Amount	USD 25,000,000.00
Maturity Date	September 30, 2013
Offering period	9 th June 2008 - 24 th June 2008
Issue Date	26 th June
Coupon	After an initial 15-month period with a fixed coupon of 3%, the note will pay a



THE WORLD BANK

大和証券グループ

variable interest rate The variable rate is linked to the future performance of CER market prices and the actual versus estimated delivery of CERs that will be generated by a hydropower plant located in the Guizhou Province in China.

Denomination USD100,000.00
Settlement Euroclear
Listing / Law Unlisted / English Law

* "CER" means a unit representing one ton of CO₂ equivalent issued in accordance with Article 12 of the Kyoto Protocol.

***"CO₂L" and "CO₂L Bond" are the registered trademarks of Daiwa Securities SMBC Principal Investments Co. Ltd

<About the World Bank>

The World Bank is a global development cooperative owned by 185 member countries. Its purpose is to help its members achieve equitable and sustainable economic growth in their national economies and find effective solutions to pressing regional and global problems in economic development and environmental sustainability. The goal is to help overcome poverty and improve standards of living for people worldwide. The International Bank for Reconstruction and Development (IBRD), rated Aaa/AAA, is the oldest and largest entity in the World Bank Group and provides funding, risk management tools and credit enhancement to sovereigns. To fund this activity, IBRD has been issuing debt securities in the international capital markets for 60 years.

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THE WORLD BANK

大和証券グループ

Regarding Fees and Risks

- ◇ Regarding expenses and costs including fees and commissions
 - Only the price value is to be paid to purchase bond
 - Trading foreign currency securities requires submission of application document for opening a foreign securities trading account and charges a maximum of ¥3,150 (including tax) of custody fee other than the purchase price
- ◇ Regarding risks in investment
 - Sale price of bond may fall below the par value in case of the sale before maturity date, as the price of bond fluctuates due to the change in interest rate and other factors.
 - Investment in foreign currency-denominated bond may fall below the par value of investment as the yen value of the bond fluctuates due to the change in yen value of coupon and proceed from redemption against the foreign currency.
 - Investment in bond may fall below the par value of investment due to the change in the bond issuer's management and financial status and the change in the third party's evaluation on those factors
- ◇ Regarding other notices in investment
 - Risks and expenses and costs including fees and commissions differ in each product, so please be sure to carefully read the document provided prior to the execution of agreement, prospectus and other documents.

Corporate name: Daiwa Securities Co. Ltd.

Financial instruments firm: chief of Kanto Local Finance Bureau (Kin-sho) No.108

Memberships: Japan Securities Dealers Association

The Investment Trusts Association, Japan

Japan Securities Investment Advisors Association

The Financial Futures Association of Japan

大和証券

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THE WORLD BANK

大和証券グループ

Notification Items Regarding Advertising etc.

(Notification items pursuant to Article 37 of the Financial Instruments and Exchange Law)

If you decide to enter into a business arrangement with our company based on the information described in materials presented along with this cover letter, 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 ¥3,150 (including tax) per year as an account management fee when you keep certificates of foreign securities in trust.
- 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, emission credits prices, commodity prices, and others.
- There may be losses on your transactions as a results of direct impacts of changes in the Issuer's business and financial conditions.
- 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.

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 SMBC Co. Ltd.

Financial instruments firm: chief of Kanto Local Finance Bureau (Kin-sho) No.109

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