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September 29, 2009

**International Finance Corporation
Daiwa Securities Group Inc.**

Issuance of “Microfinance Bonds”

~ Contributing to resolving poverty issues in developing countries through bond investments ~

Daiwa Securities Group and IFC (International Finance Corporation) hereby announce IFC's expected inaugural issuance of notes in the form of Microfinance Bonds under its Global Medium Term Note Program, to fund IFC's microfinance activities. IFC, a member of the World Bank Group, aims to create opportunity for people to escape poverty and improve their lives by employing a variety of measures to help economic development.

This inaugural issuance of Microfinance Bonds will be arranged by Daiwa Securities SMBC Co. Ltd., the whole sale securities firm under Daiwa Securities Group, and distributed by Daiwa Securities Co. Ltd. to Japanese retail and institutional investors. Microfinance Bonds are expected to be issued in November 2009.

Overview of IFC's Microfinance Bonds

IFC has obtained ratings of Aaa/AAA from Moody's Investors Service Inc (Moody's) and Standard & Poor's Ratings Services (S&P), respectively. Microfinance Bonds will be issued by IFC, and the currencies of the notes are expected to be Australian dollar and/or New Zealand dollar. It is expected that IFC will invest an amount at least equal to the bond proceeds in supporting microfinance activities.

Investment in the notes will contribute to resolving poverty-related issues in developing countries.

It is estimated currently that 2.8 billion people, which corresponds to 2 out of 5 people in the world, are living on less than \$2 a day. Of these people, 1.2 billion are forced to live on less than \$1 a day. Consequently, in developing countries, 33,000 children lose their lives each day and one or more women lose their lives every minute in childbirth. Furthermore, more than 100 million children are missing out on the opportunity to attend schools because of poverty.

To help improve these current situations, microfinance institutions provide small-scale financial services to poorer segments and engage in social activities with the purpose of fostering economic independence. Microfinance institutions started to appear in the 1970s in some countries in Asia and South America. Their activities have been expanding over the years in different regions of the world, drawing attention as a sustainable development program.

IFC is expected to provide several hundred million in U.S. dollars a year to support microfinance activities through loans to and investments in microfinance institutions. The proceeds from the issuance of Microfinance Bonds in Japan are expected to support primarily these activities and, ultimately, are intended to help promote economic independence of poorer segments in developing countries. Japanese investors will contribute indirectly to reducing poverty through investments in Microfinance Bonds.

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About IFC

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. IFC fosters sustainable economic growth in developing countries by supporting private sector development, mobilizing private capital, and providing advisory and risk mitigation services to businesses and governments. IFC's new investments totaled \$14.5 billion in fiscal 2009, helping play a prominent role in addressing the financial crisis. For more information, visit www.ifc.org.

IFC is an international organization, established in 1956 to further economic growth in its developing member countries by promoting private sector development. IFC is a member of the World Bank Group, which also comprises the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), which together form the World Bank; the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID).

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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

Japan Securities Investment Advisors Association

The Financial Futures Association of Japan

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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 result 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.

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Memberships: Japan Securities Dealers Association

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