



Press Release

For release on 22 July 2010

Daiwa Capital Markets Expands Fixed Income Capabilities in Korea and India

Daiwa Capital Markets (Daiwa) announced today that it has appointed Jung Insuk as head of Fixed Income in Korea, effective July 12th, and Ajay Marwaha as head of Fixed Income in India, effective June 14th. These appointments are made with the aim of expanding the fixed income business in Korea and India respectively. They will be based in Korea and India.

Jung Insuk joins from Shinhan Investment Corp., where he was head of Fixed Income, Currency & Commodities. Prior to this, he was responsible for trading a wide variety of FICC products, such as domestic and international bonds, currencies and derivatives, at Deutsche Bank, Credit Suisse First Boston and KDB Securities.

Ajay Marwaha, appointed head of Indian Fixed Income, joins from Nomura Financial Advisory and Securities (India) Private Limited, where he served as Executive Director. Previously, he was also responsible for FICC product trading, and involved in the launch of primary dealer business lines at Lehman Brothers and Citi Group.

In November 2009, Daiwa Capital Markets announced a four-part core action plan to expand its Asian business: upgrading the Hong Kong office to second headquarters status, increasing personnel, strengthening of capital, and appointing local influential figures as advisors. Since then, a number of senior level hires, as well as a series of capital injections have been made in line with this strategy.

These expansion plans, which are focused particularly on China and Hong Kong, followed by India, South Korea, Taiwan and Singapore, are aimed at significantly expanding operations in Asia, with specific focus on Fixed Income and derivative operations. The recently announced acquisition of KBC's global Convertible Bonds and Asian Equity Derivative business lines was also in line with this strategy.

The Korean and Indian fixed income markets are the second and third largest markets in Asia (excluding Japan), trailing only China. As part of the firm's business expansion strategy, Daiwa expects to acquire primary dealership and derivative licenses in both

Daiwa

Capital Markets

markets. The appointment of Mr. Jung Insuk and Mr. Ajay Marwaha, which will be followed by further hires, is the first step in expanding operations in these promising markets.

Mr. Matsushima, Global Head of Markets at Daiwa commented, “Daiwa aims to be an investment bank representing Asia through providing Asian countries with a full range of investment banking services, as we already do in Japan. Indirect financing still occupies a large part of Asian capital markets and foreign bond holders' share is generally kept low. In addition to the rush to build the infrastructures in Asia, we expect to see financing needs of both public and private sectors in Asian local currencies rise as more global companies move into Asia, as well as with the growth of Asian companies. The local currency denominated bond market, led by the rapidly expanding government bond market, is expected to experience significant growth. Daiwa would like to contribute to the development of both the Korean and Indian capital markets with the arrival of Mr. Jung Insuk and Mr. Ajay Marwaha, and diversify the range of products we can offer to our clients through strengthening our operations in Asia and in emerging countries.”