

February 21, 2014

Daiwa Securities Group Inc.

Issuing of ADB Water Bonds

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

Daiwa Securities Group announces the issuance of the Water Bonds (the “Bonds”) issued 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. ADB disbursed a total of about USD 783 million in 85 water-related projects in 2013 financed through public sector under ADB’s Ordinary Capital Resources. ADB’s water investment pipeline for 2014-2015 is currently estimated at \$6.3 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 \$1.1 billion equivalent of the Water Bonds. This issue will be arranged and distributed by Daiwa Securities Co. Ltd. to Japanese retail and institutional investors. ADB will use its best efforts to 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.

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 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	The Asian Development Bank (ADB)
Currency	Brazilian Real (Payable in US Dollar)
Issue size	BRL 275.1 million
Tenor	4 years
Coupon	9.11% per annum
Denomination	BRL 10,000 (over 20,000)
Offering Period	February 26, 2014 ~ March 7, 2014
Delivery of the Notes in Japan	March 12, 2014
Maturity Date	March 27, 2018

■ 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. 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.

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

The Group employs near 13,700 personnel worldwide, and its customer asset under custody is approximately JPY50.5 trillion. (All figures are as of the end of Dec. 2013)

End