

ADB LAUNCHES US\$10 BILLION ASIAN CURRENCY NOTE PROGRAMME

SINGAPORE (14 September 2006) – The Asian Development Bank (ADB) today launched a US\$10 billion Asian Currency Note Programme that will serve as the first regional platform dedicated to issuances of bonds in regional currencies.

The programme is Asia's first multi-currency bond platform since the 1997 Asian financial crisis that links the domestic capital markets of Singapore and Hong Kong, China, as well as later on Malaysia and Thailand. Under the scheme, Asian currency bonds are issued in their domestic markets under a single unified framework with a common set of documents governed by English law.

DBS is the mandated regional arranger for the programme and sole lead manager and bookrunner for the Singapore dollar issue. The bookrunners and sole lead managers for the Hong Kong dollar issue are HSBC, and for the Thai baht issue Standard Chartered and Bank of Ayudhya.

The inaugural issue under the programme involves the issue by ADB of S\$300 million five-year Singapore dollar notes in Singapore and HK\$1 billion three-year Hong Kong dollar notes in Hong Kong, China to be printed before the end of the week. ADB also plans to issue THB6.5 billion of 5 and 10-year Thai Baht bonds shortly once approvals are obtained. While the Thai Baht notes will not yet be issued under the programme, the Thai Government has provided its in-principle approval for including Thailand in the programme in the very near future. Similarly, the Malaysian Government has signaled its intention to allow ADB to include Malaysia under the programme structure.

"The programme is a significant milestone for Asian capital market development and for ADB," says ADB Vice-President Khempheng Pholsena. "It is a logical continuation of ADB's market-opening transactions in Asian local currency bond markets over the last three years and fully in line with ADB's support to the ASEAN+3 Bond Market Initiative."

The scheme was established through the close coordination with and support of regulators from Hong Kong, China; Malaysia; Singapore; and Thailand. It allows a leading issuer like ADB to launch a larger bond issue by tapping several Asian financial markets simultaneously under a single unified framework. Such a single structure not only provides significant savings in terms of legal and transaction costs, but also allows issuers to tap into regional markets as and when market opportunities arise without the need to seek new approvals for each and every issue.

The programme is structured to accommodate other markets in the region as and when the terms are approved by regulators. "We hope that this programme will contribute to creating a unified platform which will eventually include the entire region. In our view, the programme signals the potential for Asian capital markets to address Asia's own large funding needs", says ADB Treasurer Mikio Kashiwagi.

He notes that the programme will allow regional and global issuers to simultaneously tap bond markets in the region expeditiously and contribute significantly to the deepening of bond markets in Asia.

"The format of a linked, multi-location, multi-currency financing can be applied to other leading issuers, including Asian or multinational corporate issuers seeking to simultaneously access a large base of investors across Asia's leading capital markets," says Clifford Lee, Managing Director of Debt Capital Markets at DBS.

Jackson Tai, Chief Executive Officer of DBS adds that Asia is becoming the centre-stage for capital formation and is increasingly providing funds for the rest of the world.

"With the 'ADB format' and the foresight of regulators from Singapore, Hong Kong, Thailand and Malaysia, underwriters from DBS, HSBC and Standard Chartered were able to construct a virtual link of Asia's capital markets to bring scale and investor demand across regulatory borders to serve a leading issuer," he says. "In the future, leading issuers will not be limited by the constraints of any one Asian capital market, whether it be size, currency or investor appetite."

About ADB

ADB, based in Manila, is dedicated to reducing poverty in the Asia and Pacific region through pro-poor sustainable economic growth, social development, and good governance. Established in 1966, it is owned by 66 members - 47 from the region. In 2005, it approved loans and grants for projects totaling \$6.95 billion, and technical assistance amounting to \$198.8 million. Visit the ADB website at www.adb.org.

About DBS

Headquartered in Singapore, DBS is one of the largest financial services groups in Asia with operations in 15 markets. The largest bank in Singapore and the fifth largest banking group in Hong Kong as measured by assets, DBS' "AA-" and "Aa2" credit ratings are among the highest in the Asia-Pacific region. DBS has leading positions in consumer banking, treasury and markets, asset management, securities brokerage, equity and debt fund raising. Beyond the anchor markets of Singapore and Hong Kong, DBS serves corporate, institutional and retail customers through its operations in China, India, Indonesia, Malaysia, Thailand and The Philippines. More information about DBS Group Holdings and DBS Bank can be obtained from the website www.dbs.com.

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