



AFRICAN DEVELOPMENT BANK OFFERS CLEAN ENERGY BOND TO JAPANESE RETAIL INVESTORS

Tokyo, 1 July, 2010 – The African Development Bank (AfDB), rated Aaa/AAA/AAA, today announced that it will offer a new Clean Energy bond to Japanese retail investors from 1 July, 2010. The issuance of this 7-year Brazilian real denominated deep discount bond is being arranged through HSBC Securities (Japan) Limited and will be distributed nationwide by Banyo Securities, Kimura Securities, Mitoyo Securities, Naruse Securities, Rakuten Securities and Shinwa Securities.

For Japanese individual investors, the “Clean Energy” bond offers an investment opportunity of the highest credit quality, while helping to finance the AfDB’s efforts¹ in the areas of climate risk management and clean energy solutions.

In Africa, access to energy is critical for reducing poverty and making the continent more competitive. To help address the need for greater energy access while considering the opportunities of shifting energy investments to favour low-carbon development paths, the AfDB has established a Clean Energy for Development Investment Framework.

Through its public and private sector windows, the AfDB is currently implementing several clean energy projects throughout the African continent and recently agreed to finance a wind power project in the Republic of Cape Verde, off the western coast of Africa. This project will see four wind farms, consisting of more than 120 wind turbines, constructed on four of the nation’s islands. As a result, it is expected that between 20-25% of the nation’s energy demand will be met - the highest level of renewable energy penetration in Africa.

The African Development Bank supports its African member countries efforts towards developing its abundant, but untapped clean energy potentials in three specific ways:

African Development Bank offers clean energy bond to Japanese retail investors /2

- 1) By encouraging countries to mainstream clean energy options into national development plans and energy planning.
- 2) By promoting investment in clean energy, including wind-power, hydropower and thermal power, use of new-generation biofuels, smoke-free stoves, low-light technologies, and extending, improving and subsidizing and connecting national power grids.
- 3) Working to boost energy access in Africa by supporting the sustainable exploitation of the huge energy potential of the continent, while supporting the growth of a low-carbon economy.

Summary of Expected Terms

Product:	7-year BRL deep discount
Offer Period:	1 July - 26 July, 2010
Pricing Date:	21 June 2010
Issue Date:	28 July 2010
Maturity:	28 July 2017
Coupon:	0.5% sa 30/360, unadjusted
Issue Price:	59.60%

Notes

1 The AfDB will use its best efforts to direct an amount equal to the net proceeds of the issue of the bonds to lending projects within the field of clean energy, subject to and in accordance with the AfDB's lending standards.

About the African Development Bank

The African Development Bank is a multilateral development Bank established in 1964 to mobilize resources for the continent's economic and social development. The Bank is owned by all the 53 countries of Africa and 24 countries across Europe, North and South America, the Middle East and Asia, including Japan.

About the HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 8,000 offices in 88 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,364 billion at 31 December 2009, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'