

PRICING SUPPLEMENT



**ASIAN DEVELOPMENT BANK
GLOBAL MEDIUM-TERM NOTE PROGRAM**

Series No.: 936-00-1

U.S.\$ 500,000,000

2.375 per cent. Global Notes due 10 August 2027

Issue price: 99.172 per cent.

Joint Lead Managers

**BofA Merrill Lynch
Crédit Agricole CIB
J.P. Morgan**

Co-Lead Managers

**Citigroup
Morgan Stanley**

**HSBC
TD Securities**

The date of this Pricing Supplement is 8 August 2017.

This pricing supplement (the “Pricing Supplement”) is issued to give details of an issue of U.S.\$500,000,000 2.375 per cent. Global Notes due 10 August 2027 (the “Notes”) by the Asian Development Bank (“ADB”) under its Global Medium-Term Note Program and to provide information supplemental to the Prospectus referred to below.

This Pricing Supplement supplements the terms and conditions of the Notes set forth in the Prospectus dated 28 April 2011 (as amended and supplemented and together with the documents incorporated by reference therein, the “Prospectus”) and should be read in conjunction with the Prospectus. Unless otherwise defined in this Pricing Supplement, capitalized terms used herein have the meanings given to them in the Prospectus.

The issue of the Notes was authorized pursuant to a global borrowing authorization of the Board of Directors of ADB dated 9 December 2016.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The Notes are not required to be and have not been registered under the U.S. Securities Act of 1933, as amended. The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission or any state securities commission nor has the Commission or any state securities commission passed upon the accuracy or adequacy of this Pricing Supplement. Any representation to the contrary is a criminal offense in the United States.

The distribution of this Pricing Supplement or the Prospectus and the offer and sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Pricing Supplement or the Prospectus comes are required by ADB and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of Notes and on the distribution of this Pricing Supplement or the Prospectus, see “Plan of Distribution” in the Prospectus.

The Notes are not the obligation of any government.

TERMS AND CONDITIONS

The following items are the particular terms and conditions of the Notes to which this Pricing Supplement relates. In case of any conflict between such terms and conditions and the terms and conditions set forth in the Prospectus, the terms and conditions set forth in this Pricing Supplement shall govern.

General Provisions

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| 1. | Issuer: | Asian Development Bank (“ <u>ADB</u> ”). |
| 2. | Series Number: | 936-00-1. |
| 3. | (i) Specified Currency (Condition 1(c)): | United States Dollars (“ <u>U.S.\$</u> ”). |
| | (ii) Specified Principal Payment Currency if different from Specified Currency (Condition 1(c)): | Not applicable. |
| | (iii) Specified Interest Payment Currency if different from Specified Currency (Condition 1(c)): | Not applicable. |
| | (iv) Alternative Currency (Condition 7(i)) (if applicable): | Not applicable. |
| 4. | Aggregate Nominal Amount: | U.S.\$500,000,000. |
| 5. | (i) Issue Price: | 99.172 per cent. of the Aggregate Nominal Amount. |
| | (ii) Net proceeds: | U.S.\$494,985,000. |
| 6. | Specified Denominations (Condition 1(a)): | U.S.\$1,000. |
| 7. | (i) Issue Date (Condition 5(d)): | 10 August 2017. |
| | (ii) Interest Commencement Date (if different from the Issue Date) (Condition 5(d)): | Not applicable. |
| 8. | Maturity Date or Redemption Month (Condition 6(a)): | 10 August 2027, subject to paragraph 31 below. |

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| 9. | Interest Basis (Condition 5): | Fixed Rate (Condition 5(a)) (further particulars specified in paragraph 16 below). |
| 10. | Redemption/Payment Basis (Condition 6(a)): | Redemption at par. |
| 11. | Change of Interest or Redemption/Payment Basis: | Not applicable. |
| 12. | Put/Call Options (Conditions 6(e) and (f)): | Not applicable. |
| 13. | Status of the Notes (Condition 3): | Senior. |
| 14. | Listing: | Luxembourg Stock Exchange. |
| 15. | Method of distribution: | Syndicated. |

Provisions Relating to Interest Payable

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| 16. | Fixed Rate Note Provisions (Condition 5(a)): | Applicable. |
| (i) | Rate(s) of Interest: | 2.375 per cent. per annum, payable semi-annually in arrear. |
| (ii) | Interest Payment Date(s): | 10 February and 10 August of each year, commencing on 10 February 2018 up to and including the Maturity Date, subject to paragraph 31 below. |
| (iii) | Fixed Coupon Amount(s): | U.S.\$11.875 per Specified Denomination, payable on each Interest Payment Date. |
| (iv) | Broken Amount(s): | Not applicable. |
| (v) | Relevant Financial Center: | New York. |
| (vi) | Additional Business Center(s) (Condition 5(d)): | Not applicable. |
| (vii) | Day Count Fraction (Condition 5(d)): | 30/360. |
| (viii) | Determination Date(s): | Not applicable. |

- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes:

No Calculation Period shall be adjusted in the event that the first day or last day of such period falls on a day that is not a Business Day.

The last paragraph of Condition 5(a) shall be replaced in its entirety by the following:

“Interest will cease to accrue on each Fixed Rate Note on the Maturity Date unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue at the specified Rate of Interest up to but excluding the earlier of (i) the date on which actual payment of principal is made, or (ii) the 15th calendar day following the receipt of such payment of principal by the Paying Agent.”

17. Floating Rate Note Provisions (Condition 5(b)):

Not applicable.

18. Zero Coupon/Deep Discount Note Provisions (Conditions 5(c) and 6(c)):

Not applicable.

19. Index-Linked Interest Note Provisions:

Not applicable.

20. Dual Currency Note Provisions:

Not applicable.

Provisions Relating to Redemption

21. Call Option (Condition 6(e)):

Not applicable.

22. Put Option (Condition 6(f)):

Not applicable.

23. Final Redemption Amount:

Aggregate Nominal Amount.

- (i) Alternative Payment Mechanism (Conditions 7(a) and (c)):

Not applicable.

- (ii) Long Maturity Note (Condition 7(f)):

Not applicable.

- (iii) Variable Redemption Amount (Condition 6(d)):

Not applicable.

24. Early Redemption Amount:
- (i) Early Redemption Amount(s) payable on an Event of Default (Condition 9) and/or the method of calculating the same (if required or if different from that set out in the Conditions): As set out in the Conditions.
 - (ii) Unmatured Coupons to become void (Condition 7(f)): Not applicable.

Additional General Provisions Applicable to the Notes

25. Form of Notes: Book-Entry Notes available on Issue Date.
26. Talons for future Coupons to be attached to definitive Bearer Notes (and dates on which such Talons mature): Not applicable.
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of ADB to forfeit the Notes and interest due on late payment: Not applicable.
28. Details relating to Installment Notes: Not applicable.
29. Redenomination, renominalization and reconventioning provisions: Not applicable.
30. Consolidation provisions: Not applicable.
31. Other terms or special conditions:
- (i) Payment Dates: If any date for payment of any principal or interest in respect of the Notes is not a Business Day, ADB shall not be obliged to pay such principal or interest until the first following day that is a Business Day and shall not be obliged

to pay any interest or other payment in respect of such postponed payment.

Distribution

32. (i) If syndicated, names of Managers: Crédit Agricole Corporate and Investment Bank
J.P. Morgan Securities plc
Merrill Lynch International
Citigroup Global Markets Limited
HSBC Bank plc
Morgan Stanley & Co. International plc
The Toronto-Dominion Bank
- (ii) Stabilizing Manager (if any): Not applicable.
- (iii) Commissions and Concessions: 0.175 per cent.
33. If non-syndicated, name of Dealer: Not applicable.
34. Additional selling restrictions: The following paragraph shall be deemed to be set out under the heading “France” in the section entitled “Plan of Distribution” in the Prospectus:
- “No prospectus (including any amendment, supplement or replacement thereto or any other offering material relating to the Notes) has been prepared in connection with the offering of the Notes which has been approved by the French *Autorité des marchés financiers* or by the competent authority of another state that is a contracting party to the Agreement on the European Economic Area and notified to the French *Autorité des marchés financiers* and to the Issuer; no Notes have been offered or sold nor will be offered or sold, directly or indirectly, to the public in France; the materials relating to the Notes have not been distributed or caused to be distributed and will not be distributed or caused to be distributed to the public in France; any offer, sale and distribution of the Notes has been and shall only be made in France to providers of investment services relating to portfolio management for the account of third parties as defined in, and in accordance with Articles L.411-2-II-1 and

D.321-1 of the French Code *monétaire et financier*, and/or qualified investors (*investisseurs qualifiés*) other than individuals investing for their own account, as defined in Articles L. 411-2 and D. 411-1 to D.411-4, of the French Code *monétaire et financier*. The direct or indirect distribution to the public in France of any Notes may be made only as provided by French laws and regulations.”

Operational Information

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| 35. | (i) ISIN: | US045167EC30. |
| | (ii) CUSIP: | 045167 EC3. |
| | (iii) CINS: | Not applicable. |
| | (iv) Other: | Not applicable. |
| 36. | Common Code: | 166056713. |
| 37. | Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s): | Federal Reserve Book-Entry System. |
| 38. | Delivery: | Delivery against payment. |
| 39. | Additional Paying Agent(s) (if any): | Not applicable. |
| 40. | Governing Law: | New York. |

Listing Application

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the Global Medium-Term Note Program of ADB.

Use of Proceeds

The net proceeds of the issue of the Notes will be included in the ordinary capital resources of ADB which will then be allocated to a special sub-portfolio therein and tracked against the disbursements to Eligible Projects (as defined below). As long as the Notes are outstanding, the balance of the sub-portfolio will be reduced, at the end of each quarter, by amounts matching the disbursements made during the quarter with respect to the Eligible Projects. Pending such disbursement, the sub-portfolio will be invested in accordance with ADB’s liquidity policy.

Eligible projects under ADB’s Green Bond framework (“Eligible Projects”) include projects funded by ADB, in whole or in part, that (i) target a reduction of greenhouse gas emissions into the atmosphere or removal of greenhouse gas emissions from the atmosphere (“Climate

Change Mitigation Projects”) and/or (ii) target the reduction of the vulnerability of human or natural systems to the consequences of climate change and enhance resilience and adaptive capacity (“Climate Change Adaptation Projects”).

Examples of Climate Change Mitigation Projects would typically include, without limitation, those that fall under the following sectors:

- Renewable energy – projects that use energy resources that can be naturally replenished (solar, wind, geothermal, and small hydro energy generation);
- Energy efficiency – projects that deliver more energy services with the same energy input (excluding fossil fuel projects); and
- Sustainable transport – projects that provide accessible, safe, environmentally friendly, and affordable transportation.

Examples of Climate Change Adaptation Projects would typically include, without limitation, those that fall under the following sectors:

- Energy – projects that help improve energy security (excluding fossil fuel projects);
- Water and other urban infrastructure and services – projects that improve water security and livelihoods of vulnerable urban populations, such as, providing urban flood protection; and
- Transport - projects that reduce the vulnerability of transport infrastructure.

The above examples of Eligible Projects are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by ADB during the term of the Notes.

Material Adverse Change Statement

There has been no material adverse change in the financial position or prospects of ADB since the date of the financial statements included in the Information Statement of ADB, which was most recently published on 25 April 2017.

Recent Developments

On 6 May 2017, ADB’s Board of Governors approved the following with respect to its 2016 reported net loss of U.S.\$11.2 million after appropriation of guarantee fees to the special reserve:

- a. U.S.\$14.6 million, representing the adjustment to the loan loss reserve as of 31 December 2016, be added from the net income to the loan loss reserve;
- b. U.S.\$513.9 million, representing the ASC 815/825 adjustments and the unrealized portion of net income from equity investments accounted for

under the equity method, for the year ended 31 December 2016, be added from the cumulative revaluation adjustments account;

- c. U.S.\$123.7 million be allocated to the ordinary reserve;
- d. U.S.\$259.4 million be allocated to the Asian Development Fund;
- e. U.S.\$60.0 million be allocated to the Technical Assistance Special Fund;
- f. U.S.\$20.0 million be allocated to the Asia Pacific Disaster Response Fund;
- g. U.S.\$15.0 million be allocated to the Climate Change Fund; and
- h. U.S.\$10.0 million be allocated to the Regional Cooperation and Integration Fund.

Responsibility

ADB accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Prospectus referred to above, contains all information that is material in the context of the issue of the Notes.

ISSUER

Asian Development Bank

6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

FISCAL AGENT

Federal Reserve Bank of New York

33 Liberty Street
New York, NY 10045
USA

LUXEMBOURG LISTING AGENT

BNP Paribas Securities Services, Luxembourg Branch

60 Avenue J.F. Kennedy
L-1855 Luxembourg

LEGAL ADVISERS TO THE MANAGERS

As to New York law

Cleary Gottlieb Steen & Hamilton LLP

One Liberty Plaza
New York, NY 10006
USA

AUDITORS

Deloitte & Touche LLP

6 Shenton Way, OUE Downtown 2,
#33-00,
Singapore 068809