

Pricing Supplement dated 19 March 2019

**AFRICAN DEVELOPMENT BANK**

**Global Debt Issuance Facility  
for issues of Notes with maturities of one day or longer**

**Issue of ZMW 155,000,000 18.50 per cent. Notes due 21 March 2022**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. This Pricing Supplement constitutes Final Terms for the purposes of listing and trading Notes on the Regulated Market of the Luxembourg Stock Exchange. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 8 September 2009, as supplemented by the Supplemental Information Memorandum dated 16 January 2017 (as so supplemented, the **Information Memorandum**). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Information Memorandum.

MiFID II product governance/Retail investors, professional investors and eligible counterparties – See item 39 below.

1. Issuer: African Development Bank
2.
  - (i) Series Number: 851
  - (ii) Tranche Number: 1
3. Specified Currency: Zambian Kwacha (**ZMW**) (provided that all payments in respect of the Notes will be made in United States Dollars (**USD**))
4. Aggregate Nominal Amount:
  - (i) Series: ZMW 155,000,000 being the equivalent in ZMW of USD 12,916,667, converted at the prevailing Exchange Rate of ZMW 12.00 per USD 1.00 as determined by the Calculation Agent on the Trade Date.
  - (ii) Tranche: ZMW 155,000,000 as set out in paragraph 4(i), above
5.
  - (i) Issue Price: 100 per cent. of the Aggregate Nominal Amount, converted in accordance with paragraph 4(i) above and payable in USD in the amount of USD 12,916,667.
  - (ii) Net proceeds: USD 12,916,667
6. Specified Denominations: ZMW 1,000,000 (also, the **Calculation Amount**)

- |     |   |   |
|-----|---|---|
| 7.  | (i) Issue Date:                                 | 21 March 2019   |
|     | (ii) Interest Commencement Date:                | 21 March 2019   |
|     | (iii) Trade Date:                               | 13 March 2019   |
| 8.  | Maturity Date:                                  | 21 March 2022 (the <b>Scheduled Maturity Date</b> ), subject as provided in paragraph 34.   |
| 9.  | Interest Basis:                                 | 18.50 per cent. Fixed Rate<br>(further particulars specified below)   |
| 10. | Redemption/Payment Basis:                       | See paragraphs 24, 25 and 34 below  |
| 11. | Change of Interest or Redemption/Payment Basis: | Not Applicable  |
| 12. | Put/Call Options:                               | Not Applicable  |
| 13. | Status of the Notes:                            | Senior  |
| 14. | Listing:  | The regulated market of the Luxembourg Stock Exchange for the purposes of Directive 2004/39/EC on Markets in Financial Instruments. |
| 15. | Method of distribution:                         | Non-syndicated  |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- |     |                                   |  |
|-----|-----------------------------------|--|
| 16. | <b>Fixed Rate Note Provisions</b> | Applicable   |
|     | (i) Rate of Interest:             | 18.50 per cent. per annum payable annually in arrear in USD in accordance with paragraph 34 below.   |
|     | (ii) Interest Payment Date(s):    | 21 March 2020, 21 March 2021 and the Scheduled Maturity Date (each a <b>Scheduled Interest Payment Date</b> ), subject in each case as provided in paragraph 34 below. |
|     | (iii) Fixed Coupon Amount:        | The equivalent in USD of ZMW 185,000 per Calculation Amount, as determined by the Calculation Agent in accordance with (and subject to) paragraph 34 below.            |
|     | (iv) Broken Amount(s):            | Not Applicable   |
|     | (v) Day Count Fraction:           | 30/360   |
|     | (vi) Determination Date(s):       | Not Applicable   |

(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: See paragraph 34

17.	<b>Floating Rate Note Provisions</b>	Not Applicable
18.	<b>Zero Coupon Note Provisions</b>	Not Applicable
19.	<b>Index-Linked Interest Note Provisions</b>	Not Applicable
20.	<b>Dual Currency Interest Note Provisions</b>	Not Applicable
21.	<b>Variable Coupon Amount Notes</b>	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

22.	<b>Call Option</b>	Not Applicable
23.	<b>Put Option</b>	Not Applicable
24.	<b>Final Redemption Amount of each Note</b>	The equivalent in USD of ZMW 1,000,000 per Calculation Amount, as determined by the Calculation Agent in accordance with (and subject to) paragraph 34 below.
25.	<b>Early Redemption Amount</b>	
	Early Redemption Amount(s) of each Note payable on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	The equivalent in USD of ZMW 1,000,000 per Calculation Amount and the accrued interest thereon, as determined by the Calculation Agent in accordance with (and subject to) paragraph 34 below.
26.	<b>Variable Redemption Amount Notes</b>	Not Applicable

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

27.	Form of Notes:	
	<b>Bearer Notes:</b>	Not Applicable
	<b>Registered Notes:</b>	Applicable
	Registrar and Transfer Agents	Registrar: Citibank N.A., Citigroup Centre, Canary Wharf, London E14 5LB Transfer Agent: Banque Internationale à Luxembourg société anonyme, 69 route d'Esch, L-

	2953 Luxembourg
(i) DTC Application:	No
(ii) Australian Domestic Notes:	No
28. Relevant Financial Centre(s) or other special provisions relating to Payment Dates:	New York City  For the purposes of Condition 6, "Business Day" means a day (other than Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business in London and New York City.
29. Talons for future Coupons to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	Not Applicable
30. 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 the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
31. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
32. Redenomination, renominatisation and reconventioning provisions:	Applicable, in accordance with the relevant legislation
33. Consolidation provisions:	Not Applicable
34. Other terms or special conditions:	
(i) All payments in USD:	Each Fixed Coupon Amount, principal amount, redemption amount, accrued interest amount or other amount payable in respect of the Notes (each a <b>Note Amount</b> ) shall, subject as provided below, be determined by the Calculation Agent by dividing such Note Amount by the FX Rate (as defined below).  If the Calculation Agent determines that any Payment Valuation Date is an Unscheduled Holiday then (A) the relevant Payment Date shall be postponed to the Postponed Payment

Date and (B) such Payment Valuation Date shall be postponed to the Postponed Payment Valuation Date, subject to such postponement being for no longer than the Deferral Period of a maximum of 14 consecutive calendar days after such Payment Valuation Date.

The Calculation Agent will give notice to the Noteholders, the Issuer and, in the case of Notes in global form, the Clearing Systems of (A) any Unscheduled Holiday on a Payment Valuation Date; and (B) the applicable Deferral Period End Date, in each case as soon as reasonably practicable thereafter.

For the purposes of this Pricing Supplement:

**Business Day** means a day (other than Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business in London and New York City.

**Calculation Agent** means JPMorgan Chase Bank N.A., London, including its successors, unless JPMorgan Chase Bank N.A., London fails to perform any of its duties or obligations as Calculation Agent, in which case the Issuer or another entity appointed by it will act as Calculation Agent.

**Clearing Systems** means Euroclear Bank SA/NV and Clearstream Banking S.A.

**Deferral Period** means a maximum period of 14 consecutive calendar days after the relevant Payment Valuation Date on which there is first an Unscheduled Holiday.

**Deferral Period End Date** means if a Payment Valuation Date is an Unscheduled Holiday, the next following Valuation Business Day that is not an Unscheduled Holiday, provided that if there continues to be an Unscheduled Holiday on each following day that would have been a Valuation Business

Day but for the Unscheduled Holiday and this continues for the Deferral Period, the Deferral Period End Date shall be the next following Business Day after the end of the Deferral Period.

**FX Rate** means the ZMW/USD rate (expressed as the amount of ZMW per one USD) determined by the Calculation Agent on the basis of a firm exchange rate quotation, (expressed as the amount of ZMW to be sold for the purchase of one USD, where the USD amount is payable outside the Republic of Zambia) from three Reference Market Dealers, as purchasers of ZMW and sellers of USD, in an amount corresponding to the relevant Note Amount at 10:00 a.m., London time (or such other time as the Calculation Agent shall decide in consultation with the Issuer) on the relevant Payment Valuation Date.

The FX Rate shall be determined by the Calculation Agent in accordance with the following provisions:

- (i) it shall be the arithmetic mean (rounded to the nearest two decimal points, with 0.005 per cent. being rounded up) of the rates quoted by the Reference Market Dealers; or
- (ii) if less than three Reference Market Dealers provide such quotations or the applicable Postponed Payment Valuation Date is an Unscheduled Holiday, then the FX Rate for the relevant Payment Valuation Date shall be determined by the Calculation Agent, taking into consideration all available information it deems relevant.

For the avoidance of doubt, the FX Rate may be such that the resulting USD amount is zero and in such event no USD or ZMW amount will be payable. For the avoidance of doubt, the resulting amount cannot in any circumstances be less than zero.

**Lusaka Business Day** means a day (other than a Saturday or Sunday) on

which banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in Lusaka.

**Payment Date** means:

- (i) in relation to interest due on an Interest Payment Date, the relevant Scheduled Interest Payment Date;
- (ii) the Scheduled Maturity Date; and
- (iii) any date on which the Early Redemption Amount is payable,

in each case subject to postponement as provided above if a Payment Valuation Date is an Unscheduled Holiday.

**Payment Valuation Date** means the day falling two Valuation Business Days prior to the relevant Payment Date, subject to postponement as provided above if a Payment Valuation Date is an Unscheduled Holiday.

**Postponed Payment Date** means, in the case of any Payment Date in respect of which the related Payment Valuation Date is an Unscheduled Holiday and is postponed as provided above, the second Business Day immediately following the relevant Deferral Period End Date.

**Postponed Payment Valuation Date** means, in the case of any Payment Valuation Date that is an Unscheduled Holiday and is postponed as provided above, the day that is two Valuation Business Days prior to the relevant Postponed Payment Date.

**Reference Market Dealers** means any three leading dealers, banks or banking corporations, which deal in ZMW, selected by the Calculation Agent in consultation with the Issuer.

**Unscheduled Holiday** means a day that is not a Lusaka Business Day and the market is not aware of such fact (by means of a public announcement or by reference to other publicly available

information) until a time later than 9:00 a.m. local time in Lusaka two Lusaka Business Days prior to the relevant Payment Valuation Date.

**Valuation Business Day** means a day which is a Business Day and a Lusaka Business Day.

- (ii) Representations, Warranties and Acknowledgments by the investor: An investor purchasing the Notes will be deemed to represent and warrant that:
- (a) the investor acknowledges and accepts all risks including, but not limited to, foreign exchange, credit, sovereign, convertibility and/or country risks, and any other risks associated with purchasing, investing in and/or holding the Notes;
  - (b) the investor has sufficient knowledge, experience and professional advice to make and has made and will continue to make its own legal, tax, accounting and other business evaluations of the merits and risks of investment in the Notes and is not relying on the views or the advice of, or any information with respect to the Notes provided by the Issuer in that regard;
  - (c) the investor has full legal power and authority to purchase and invest in the Notes;
  - (d) the purchase of the Notes and receipt of any payment of principal or interest thereunder does not violate or conflict with any law applicable to the investor, any provision of the investor's constituting documents, any order of any court or other governmental agency applicable to the investor, or any contractual restriction binding on the investor or affecting its assets;
  - (e) the investor is purchasing the Notes for the investor's own account and no other person shall have an interest in the Notes; and



- (f) the investor is solely responsible for making its own independent appraisal of the Issuer and of risks associated with investing in the Notes.

(iii) Settlement Conditions:

For purposes of these Notes and subject to paragraphs 24, 25 and 34(i) above, all settlements are in USD.

35. Governing law:

English Law

## DISTRIBUTION

36. (i) If syndicated, names of the Managers:

Not Applicable

(ii) Stabilising Manager (if any):

Not Applicable

37. If non-syndicated, name of the Dealer:

J.P. Morgan Securities plc

38. MiFID II product governance / Professional investors and ECPs only target market

The Issuer is not subject to Directive 2014/65/EU (as amended, **MiFID II**) or the requirements of an “investment firm”, “manufacturer” or “distributor” under the MiFID II product governance rules of EU Delegated Directive 2017/593. For the purposes of MiFID II, the Dealer shall be deemed the “manufacturer” in respect of the Notes. Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness

obligations under MiFID II, as applicable.

39. Additional selling restrictions: None

#### OPERATIONAL INFORMATION

40. ISIN: XS1966122381

41. Common Code: 196612238

42. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable

43. Delivery: Delivery against payment

44. Changes to the Agent(s) (if any): Not Applicable

45. Applicable TEFRA Rules: Not Applicable

46. Additional United States Federal Income Tax Consequences: Not Applicable

47. Intended to be held in a manner that would allow Eurosystem eligibility: No

#### LISTING APPLICATION

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Regulated Market of the Luxembourg Stock Exchange and admission to trading on the Official List of the Luxembourg Stock Exchange of the Notes described herein pursuant to the Global Debt Issuance Facility of the African Development Bank.

#### NO MATERIAL ADVERSE CHANGE


There has been no material adverse change in the financial position of the Bank since 31 December 2017.

#### AUDITORS

The annual accounts of the Bank for the financial years ended 31 December 2016 and 31 December 2017 have been audited by KPMG Audit and Deloitte & Associés, respectively.

#### RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.  
Signed on behalf of African Development Bank:

By:   
Duly authorised

**Bajabulile TSHABALALA**  
**Vice President Finance**  
**& Chief Finance Officer**