

**MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – 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 Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. 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.

**PRIIPs/IMPORTANT – U.K. RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to, any retail investor in the United Kingdom (“**U.K.**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**U.K. PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the U.K. has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the U.K. may be unlawful under the U.K. PRIIPs Regulation.

**PRIIPs/IMPORTANT – EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Notes issued by ADB do not fall under the scope of Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”). Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

ADB does not fall under the scope of application of MiFID II. Consequently, ADB does not qualify as an “investment firm”, “manufacturer” or “distributor” for the purposes of MiFID II.

**PRICING SUPPLEMENT**



**ASIAN DEVELOPMENT BANK**

**GLOBAL MEDIUM-TERM NOTE PROGRAM**

**Series No.: 1205-01-2**

**ZAR500,000,000**

**4.50 per cent. Notes due 7 December 2023**

**(to be consolidated and form a single series with the ZAR500,000,000 4.50 per cent. Notes due 7 December 2023 issued on 7 December 2020)**

**Issue price: 100 per cent. plus 46 days' accrued interest**

***Dealer***

**Deutsche Bank**

The date of this Pricing Supplement is 20 January 2021.

This pricing supplement (the “Pricing Supplement”) is issued to give details of an issue of ZAR500,000,000 4.50 per cent. Notes due 7 December 2023 (the “Notes”) (to be consolidated and form a single series with the ZAR500,000,000 4.50 per cent. Notes due 7 December 2023 issued on 7 December 2020) 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 on pages 20 to 44 under the heading “Terms and Conditions of the Notes” in the prospectus dated 28 April 2011 (the “2011 Conditions”) and should be read in conjunction with the prospectus dated 9 December 2020 (as amended and supplemented and together with the documents incorporated by reference therein, 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 2020.

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 Dealer 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 2011 Conditions, 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:   | 1205-01-2.   |
| 3. | (i) Specified Currency (Condition 1(c)):   | South African Rand (“ <u>ZAR</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):                                      | Applicable, provided that the “Market Exchange Rate” will be the rate determined by Natixis (the “Calculation Agent”), as follows:<br><br>1. On the second Business Day before a date on which payment on the Notes is due, at approximately 11:00 a.m. London time, the Calculation Agent will refer to the “ICAPZAR” screen of the Reuters Monitor Foreign Exchange Service or, if this is not available, the Calculation Agent will determine the Market Exchange Rate in the manner set out below. |

2. The Calculation Agent will select the firm bid quotation for the Specified Currency by one of at least three banks, one of which may be the Calculation Agent, which will yield the greatest number of United States dollars ("U.S. dollars") upon conversion from the Specified Currency.
3. If fewer than three bid quotations are available, the Calculation Agent will use the noon buying rate for cable transfers in the relevant currency in the City of New York, as certified for customs purposes by the Federal Reserve Bank of New York on the second Business Day before the date such payment is due or, if this rate is not available on that date, the Calculation Agent will determine the rate in its sole discretion, acting in good faith and in a commercially reasonable manner.

Payments made in U.S. dollars under the circumstances set forth in Condition 7(i) will not constitute a default under the Notes and holders will be responsible for all currency exchange costs.

4. Aggregate Nominal Amount: ZAR500,000,000.

The Notes will be consolidated and form a single series with the ZAR500,000,000 4.50 per cent. Notes due 7 December 2023 issued on 7 December 2020.

5. (i) Issue Price: 100 per cent. of the Aggregate Nominal Amount plus ZAR2,835,500 on account of accrued interest for 46 days from and including 7 December 2020 to but excluding the Issue Date.

(ii)	Net proceeds:	ZAR502,835,500 (inclusive of accrued interest of ZAR2,835,500).
6.	Specified Denominations (Condition 1(a)):	ZAR10,000.
7.	(i) Issue Date (Condition 5(d)):	22 January 2021.
	(ii) Interest Commencement Date (if different from the Issue Date) (Condition 5(d)):	7 December 2020.
8.	Maturity Date or Redemption Month (Condition 6(a)):	7 December 2023, subject to paragraph 31 below.
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:	Non-syndicated.

#### **Provisions Relating to Interest Payable**

16.	Fixed Rate Note Provisions (Condition 5(a)):	Applicable.
	(i) Rate(s) of Interest:	4.50 per cent. per annum, payable annually in arrear.
		For the avoidance of doubt, interest amount in ZAR per Specified Denomination shall be rounded to two decimal places, with ZAR0.005 being rounded upwards.

(ii)	Interest Payment Date(s):	7 December of each year, from and including 7 December 2021 up to and including the Maturity Date, subject to paragraph 31 below.
(iii)	Fixed Coupon Amount(s):	ZAR450 per Specified Denomination, payable on each Interest Payment Date.
(iv)	Broken Amount(s):	Not applicable.
(v)	Relevant Financial Center:	Johannesburg.
(vi)	Additional Business Center(s) (Condition 5(d)):	London and New York.
(vii)	Day Count Fraction (Condition 5(d)):	Act/Act (ICMA), unadjusted.
(viii)	Determination Date(s):	7 December of each year, from and including 7 December 2021 up to and including the Maturity Date.
(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 (as defined in paragraph 31 below).
		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: Registered Notes.

Definitive Registered Notes: Registered Global Note available on Issue Date; not exchangeable for individual Definitive Registered Notes.

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 Not applicable.



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:

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| 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:                               | <p>If any date for payment of any principal or interest in respect of the Notes is not a Business Day (as defined below), ADB shall not be obliged to pay such principal or interest until the first following day that is a Business Day, and ADB shall not be obliged to pay any interest or other payment in respect of such postponed payment.</p> <p>“<u>Business Day</u>” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Johannesburg, London and New York.</p> |

## **Distribution**

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| 32. | (i) If syndicated, names of Managers: | Not applicable.  |
|     | (ii) Stabilizing Manager (if any):    | Not applicable.  |
|     | (iii) Commissions and Concessions:    | 0.00 per cent.   |
| 33. | If non-syndicated, name of Dealer:    | Deutsche Bank AG, London Branch.   |
| 34. | Additional selling restrictions:      | The following paragraph shall be deemed to be set out under the heading “Republic of South Africa” in the section entitled “Plan of Distribution” in the Prospectus: |

“The Dealer has represented, warranted and agreed that it has not and will not offer for sale or subscription or sell any Notes, directly or indirectly, within the Common Monetary Area, comprising the Kingdom of Lesotho, Republic of Namibia, Republic of South Africa and Kingdom of Eswatini, or to any person or corporate or other entity resident in the Common Monetary Area except (a) in accordance with the exchange control regulations of the Kingdom of Lesotho, Republic of Namibia, Republic of South Africa and Kingdom of Eswatini and (b) to any entity resident or within the Republic of South Africa in accordance with the Commercial Paper regulations published in terms of the Banks Act, 1990, as amended, and the Companies Act, 2008, as amended, and (c) all other applicable laws of South Africa. In particular, the Prospectus does not, nor is it intended to, constitute a “registered prospectus” (as that term is defined in the Companies Act) and the Dealer has represented, warranted and agreed that it will not make an "offer to the public" (as such term is defined in the Companies Act) of any of the Notes (whether for subscription or sale)."

### **Operational Information**

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| 35. ISIN:   | XS2265997036.   |
| 36. Common Code:  | 226599703.  |
| 37. Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s): | Euroclear and Clearstream, Luxembourg only.   |
| 38. Delivery:   | Delivery against payment.   |
| 39. Additional Paying Agent(s) (if any):  | Not applicable.   |
| 40. Governing Law:  | English.  |
| 41. Service of Process (Condition 15(c)):   | ADB irrevocably appoints Law Debenture Corporate Services Limited at 8th Floor, 100 |

Bishopsgate, London EC2N 4AG, United Kingdom as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

### **Additional Information**

The Notes are denominated in ZAR. Since South Africa is not an ADB member country, ADB will not enjoy in South Africa its usual rights, immunities, privileges and exemptions which are conferred upon ADB by the Agreement Establishing the Asian Development Bank and by statutes, laws and regulations of member countries. Such privileges include immunity with respect to exchange controls and an exemption from withholding taxes with respect to payments on ADB's debt securities.

While the South African exchange control regulations presently in effect do not impose restrictions on payments on the Notes, no assurance can be given that these regulations will not change in the future. If, due to the imposition of exchange controls or other circumstances beyond the control of ADB, South African rand are not expected to be available to ADB, ADB will be entitled to satisfy its obligations to holders of Notes in respect of such payment by making such payments in U.S. dollars on the basis of the Market Exchange Rate (as defined under "Terms and Conditions" above) on the date of such payment or, if the Market Exchange Rate is not available on such date, as of the most recent practicable date. Any payment made by ADB under such circumstances in U.S. dollars shall constitute valid payment and shall not constitute a default in respect of the Notes.

Under current South African law, withholding tax on interest, calculated at a rate of 15%, is applicable to interest payments on the Notes to investors where the interest is regarded as having been received by or accrued to any foreign person from a source within the Republic of South Africa. As the ADB is not a resident in South Africa and does not have a permanent establishment in South Africa for South African tax purposes and/or will not utilise or apply the proceeds from the Notes in South Africa, the interest would not be considered to be from a South African source and interest withholding tax should not be levied. No assurance can be given that these laws will not change in the future. The Notes do not require the ADB to compensate holders of the Notes in the event of a change in South African law that results in withholding taxes being deducted from payments on the Notes.

### **Taxation**

Under existing South African law, all payments of principal and interest in respect of the Notes will be exempt from any taxes, levies, imposts, duties, deduction, withholdings or other charges, of whatsoever nature, imposed, levied, collected, withheld or assessed by the South African government or any political subdivision or taxing authority thereof or therein so long as the beneficial owner of the relevant Notes is not a "resident" for South African income tax purposes and the Notes are not attributable to a permanent establishment that the beneficial owner has in South Africa. A "resident" for South African income tax purpose would be:

- (1) a natural person who:
  - (i) is ordinarily resident in South Africa; or
  - (ii) is not ordinarily resident in South Africa, but has been physically present in South Africa for at least 91 days in aggregate during the relevant year of assessment and during each of the preceding 5 years of assessment and for at least 915 days in aggregate during such preceding 5 years; or
- (2) a person (other than a natural person):
  - (i) which is incorporated, established or formed in South Africa; or
  - (ii) which has its place of effective management in South Africa.

A "resident" for South African income tax purpose specifically excludes a person who is deemed to be exclusively a resident of another country for the purposes of the application of any agreement entered into between the governments of the Republic of South Africa and that other country for the avoidance of double taxation.

### **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.

### **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 24 April 2020.

### **Recent Developments**

On 22 May 2020, ADB's Board of Governors approved the following with respect to its 2019 reported net income of U.S.\$1,530.5 million, after appropriation of guarantee fees to the special reserve:

- a. U.S.\$461.2 million representing adjustments for the net unrealized gains for the year ended 31 December 2019, be added to the cumulative revaluation adjustments account;
- b. U.S.\$615.7 million be allocated to the ordinary reserve;
- c. U.S.\$259.5 million be allocated to the Asian Development Fund;

- d. U.S.\$130.0 million be allocated to the Technical Assistance Special Fund;
- e. U.S.\$30.0 million be allocated to the Regional Cooperation and Integration Fund;
- f. U.S.\$24.0 million be allocated to the Climate Change Fund; and
- g. U.S.\$10.0 million be allocated to the Asia Pacific Disaster Response Fund.

On 1 September 2020, Ashok Lavasa succeeded Diwakar Gupta as Vice-President for Private Sector Operations and Public-Private Partnerships.

### **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.

ASIAN DEVELOPMENT BANK

By: \_\_\_\_\_  
Name: MARIA A. LOMOTAN  
Title: Assistant Treasurer

**ISSUER**

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