

U.K. MIFIR 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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**U.K. MiFIR**”); 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 the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**U.K. MiFIR Product Governance Rules**”) 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.

ADB does not fall under the scope of application of Directive 2014/65/EU (as amended, “**MiFID II**”) or U.K. MiFIR. Consequently, ADB does not qualify as an “investment firm”, “manufacturer” or “distributor” for the purposes of either MiFID II or U.K. MiFIR.

PRICING SUPPLEMENT



ASIAN DEVELOPMENT BANK

GLOBAL MEDIUM-TERM NOTE PROGRAM

Series No.: 1235-01-1

PKR1,110,000,000

**8.70 per cent. Notes due 16 October 2025
payable in United States dollars**

**(to be consolidated and form a single series with the PKR1,600,000,000 8.70 per cent. Notes
due 16 October 2025 payable in United States dollars issued on 4 February 2021)**

Issue price: 99.19899 per cent.

Manager

Standard Chartered Bank

The date of this Pricing Supplement is 14 April 2021.

This pricing supplement (the “Pricing Supplement”) is issued to give details of an issue of PKR1,110,000,000 8.70 per cent. Notes due 16 October 2025 payable in United States dollars (the “Notes”) (to be consolidated and form a single series with the PKR1,600,000,000 8.70 per cent. Notes due 16 October 2025 payable in United States dollars issued on 4 February 2021) 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 9 December 2020 (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 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 Manager 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 (“ADB”). |
| 2. | Series Number: | 1235-01-1. |
| 3. | (i) Specified Currency (Condition 1(c)): | The lawful currency of the Islamic Republic of Pakistan (“ <u>Pakistani Rupee</u> ” or “ <u>PKR</u> ”). |
| | (ii) Specified Principal Payment Currency if different from Specified Currency (Condition 1(c)): | United States dollars (“ <u>U.S.\$</u> ” or “ <u>U.S. dollars</u> ”). |
| | (iii) Specified Interest Payment Currency if different from Specified Currency (Condition 1(c)): | U.S.\$. |
| | (iv) Alternative Currency (Condition 7(i)) (if applicable): | Not applicable. |
| 4. | Aggregate Nominal Amount: | <p>PKR1,110,000,000 payable in U.S.\$.</p> <p>The Notes will be consolidated and form a single series with the PKR1,600,000,000 8.70 per cent. Notes due 16 October 2025 payable in United States dollars issued on 4 February 2021.</p> |
| 5. | (i) Issue Price: | 99.19899 per cent. of the Aggregate Nominal Amount. |
| | (ii) Net proceeds: | PKR1,097,359,786.20 (payable as U.S.\$7,176,977.04 using the U.S.\$/PKR exchange rate of 152.90). |
| 6. | Specified Denominations (Condition 1(a)): | PKR10,000,000, payable in U.S.\$. |

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| 7. | (i) Issue Date (Condition 5(d)): | 16 April 2021. |
| | (ii) Interest Commencement Date (if different from the Issue Date) (Condition 5(d)): | Not applicable. |
| 8. | Maturity Date or Redemption Month (Condition 6(a)): | 16 October 2025 (which may be subject to adjustment as set out under “Applicable Disruption Event Provisions” in the Appendix). |
| 9. | Interest Basis (Condition 5): | Fixed Rate (Condition 5(a)) (further particulars specified below). |
| 10. | Redemption/Payment Basis (Condition 6(a)): | Redemption at par, provided that the Final Redemption Amount shall be payable in U.S.\$ determined in accordance with paragraph 23 below. |
| 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

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| 16. | Fixed Rate Note Provisions (Condition 5(a)): | Applicable. |
| | (i) Rate(s) of Interest: | 8.70 per cent. per annum, payable semi-annually in arrear. |
| | (ii) Interest Payment Date(s): | 16 April and 16 October of each year, commencing on 16 October 2021 up to and including the Maturity Date, adjusted in accordance with the applicable Business Day Convention (each may be subject to adjustment as set out under “Applicable Disruption Event Provisions” in the Appendix). |

(iii)	Interest Period End Date(s):	16 April and 16 October of each year, from and including 16 October 2021 up to and including the Maturity Date.
(iv)	Interest Period End Date(s) adjustment:	Unadjusted.
(v)	Business Day Convention:	Following Business Day Convention.
(vi)	Fixed Coupon Amount(s):	PKR435,000 per Specified Denomination payable in U.S.\$ on each Interest Payment Date, provided that the Fixed Coupon Amount shall be payable in U.S.\$ in accordance with paragraph 16(xii) below.
(vii)	Broken Amount(s):	Not applicable
(viii)	Relevant Financial Center:	Karachi.
(ix)	Additional Business Center(s) (Condition 5(d)):	New York City.
(x)	Day Count Fraction (Condition 5(d)):	Actual/Actual (ICMA).
(xi)	Determination Date(s):	16 April and 16 October of each year, from and including 16 October 2021 up to and including the Maturity Date.
(xii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	<p>The Fixed Coupon Amount will be paid on each relevant Interest Payment Date in U.S.\$ converted from PKR at the applicable PKR Rate (as defined in the Appendix) on the Scheduled PKR Valuation Date (as defined in the Appendix) in respect of the Interest Payment Date.</p> <p>The Fixed Coupon Amount per Specified Denomination payable in U.S.\$ shall be PKR435,000.00 divided by the PKR Rate (as defined in the Appendix). Such amount being rounded to the nearest cent, with U.S.\$0.005 being rounded upwards.</p> <p>The resulting figure shall then be multiplied by 111 to arrive at the total Fixed Coupon Amount with respect to the</p>

relevant Interest Payment Date.

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| 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

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| 21. Call Option (Condition 6(e)): | Not applicable. |
| 22. Put Option (Condition 6(f)): | Not applicable. |

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| 23. Final Redemption Amount: | Aggregate Nominal Amount; <u>provided, however</u> , that the Final Redemption Amount will be paid in U.S.\$ on the Maturity Date converted from PKR at the applicable PKR Rate (as defined in the Appendix) on the relevant Scheduled PKR Valuation Date (as defined in the Appendix). |
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The Final Redemption Amount per Specified Denomination payable in U.S.\$ shall be: PKR10,000,000 divided by the applicable PKR Rate (as defined in the Appendix). Such amount being rounded to the nearest cent, with U.S.\$0.005 being rounded upwards.

The resulting figure shall then be multiplied by 111 to arrive at the total Final Redemption Amount payable on the Maturity Date.

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| (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:

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| (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): | In the event that the Notes become due and payable as provided in Condition 9 (such date being an “Early Redemption Payment Date” which may be subject to adjustment as set out under “Applicable Disruption Event Provisions” in the Appendix), the Early Redemption Amount with respect to each Specified Denomination will be a U.S.\$ amount equal to the Redemption Amount that is determined in accordance with “23. Final Redemption Amount” above plus accrued and unpaid interest, if any, as determined in accordance with “16. Fixed Rate Note Provisions (Condition 5(a))”; <i>provided</i> that for purposes of such determination, the “Scheduled PKR Valuation Date” shall be the date that is no later than two (2) Relevant Business Days prior to the Early Redemption Payment Date, which may be subject to adjustment as set out under “Applicable Disruption Event Provisions” in the Appendix. |
| (ii) Unmatured Coupons to become void (Condition 7(f)): | Not applicable. |

Additional General Provisions Applicable to the Notes

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| 25. Form of Notes: | Registered Notes. |
| (i) Definitive Registered Notes: | Registered Global Note available on Issue Date; not exchangeable for individual Definitive Registered Notes. |
| (ii) New Safekeeping Structure (NSS Form): | No. |
| 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 | Not applicable. |

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: | Not applicable. |

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: | U.S.\$24,519.29. |
| 33. | If non-syndicated, name of Dealer: | Standard Chartered Bank. |
| 34. | Additional selling restrictions: | <p>The following paragraph shall be deemed to be set out under the heading “Pakistan” in the section entitled “Plan of Distribution” in the Prospectus:</p> <p>“The Dealer represents, warrants and agrees that the Notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Pakistan.”</p> |
| 35. | Prohibition of Sales to EEA and U.K. Retail Investors: | Applicable. |

Operational Information

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| 36. | (i) ISIN: | XS2296206225. |
| | (ii) CUSIP: | Not applicable. |
| | (iii) CINS: | Not applicable. |
| | (iv) WKN: | Not applicable. |

37. Common Code: 229620622.
38. Details of benchmarks administrators and registration under Benchmarks Regulation: Not applicable.
39. Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s): Euroclear and Clearstream, Luxembourg only.
40. Delivery: Delivery against payment.
41. Additional Paying Agent(s) (if any): Not applicable.
42. Governing Law: English.
43. Intended to be held in a manner which would allow Eurosystem eligibility: Not applicable.

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 13 April 2021.

Performance of Rates of Exchange and Explanation of Effect on Value of Investment

Certain historical information in respect of the U.S.\$/PKR foreign exchange rate is set out below. The payments of principal and interest received by holders of the Notes will be affected by the U.S.\$/PKR foreign exchange rate. Information in respect of the U.S.\$/PKR foreign exchange rate can also be found on Bloomberg.

<u>Year Ended 31 December</u>	<u>High</u>	<u>Low</u>
2009	84.7500	78.1650
2010	86.2953	83.6012
2011	90.0000	84.1900
2012	98.1400	90.0000
2013	108.6400	97.2900
2014	105.6100	96.1275
2015	105.5350	100.5750

<u>Year Ended 31 December</u>	<u>High</u>	<u>Low</u>
2016	104.9425	104.1256
2017	110.4500	104.7550
2018	139.0617	110.4950
2019	163.7778	138.1750
2020	168.5000	153.8150
<u>Period From</u>	<u>High</u>	<u>Low</u>
1 January 2021 – 6 April 2021	160.7957	152.8647

Source: Bloomberg (closing prices)


The delivery of this Pricing Supplement does not imply any representation on the part of the Issuer, the Calculation Agent or the Manager or any other person that the information extracted from the source above is correct.

NEITHER THE ISSUER NOR THE MANAGER MAKES ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION WHATSOEVER AS TO THE RESULTS TO BE OBTAINED FROM AN INVESTMENT IN THE NOTES. THE FOREGOING INFORMATION IS BASED UPON PUBLICLY AVAILABLE INFORMATION AS PUBLISHED BY THE APPLICABLE SOURCE. HOWEVER, NONE OF THE ISSUER, THE MANAGER, OR ANY OF THEIR AFFILIATES SHALL BE LIABLE (WHETHER IN NEGLIGENCE OR OTHERWISE) TO ANY PERSON FOR ANY ERROR IN THE INFORMATION SET FORTH ABOVE AND THEY SHALL NOT BE UNDER ANY OBLIGATION TO ADVISE ANY PERSON OF ANY ERROR THEREIN.

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. The information contained under the heading “Performance of Rates of Exchange and Explanation of Effect on Value of Investment” above has been extracted from Bloomberg. ADB confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

ASIAN DEVELOPMENT BANK

By: 
Name: JONATHAN P. GROSVENOR
Title: Assistant Treasurer

APPENDIX

Provisions Relating to U.S. Dollar Payments

The terms referenced below shall have the following specified meanings:

“Calculation Agent” means Standard Chartered Bank.

“PKR Rate” means the U.S.\$/PKR spot exchange rate, expressed as the amount of Pakistani rupees per one U.S. dollar at or about 11:00 a.m. Karachi time on the Scheduled PKR Valuation Date, at which the Issuer is actually able to convert the Specified Currency into the Specified Payment Currency for delivery in two Business Days determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner. The Calculation Agent will inform the Issuer of the U.S.\$/PKR spot exchange rate on the Scheduled PKR Valuation Date, with reference to the indicative market prices shown on relevant Reuters and/or Bloomberg screens selected by the Calculation Agent

If a Disruption Event occurs on any Scheduled PKR Valuation Date, then the PKR Rate for such Scheduled PKR Valuation Date shall be determined in accordance with the Disruption Provisions below.

“Scheduled Interest Payment Dates” means 16 April and 16 October of each year commencing on 16 October 2021 to and including the Scheduled Maturity Date, in each case, as may be postponed subject to the Disruption Provisions below, with no additional interest amount payable in relation to such postponement.

“Scheduled Maturity Date” means 16 October 2025, as may be postponed subject to the Disruption Provisions below, with no additional interest amount payable in relation to such postponement.

“Scheduled PKR Valuation Date” means the second Business Day prior to the relevant Scheduled Interest Payment Date, Scheduled Maturity Date, Early Redemption Payment Date or such other date on which an amount in respect of the Notes is due and payable, as the case may be; provided that, in the event of a Disruption Event, the relevant Scheduled PKR Valuation Date shall be adjusted in accordance with a PKR Valuation Postponement.

Disruption Provisions

A “Disruption Event” shall occur if the Calculation Agent is unable to actually convert the Specified Currency into the Specified Payment Currency on the Scheduled PKR Valuation Date for any reason beyond the control of the Calculation Agent.

“PKR Valuation Postponement” means that for the purposes of obtaining the PKR Rate in the event of a Disruption Event, the PKR Rate will be determined on the Business Day first succeeding the day on which the Disruption Event ceases to exist, subject to the Disruption Provisions.

Applicable Disruption Event Provisions

(a) In the event that a PKR Valuation Postponement occurs, the relevant Scheduled Interest Payment Date, Scheduled Maturity Date, Early Redemption Payment Date, or any other date on which an amount is payable, as the case may be, shall be postponed by an equivalent number of day(s) that the relevant Scheduled PKR Valuation Date is so postponed.

(b) In the event that a PKR Valuation Postponement occurs, and if the Scheduled PKR Valuation Date has not occurred on or before the 14th consecutive calendar day after the initial Scheduled PKR Valuation Date (any such period being a “**Deferral Period**”) then:

(i) The next day after the Deferral Period that is a Business Day in the event of a continuing Disruption Event, shall be deemed to be the Scheduled PKR Valuation Date (the “**Postponed PKR Valuation Date**”).

(ii) The Calculation Agent shall be entitled to determine the PKR Rate on such Postponed PKR Valuation Date, acting in good faith and in a commercially reasonable manner, having taken into account all available information that it deems relevant.

(iii) For the avoidance of doubt, no additional interest or other additional amounts shall be payable by the Issuer in the event that the relevant Scheduled Interest Payment Date, Scheduled Maturity Date or Early Redemption Payment Date, or any other date on which an amount is payable, as the case may be, is postponed.

(c) Notwithstanding anything herein to the contrary, in no event shall the total number of consecutive calendar days during which a PKR Valuation Postponement shall occur exceed 14 consecutive calendar days in the aggregate. Accordingly, if, upon the lapse of any such 14 calendar day period, a Disruption Event shall have occurred or be continuing on the day following such period, then PKR Valuation Postponement shall not apply and the PKR Rate shall be determined on the next Business Day following the Deferral Period.

(d) The Calculation Agent shall, in each case, as soon as reasonably practicable, give notice to the Noteholders, the Issuer, the Global Agent and the clearing systems of:

(i) The occurrence of a Disruption Event;

(ii) The date on which a Disruption Event ceases to exist and the Postponed PKR Valuation Date (if any) commences; and/or

(iii) The fact that the PKR Rate is to be determined by the Calculation Agent on the Postponed PKR Valuation Date, acting in good faith and in a commercially reasonable manner, having taken into account all available information that it deems relevant.

ISSUER

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