



## Asian Development Bank Asian Currency Note Programme

Asian Development Bank (“ADB”) may issue from time to time under its Asian Currency Note Programme (the “*Programme*”) notes with final maturities exceeding one year from the date of original issuance thereof which are denominated in specified Asian currencies (“*Notes*”). The aggregate nominal amount (or, in the case of non-interest bearing Notes, the aggregate proceeds) of all outstanding Notes will not exceed the equivalent of US\$10,000,000,000. Of such amount, the aggregate nominal amount of all outstanding Notes denominated in Hong Kong dollars issued under the Programme (“*HKD Notes*”) will not exceed HK\$7,800,000,000; the aggregate nominal amount of all outstanding Notes denominated in Singapore dollars issued under the Programme (“*SGD Notes*”) will not exceed S\$1,600,000,000; and the aggregate nominal amount of all outstanding Notes denominated in Malaysian Ringgit issued under the Programme (“*MYR Notes*”) will not exceed MYR3,800,000,000. With the approval of relevant authorities, ADB may add other Asian currencies to the Programme from time to time (currencies included within the Programme are, collectively, the “*Specified Currencies*”). A pricing supplement (each, a “*Pricing Supplement*”) will contain the terms and pricing details of each particular issue of Notes. Notes may be sold through one or more dealers appointed by ADB (“*Dealers*”) or directly by ADB itself to the extent permitted by applicable law.

Notes may be either interest bearing at fixed or floating rates or non-interest bearing and may be redeemable at par or at a specified amount above or below par, in each case with terms as specified in the applicable Pricing Supplement. Notes will have maturities as specified in the applicable Pricing Supplement and may be subject to early redemption in whole or in part, as specified in the applicable Pricing Supplement. Notes may be listed on one or more stock exchanges, or may be unlisted, as specified in the applicable Pricing Supplement.

**Certain types of Notes may be complex financial instruments and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in Notes. Investors should not purchase Notes unless they understand and are able to bear risks due to interest or exchange rate fluctuations or market, liquidity, early redemption or other risks associated with Notes. See “Risk Factors” for a discussion of certain risks that should be considered in connection with an investment in certain types of Notes.**

Approval-in-principle has been granted by the Singapore Exchange Securities Trading Limited (the “*SGX-ST*”) for the listing of the Programme. Application will be made for permission to deal in and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of ADB or such Notes.

**Notes are not the obligations of any government**

The date of this Offering Circular is 14 January 2008

Approval for the issuance of MYR Notes has been granted by Bank Negara Malaysia (“BNM”) by its letter of 15 March 2007. The MYR Notes will be issued according to “Practice Note 2 – Application of the Guidelines on the Offering of Private Debt Securities to the Issue, Offer or Invitation of Ringgit Denominated Private Debt Securities by a Multilateral Development Bank or a Multilateral Financial Institution in Malaysia” (“PN2”) issued by the Malaysian Securities Commission (“SC”) on 28 July 2004. PN2 modifies certain requirements of the SC’s Guidelines on the Offering of Private Debt Securities (“PDS Guidelines”) and provides that the approval of the SC for the issuance of MYR Notes is deemed to be granted upon the submission of this Offering Circular to the SC. Each recipient of this Offering Circular acknowledges and agrees that such approval of the SC shall not be taken to indicate that the SC recommends the subscription or purchase of the MYR Notes or that it assumes any responsibility for the correctness of any statement, opinion or report contained in this Offering Circular.

Notes of any particular issue will be in registered form, bearer form or book-entry form, as specified in the applicable Pricing Supplement. Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States as part of their primary distribution. Notes will be issued in the denominations specified in the applicable Pricing Supplement.

For HKD Notes and SGD Notes, DBS Bank Ltd. (“DBS”) will act as paying agent, registrar, calculation agent and the lodging CMU member for HKD Notes (the “*CMU Lodging Agent*”) (in such collective capacities, the “*Principal Agent*”) pursuant to an Agency Agreement dated 13 September 2006 entered into between ADB and DBS (as amended or supplemented from time to time, the “*Agency Agreement*”). For MYR Notes, BNM will act as central depository and paying agent pursuant to a Depository and Paying Agency Agreement to be entered into between ADB, AmInvestment Bank Berhad (hereinafter “*AmInvestment Bank*”) and BNM (as amended or supplemented from time to time, the “*Depository and Paying Agency Agreement*”). ADB will also enter into a Facility Agency Agreement (as amended or supplemented from time to time, the “*Facility Agency Agreement*”) with AmInvestment Bank pursuant to which AmInvestment Bank will perform the role of facility agent and calculation agent. ADB may appoint additional agents to act in specific capacities for specific issues of Notes.

Depending on their form and specified currency, Notes will be accepted for clearing through one or more clearing systems, as specified in the applicable Pricing Supplement. These systems will include those operated by The Central Depository (Pte) Limited (“*CDP*”), the Hong Kong Monetary Authority (“*HKMA*”), as operator of the Central Moneymarkets Unit Service (the “*CMU Service*”), BNM, as operator of the Real Time Electronic Transfer of Funds and Securities System (“*RENTAS*”), Euroclear Bank S.A./N.V. (“*Euroclear*”) and Clearstream Banking, société anonyme (“*Clearstream, Luxembourg*”).

**Notes issued under the Programme are not required to be registered under the U.S. Securities Act of 1933, as amended. Accordingly, no registration statement has been filed with the U.S. Securities and Exchange Commission (the “*Commission*”). The Notes have not been approved or disapproved by the Commission or any state securities commission nor has the Commission or any state securities commission passed upon the accuracy or**

**adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.**

ADB, having made all reasonable inquiries, confirms that all information in this Offering Circular is true and accurate in all material respects and is not misleading in any material respect, and that there are no other facts the omission of which, in the context of any issue of Notes, make this Offering Circular or any information in it misleading in any material respect; *provided however*, that ADB takes no responsibility or makes any representation as to the accuracy or completeness of the section “Clearance and Settlement – Clearing Systems” or any other provisions relating to clearance and settlement of the Notes. In addition, ADB confirms that each Pricing Supplement, when read together with the Offering Circular, will as of its date be true and accurate in all material respects and not misleading in any material respect, and that there will be no other facts the omission of which would make any Pricing Supplement, when read together with this Offering Circular, or any information therein misleading in any material respect.

Investors in the Notes should rely only on information contained or incorporated by reference in this Offering Circular or contained in the applicable Pricing Supplement. ADB has not authorised anyone to provide information different from that contained or incorporated by reference herein or contained in the applicable Pricing Supplement. The delivery of this Offering Circular or the applicable Pricing Supplement at any time does not imply that the information contained in this Offering Circular or the applicable Pricing Supplement, as the case may be, is correct at any time subsequent to its date, or, if later, to the date of the documents incorporated by reference in this Offering Circular.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer of, or an invitation by or on behalf of, ADB or any Dealer to subscribe or purchase any Notes. Neither this Offering Circular nor any Pricing Supplement constitutes, or may be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised 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 Notes or the distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where such action is required.

The distribution of this Offering Circular and any Pricing Supplement and the offer and sale of any Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Circular or any Pricing Supplement comes are required by ADB and any relevant 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 distribution of this Offering Circular or any Pricing Supplement, see “Plan of Distribution”.

The issuance and distribution of this Offering Circular and any Pricing Supplement and any offering and sale of Notes are not a waiver by ADB or by any of its members, Governors, Alternate Governors, Executive Directors, Alternate Executive Directors, officers or employees of any of the rights, immunities, privileges or exemptions conferred upon any of them by the Agreement Establishing the Asian Development Bank (the “*Charter*”) or by any statute, law or regulation of any member of ADB or any political subdivision of any member, all of which are hereby expressly reserved.

**This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor’s particular circumstances) of an investment in Notes of a particular issue. Investors should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the applicable Pricing Supplement are provided as general information only. Investors should consult their own financial and legal advisors as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances.**

**In connection with a particular issue of Notes, and as permitted by applicable law, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (the “*Stabilising Manager*”) (or persons acting on behalf of the Stabilising Manager) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer the relevant Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Notes and 60 days after the date of the allotment of the relevant Notes. No Stabilising Manager(s) will be appointed in respect of MYR Notes.**

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## AVAILABILITY OF INFORMATION AND INCORPORATION BY REFERENCE

### Availability of Information

ADB prepares an annual information statement (the “*Information Statement*”), which describes ADB, including its capital, operations, administration, Charter, legal status and its principal financial policies. Each Information Statement also contains ADB’s most recent audited financial statements. ADB’s latest Information Statement has been filed with the Commission. ADB also prepares an annual report to its Board of Governors which contains its most recent audited financial statements as well.

ADB will file its latest Information Statement and annual report to its Board of Governors (collectively, the “*ADB Information*”) with any stock exchange on which Notes are listed from time to time and with any regulatory authority which requires such a filing. The ADB Information may be inspected and copies may be obtained by holders of HKD Notes and SGD Notes at the following address:

DBS Bank Ltd.  
6 Shenton Way  
#35-00 DBS Building Tower One  
Singapore 068809

and by holders of MYR Notes at the following address:

AmInvestment Bank Berhad  
22nd Floor, Bangunan AmBank Group  
55, Jalan Raja Chulan  
50200 Kuala Lumpur  
Malaysia

and at any other address as may be specified in the applicable Pricing Supplement.

The ADB Information may also be obtained from the ADB website at [www.adb.org/Bond-Investors/investor.asp](http://www.adb.org/Bond-Investors/investor.asp). No other documents and information on ADB’s website are intended to be incorporated by reference in this Offering Circular apart from the ADB Information.

Copies of the Charter may be inspected at each of the above offices. Copies of the Agency Agreement may be inspected at the above offices of DBS, as Principal Agent; and copies of the Depository and Paying Agency Agreement and the Facility Agency Agreement may be inspected at the above offices of AmInvestment Bank, as Facility Agent.

ADB will provide, without charge, copies of the ADB Information, the Charter, the Agency Agreement, the Depository and Paying Agency Agreement and the Facility Agency Agreement upon written or telephonic request at the following offices of ADB:

P.O. Box 789  
0980 Manila, Philippines  
Attention: Funding Division,  
Treasury Department  
Telephone: (632) 632-4444  
Telex: 63587 ADB PN  
Facsimile: (632) 636-2444 or 2625

Yamato Seimei Bldg., Second Floor  
1-7, Uchisaiwaicho, 1-Chome, Chiyoda-ku  
Tokyo 100-0011, Japan  
Telephone: (813) 3504-3160  
Facsimile: (813) 3504-3165

### **Incorporation by Reference**

ADB's latest Information Statement, any annual financial statements filed with the Commission subsequent to the date of such Information Statement and any supplements (other than Pricing Supplements) or amendments to this Offering Circular circulated by ADB from time to time shall be deemed to be incorporated in and to form part of this Offering Circular, and references to this "*Offering Circular*" shall mean this document and any documents incorporated by reference in and forming part of this Offering Circular, except, and to the extent, any such document is superseded or modified by any subsequent document incorporated by reference in and forming part of this Offering Circular. Documents incorporated by reference in and forming part of this Offering Circular may not have been submitted to the same review and clearance procedures to which this Offering Circular has been submitted as of the date hereof by any stock exchange or regulatory authority referred to herein.

ADB will, in the event of any material change in the financial position of ADB that is not reflected in this Offering Circular, or if the terms of the Programme are modified or amended in a manner that would make this Offering Circular inaccurate or misleading in any material respect, or if any additional Asian currency is to be provided for under the Programme, prepare an amendment or supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes by ADB.

### **PRICING SUPPLEMENTS**

ADB will prepare, in respect of each particular issue of Notes, a Pricing Supplement that will contain the terms of and pricing details for such issue of Notes and such other information or disclosures as ADB considers necessary. A Pricing Supplement may set out the full text of the terms and conditions of a particular issue of Notes if ADB and the relevant Dealer(s) consider it necessary or appropriate.

### **DURATION**

The Programme has been established for a period of 30 years, commencing on 12 September 2006 and ending on 11 September 2036.

### **USE OF PROCEEDS**

The net proceeds to ADB from the sale of Notes will be included in the ordinary capital resources of ADB and used in its ordinary operations.

## SUMMARY

*The following summary does not purport to be complete and is derived from, and is qualified in its entirety by, the information in the remainder of this Offering Circular and, in relation to the terms and conditions of any particular issue of Notes, the applicable Pricing Supplement. Certain capitalised terms relating to Notes that are used in this Summary and not defined have the meanings given to them under “Terms and Conditions of the Notes.”*

ADB .....	Asian Development Bank
Dealers .....	The Dealers will consist of any one or more dealers who accept the arrangements for the sale of Notes by ADB set out in the Standard Provisions (as defined under “Plan of Distribution”) from time to time for a particular issue of Notes.
Principal Agent (for HKD Notes and SGD Notes).....	DBS Bank Ltd.
Facility Agent (for MYR Notes).....	AmInvestment Bank Berhad
Amount .....	The equivalent of US\$10,000,000,000 for all outstanding Notes, comprising HK\$7,800,000,000 for HKD Notes, S\$1,600,000,000 for SGD Notes, MYR3,800,000,000 for MYR Notes and such other limits as may be specified by ADB from time to time in respect of any other Specified Currencies.
Specified Currencies .....	Notes may be denominated in Hong Kong dollars, Singapore dollars, Malaysian Ringgit or such other Asian currencies as may be included in the Programme at the time of issue (each, a “Specified Currency”).
Tenor of Programme .....	30 years, from 12 September 2006 to 11 September 2036.
Maturities .....	Notes may be issued with any maturity exceeding one year from the date of issue. The final maturities of any Notes denominated in certain Specified Currencies shall not be less than any minimum or more than any maximum maturity as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to such Specified Currencies. Notes may have a final maturity beyond the tenor of the Programme.
Issue Price .....	Notes may be issued at par or at a discount to or premium over par.
Method of Issue.....	Notes may be issued through Dealers acting as principal, whether individually or in a syndicate, or on an agency basis. Additional Notes may be issued as part of an existing issue of Notes. ADB may itself directly issue and sell Notes to the extent permitted by applicable law.

Description of Notes .....	Notes may be either interest bearing at fixed or floating rates or non-interest bearing, with principal repayable at a fixed amount, as specified in the applicable Pricing Supplement.
Fixed Rate .....	Notes for which the interest basis is fixed will bear interest at the rate or rates specified in the applicable Pricing Supplement.
Floating Rate .....	Notes for which the interest basis is floating will have the basis for calculating the amount of interest payable determined by reference to one or more interest rate, in each case as specified in the applicable Pricing Supplement.
Zero Coupon .....	Notes for which the interest basis is zero coupon will not bear interest and will be issued at a discount to their redemption amount.
Fixed Redemption Amount .....	Notes that have a fixed redemption amount will be redeemable at par or at a specified amount above or below par.
Other Notes .....	Notes may be any other type of security that ADB and any Dealer(s) agree to be issued under the Programme, and the terms applicable to any such Notes will be specified in the applicable Pricing Supplement.
Status of Notes .....	Notes will constitute direct and unsecured obligations of ADB ranking <i>pari passu</i> , without any preference among themselves, with all other unsecured and unsubordinated obligations of ADB. Notes will not be the obligations of any government.
Negative Pledge .....	Notes will have the benefit of a negative pledge, as described and subject to the exceptions set forth under “Terms and Conditions of the Notes — Negative Pledge”.
Default.....	Notes will have the benefit of a default (including cross-default) provision, as described under “Terms and Conditions of the Notes — Events of Default”.
Tax Status.....	Notes and interest thereon generally will be subject to taxation.  The Charter provides that Notes and the interest thereon are not subject to any tax by a member of ADB (a) which tax discriminates against the Notes solely because they are issued by ADB, or (b) if the sole jurisdictional basis for the tax is the place or currency in which the Notes are issued, made payable or paid, or the location of any office or place of business maintained by ADB. Also, under the Charter, ADB is exempt from any obligation imposed by a member of ADB for the payment, withholding or collection of any tax or duty on Notes. Accordingly, payments on Notes will be made to the relevant Agent without deduction in respect of such tax or duty.

However, tax withholding requirements may apply to payments made by financial intermediaries acting in any capacity other than as ADB's relevant Agent.

Optional Redemption .....	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity in whole or in part at the option of ADB and/or the holders, and, if so, the terms applicable to such redemption. Any limitations imposed by applicable law relating to the redemption of Notes denominated in any Specified Currency will be specified in the applicable Pricing Supplement.
Form of Notes .....	Each particular issue of Notes will be in registered form, bearer form or book-entry form. Restrictions on forms of Notes may apply in certain jurisdictions. See "Form of Notes".
Registered Notes .....	Registered Notes will be issued in permanent global registered form. Notes in permanent global registered form will be exchangeable for Notes in definitive registered form only in the limited circumstances described herein. Notes in registered form may not be exchanged for Notes in bearer form.
Bearer Notes.....	Bearer Notes will be issued in permanent global bearer form. Notes in permanent global bearer form will be exchangeable for Notes in definitive bearer form only in the limited circumstances described herein. Notes in bearer form may not be exchanged for Notes in registered form.
Book-Entry Notes .....	Book-Entry Notes will be in uncertificated form and will be cleared through the book-entry system specified in the applicable Pricing Supplement.
Denominations .....	Notes will be in such denominations as may be agreed between ADB and the relevant Dealer(s) and specified in the applicable Pricing Supplement, except that the minimum denominations for Notes denominated in certain Specified Currencies will be as required by applicable law or the relevant regulatory authority (and will be specified in the applicable Pricing Supplement).
Listing .....	Approval-in-principle has been granted by the SGX-ST for the listing of the Programme. Notes issued under the Programme may be listed on the SGX-ST or other stock exchanges, but ADB will not be required to maintain any such listing. Unlisted Notes may also be issued under the Programme. The applicable Pricing Supplement will state whether the relevant issue of Notes will be listed on one or more stock exchanges or will be unlisted.

	No application is being made to list MYR Notes on any stock exchange.
Rating.....	The Programme has been rated Aaa by Moody’s Investors Service Inc., AAA by Standard & Poor’s and AAA by Fitch Ratings. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Governing Law .....	Notes will be governed by English law.  The Standard Provisions, the Agency Agreement and the Facility Agency Agreement are governed by English law. The Depository and Paying Agency Agreement is governed by Malaysian law.
Selling Restrictions .....	Hong Kong, Malaysia, Singapore, Japan, United Kingdom, United States and any other applicable jurisdiction. See “Plan of Distribution”.  There are restrictions on the sale of Notes and the distribution of offering material relating to the Notes. In particular, Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States as part of their primary distribution. See “Plan of Distribution”.  In connection with the offering and sale of Notes, additional selling restrictions may be imposed which will be set out in the relevant Pricing Supplement. See “Plan of Distribution”.
Clearance and Settlement...	Notes will be accepted for clearing through one or more clearing systems as specified in the applicable Pricing Supplement. These systems will include those operated by CDP, HKMA, BNM, Euroclear and Clearstream, Luxembourg.
Risk Factors .....	See “Risk Factors” for a discussion of certain risks that should be considered in connection with an investment in certain types of Notes.

## **RISK FACTORS**

*The following section does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in Notes. Investors should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. In addition, investors should consult their own financial and legal advisors as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances. Certain capitalised terms relating to Notes that are used in this section and not defined have the meanings given to them under "Terms and Conditions of the Notes".*

### **Market, Liquidity and Yield Considerations**

Notes may not have an established trading market when issued. There can be no assurance of a secondary market for any Notes or the liquidity of such market if one develops. Consequently, investors may not be able to sell their Notes readily or at prices that will enable them to realise yields comparable to those of similar instruments, if any, with a developed secondary market.

The secondary market for an issue of Notes may be affected by a number of other factors independent of the creditworthiness of ADB. These factors may include the method of calculating the principal or any interest to be paid in respect of such Notes, the time remaining to the maturity of such Notes, the outstanding amount of such Notes, any amortisation or optional redemption features of such Notes, the amount of such Notes being sold in the secondary market from time to time, any legal restrictions limiting demand for such Notes, the availability of comparable securities, and the level, direction and volatility of market interest rates generally. Such factors also will affect the market value of the Notes.

Depending upon the type of Notes, market conditions and other factors, investors seeking to sell relatively small or relatively large amounts of Notes may not be able to do so at prices comparable to those that may be available to other investors.

No investor should purchase Notes unless such investor understands and is able to bear the risk that Notes may not be readily saleable, that the value of Notes will fluctuate over time, and that such fluctuations may be significant and could result in significant losses to such investor. This is particularly the case for investors whose circumstances may not permit them to hold the Notes until maturity.

In addition to the foregoing considerations, the following additional considerations, among others, relate to the Notes indicated below.

The prices at which zero coupon instruments, such as Notes the interest basis for which is specified as being Zero Coupon, interest components and, in certain cases, principal components, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities with comparable maturities. This also is generally true in the case of other instruments issued at a substantial discount or premium

from the principal amount payable on such instruments, such as Notes issued with significantly below-market or above-market interest rates. Generally, the longer the remaining term of such instruments, the greater their price volatility as compared with that for conventional interest-bearing securities with comparable maturities.

### **Exchange Rate Risks and Exchange Controls**

Notes may be denominated or payable in any Specified Currency designated by ADB at the time of issuance. For investors whose financial activities are denominated principally in a currency (the “*Investor’s Currency*”) other than the Specified Currency, an investment in the Notes entails significant risks that are not associated with a similar investment in a security denominated in that Investor’s Currency. Such risks include, without limitation, the possibility of significant changes in the rate of exchange between the Specified Currency and the Investor’s Currency and the possibility of the imposition or modification of exchange controls by the country of the Specified Currency or the Investor’s Currency. Such risks generally depend on economic and political events over which ADB has no control. In recent years, rates of exchange have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are, however, not necessarily indicative of fluctuations that may occur in the future. Depreciation of the Specified Currency against the Investor’s Currency would result in a decrease in the Investor’s Currency equivalent yield on a Note denominated in that Specified Currency, in the Investor’s Currency equivalent value of the principal payable at maturity of such Note and generally in the Investor’s Currency equivalent market value of such Note. An appreciation of the Specified Currency against the Investor’s Currency would have the opposite effect. Further information as to current and historical exchange rates between the U.S. dollar and the Specified Currency or, if ADB considers it appropriate, the Investor’s Currency and the Specified Currency may be contained in the applicable Pricing Supplement.

Governments have imposed from time to time, and may in the future impose or modify, controls that could affect exchange rates as well as the availability of a specified foreign currency at the time of payment of principal of, premium, if any, or interest on a Note. Even if there are no exchange controls, it is possible that the Specified Currency for any particular Note may not be available (or available on reasonable terms) when payments on such Note are due.

### **Legal Investment Considerations**

Investors should consult their own legal advisers in determining whether and to what extent Notes constitute legal investments for such investors and whether and to what extent Notes can be used as collateral for various types of borrowings. In addition, financial institutions should consult their legal advisers or regulators in determining the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities, which may include Notes. Investors should review and consider such restrictions prior to investing in any Notes.

## FORM OF NOTES

*Capitalised terms relating to Notes that are used in this section and not defined have the meanings given to them under “Terms and Conditions of the Notes”.*

ADB and the relevant Dealer(s) shall agree on the form of Notes to be issued in respect of any issue of Notes. The form may be either registered or bearer or book-entry and will be specified in the applicable Pricing Supplement.

### **Registered Notes**

Registered Notes will be issued and represented by a certificate in permanent global registered form (“*Global Certificate*”) deposited on its Issue Date with, and registered in the name of, the relevant clearing system agreed upon between ADB and the relevant Dealer(s) and specified in the applicable Pricing Supplement.

Interests in a Global Certificate will be exchangeable in whole for Notes in definitive registered form (“*Definitive Certificates*”) only if such exchange is permitted by applicable law and if the clearing system(s) through which it is cleared and settled (i) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (ii) announces an intention to permanently cease business or does in fact do so, and no alternative clearing system is available or (iii) notifies ADB that it is unable or unwilling to act as depository for the Registered Notes and to continue performing its duties and no alternative clearing system is available.

In such circumstances, ADB will cause sufficient Definitive Certificates to be executed and delivered as soon as practicable (and in any event within 45 days of the occurrence of such circumstance) to the Principal Agent in the case of HKD Notes and SGD Notes or other appropriate agent in the case of Notes denominated in other Specified Currencies, for completion, authentication and delivery to the relevant Noteholders. A person having an interest in a Global Certificate must provide the relevant agent with a written order containing instructions and such other information as ADB and such agent may require to complete, execute and deliver such Definitive Certificates.

### **Bearer Notes**

Bearer Notes will be issued and represented by a certificate in permanent global bearer form (“*Global Note*”), without Coupons, which will be deposited with the relevant clearing system specified in the applicable Pricing Supplement on the relevant Issue Date.

A Global Note is exchangeable in whole (free of charge to the holder) for Notes in definitive bearer form (“*Definitive Notes*”) only if the clearing system with which it is deposited (i) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (ii) announces an intention to permanently cease business or does in fact do so, and no alternative clearing system is available or (iii) notifies ADB that it is unable or unwilling to act as depository for the Bearer Notes and to continue performing its duties and no alternative clearing system is available.

In exchange for the Global Note, ADB will deliver, or cause the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes (having attached to them (if applicable) all Coupons in respect of interest that has not already been paid on the Global Note and security-printed in accordance with any applicable legal and stock exchange requirements) substantially in the form attached to the Agency Agreement, in the case of the HKD Notes and SGD Notes, or the Facility Agency Agreement, in the case of MYR Notes.

### **Book-Entry Notes**

Book-Entry Notes will be in uncertificated form and will be cleared through the book-entry system specified in the applicable Pricing Supplement.

### **Direct Rights on Default**

The holder of a Global Note or a Global Certificate, unless otherwise specified in the applicable Pricing Supplement, may cause the Global Note or the Global Certificate, as the case may be, or a portion of it, to become due and repayable in circumstances described in Condition 9 under “Terms and Conditions of the Notes” by stating in a written notice to ADB the principal amount of Notes that is being declared due and repayable.

Following the giving of such notice, the holder of a Global Note or a Global Certificate may elect that the Global Note or the Global Certificate, as the case may be, becomes void as to a specified portion and that the persons entitled to such portion as accountholders with a clearing system acquire direct enforcement rights against ADB under further provisions of the Global Note or the Global Certificate, as the case may be.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the common terms and conditions of the Notes which shall be read together with the specific terms and conditions relating to the Notes in a Specified Currency that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Pricing Supplement, will apply to the Notes referred to in such Pricing Supplement. If Notes are to be printed in definitive form either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions) shall be endorsed on such Bearer Notes (as defined below) or on the Certificates (as defined below) relating to such Registered Notes (as defined below). If any common terms and conditions are supplemented, varied or superceded by the specific terms and conditions, Notes in definitive form may be printed with the common terms and conditions as so supplemented, varied or, as the case may be, superceded by the specific terms and conditions. Capitalised terms used herein and not otherwise defined have the meanings given to them in the applicable Pricing Supplement.*

### **Common Terms and Conditions**

ADB has entered or will enter into:

- 1) with respect to HKD Notes and SGD Notes, an Agency Agreement dated 13 September 2006 with DBS Bank Ltd. (as amended or supplemented from time to time, the “*Agency Agreement*”). Pursuant to the Agency Agreement, DBS Bank Ltd. will perform the roles of paying agent, registrar, calculation agent and the lodging CMU member for HKD Notes (the “*CMU Lodging Agent*”) (in such collective capacities, the “*Principal Agent*”); and
- 2) with respect to MYR Notes, a Depository and Paying Agency Agreement (as amended or supplemented from time to time, the “*Depository and Paying Agency Agreement*”) with AmInvestment Bank Berhad (hereinafter “*AmInvestment Bank*”) and Bank Negara Malaysia, and a Facility Agency Agreement (as amended or supplemented from time to time, the “*Facility Agency Agreement*”) with AmInvestment Bank. Pursuant to the Depository and Paying Agency Agreement, Bank Negara Malaysia will perform the roles of central depository and paying agent (in such collective capacities, the “*Central Depository*”) and pursuant to the Facility Agency Agreement, AmInvestment Bank will perform the roles of facility agent and calculation agent (in such collective capacities, the “*Facility Agent*”).

Subject to any applicable law, ADB may appoint other agents to act as paying agent, registrar, calculation agent, lodging CMU member for HKD Notes, central depository or facility agent from time to time or in connection with particular issues of Notes pursuant to other agreements or confirmations with such agents. In such capacities, the agents are referred to herein respectively as “*Paying Agent(s)*”, “*Registrar(s)*”, “*Calculation Agent(s)*”, “*CMU Lodging Agent(s)*”, “*Central Depository(s)*”, and “*Facility Agent(s)*” (which expressions shall include their respective successors and any additional agents appointed as such by ADB from time to time), and together with the Principal Agent, the Facility Agent and the Central Depository (and each respective successor) are collectively referred to as the “*Agents*”. Unless otherwise specified in the applicable Pricing Supplement, the Calculation Agent shall be the

Principal Agent, in the case of HKD Notes and SGD Notes, and the Facility Agent, in the case of MYR Notes.

Noteholders (as defined below) and holders of interest coupons (“*Coupons*”) appertaining to interest bearing Notes in bearer form are bound by and are deemed to have notice of all of the provisions of the Agency Agreement, in the case of HKD Notes and SGD Notes, and the Depository and Paying Agency Agreement and the Facility Agency Agreement, in the case of MYR Notes, or other agreement or confirmation for the appointment of any relevant Agent and the Pricing Supplement applicable to such Notes. Copies of the Agency Agreement, the Depository and Paying Agency Agreement, the Facility Agency Agreement or such other agreement or confirmation for the appointment of any relevant Agent (collectively, the “*Programme Documents*”) are available for inspection at the specified offices of the relevant entity.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the applicable Pricing Supplement in relation to such Series. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the applicable Pricing Supplement.

With respect to Book-Entry Notes, the rules and regulations of the relevant book-entry system will determine their denomination, the manner in which payment of interest and principal will be made, and the conditions under which such Book-Entry Notes will be transferred and how title will pass. Subject to the rules and regulations of the relevant book-entry system, an issue of Book-Entry Notes may have such other terms and conditions as may be specified in the applicable Pricing Supplement.

In these Conditions, “*Noteholder*” and, in relation to a Note or Coupon, “*holder*”, means (i) the person in whose name a Registered Note is registered, (ii) the bearer of any Bearer Note or Coupon and (iii) the person specified as such in the specific terms and conditions relating to Notes of a particular currency or in the applicable Pricing Supplement in the case of a Book-Entry Note, as the case may be.

References in these Conditions to terms specified on a Note shall, for Notes that are not Definitive Notes or Definitive Certificates, be deemed to include references to terms specified in the applicable Pricing Supplement and which will be attached to such Note.

Notes are not the obligations of any government.

## **1. Form, Denomination, Title and Specified Currency**

(a) *Form and Denomination:* Each issue of Notes of which this Note forms a part (the “*Notes*”) is issued as:

- (i) registered notes (“*Registered Notes*”) in the nominal amount specified on such Notes (the “*Nominal Amount*”) of a Specified Denomination (as defined below);

- (ii) bearer notes (“*Bearer Notes*”) in the Nominal Amount of a Specified Denomination, as specified on such Note; or
- (iii) uncertificated book-entry notes (“*Book-Entry Notes*”),

and these Conditions must be read accordingly. An issue of Notes may comprise either Registered Notes only or Bearer Notes only or Book-Entry Notes only.

Registered Notes will be issued and represented by certificates in permanent global registered form (“*Global Certificates*”). Bearer Notes will be issued and represented by certificates in permanent global form (“*Global Notes*”).

A Global Certificate or a Global Note will only be exchangeable for certificates in definitive form (“*Definitive Certificates*” and together with Global Certificates, “*Certificates*”) or Notes in definitive form (“*Definitive Notes*”), as the case may be, if such exchange is permitted by applicable law and if the clearing system(s) through which it is cleared and settled (i) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (ii) announces an intention to permanently cease business or does in fact do so, and no alternative clearing system is available or (iii) notifies ADB that it is unable or unwilling to act as depository for the Notes and to continue performing its duties and no alternative clearing system is available.

One Certificate representing the aggregate nominal amount of Registered Notes held by the same holder will be issued to such holder, unless more than one Certificate is required for clearance and settlement purposes. Each Certificate will be numbered serially with an identifying number, which will be recorded in the register (the “*Register*”) kept by the Registrar.

Bearer Notes are serially numbered and may be issued with Coupons attached, except in the case of Global Notes or Notes that do not bear interest.

Registered Notes and Bearer Notes will have such denominations as are set forth at the end of these Conditions or otherwise specified in the applicable Pricing Supplement (“*Specified Denominations*”). Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination (if any).

(b) *Title:*

- (i) Title to Registered Notes shall pass by registration in the Register in accordance with the provisions of the relevant Programme Document or otherwise in accordance with applicable law.
- (ii) Title to Bearer Notes and Coupons shall pass by delivery.

The holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note or Coupon shall be overdue and regardless of any notice of ownership, trust or an interest therein, any writing thereon (or on the Certificate representing it) or notice of any previous theft or loss thereof (or of the related Certificate), and all payments on a Note or Coupon to such holder shall

be valid and effectual to discharge the liability of ADB in respect of such Note or Coupon to the extent of the sum or sums so paid.

(c) *Specified Currency:* The Specified Currency of any Note is as specified in the applicable Pricing Supplement. Subject to Condition 7(g), all payments of principal and interest in respect of a Note shall be made in the Specified Currency.

## **2. Transfers**

(a) *Transfers of Registered Notes:* All transfers of Registered Notes and entries on the Register will be made in accordance with the relevant procedures of the Registrar. A copy of the relevant procedures will be made available by the Registrar to any holder of a Registered Note upon request.

(b) *Transfers Free of Charge:* Registrations of transfers of Certificates shall be effected without charge by or on behalf of ADB or the relevant Agent, *provided* that the transferor or holder shall bear the expense of the issue and delivery of any Registered Note and shall make any payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar may require).

(c) *Closed Periods:* No transfer of a Registered Note will be effected (i) in the case of a transfer of a Registered Note, during the period of 15 days ending on the due date for any payment of principal, redemption amount or premium (if any) in respect of that Note, (ii) during the notice period immediately preceding any date on which Notes may be called for redemption by ADB at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)).

## **3. Status of Notes**

The Notes constitute direct and unsecured obligations of ADB ranking *pari passu*, without any preference among themselves, with all other unsecured and unsubordinated obligations of ADB.

## **4. Negative Pledge**

So long as any Notes shall be outstanding and payment thereof shall not have been made or duly provided for, ADB will not cause or permit to be created on any of its property or assets any mortgage, pledge or other lien or charge as security for any notes, bonds or other evidences of indebtedness heretofore or hereafter issued, assumed or guaranteed by ADB for money borrowed (other than purchase money mortgages and pledges or liens on property purchased by ADB as security for all or part of the purchase price thereof), unless the Notes shall be secured by such mortgage, pledge or other lien or charge equally and ratably with such other notes, bonds or evidences of indebtedness.

## **5. Interest**

The interest basis for any Notes shall be determined in accordance with one or more of the following provisions or otherwise as specified in the applicable Pricing Supplement. Certain

capitalised terms used in this Condition 5, unless otherwise defined in the applicable Pricing Supplement, have the meanings set forth in Condition 5(d).

(a) *Fixed Rate:* The following provisions in this Condition 5(a) apply to a Note the interest basis for which is specified in the applicable Pricing Supplement as “Fixed Rate” (a “*Fixed Rate Note*”).

Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest as specified in the applicable Pricing Supplement, payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date specified in such Pricing Supplement, if such date does not fall on an Interest Payment Date. The amount(s) of interest payable in respect of such Fixed Rate Note may be specified in the applicable Pricing Supplement as the Fixed Coupon Amount(s) or, if so specified, the Broken Amount.

The first payment of interest on a Fixed Rate Note will be made on the Interest Payment Date next following the relevant Interest Commencement Date. If the period between the Interest Commencement Date and the first Interest Payment Date is different from the period between Interest Payment Dates, the first payment of interest on a Fixed Rate Note will be the amount specified on the relevant Fixed Rate Note as being the initial Broken Amount. If the Maturity Date is not an Interest Payment Date, interest from and including the preceding Interest Payment Date (or from and including the Interest Commencement Date, as the case may be) to but excluding the Maturity Date will be the amount specified on the relevant Fixed Rate Note as being the final Broken Amount.

If any Interest Payment Date for a Fixed Rate Note falls on a day that is not a Relevant Business Day, ADB shall make the relevant payment on the next day that is a Relevant Business Day, and no additional interest will accrue as a result of such delay.

Interest in respect of a period that is different from the period between Interest Payment Dates (or, in the case of the first interest period, the period between the Interest Commencement Date and the first Interest Payment Date) will be calculated using the applicable Day Count Fraction (as defined in Condition 5(d)) set out at the end of these Conditions or as otherwise specified in the applicable Pricing Supplement.

Interest will cease to accrue on each Fixed Rate Note on the due date for redemption thereof 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 and in the manner provided in this Condition 5(a) to the Applicable Date.

(b) *Floating Rate:* The following provisions in this Condition 5(b) apply to a Note the interest basis for which is specified in the applicable Pricing Supplement as being “Floating Rate” (a “*Floating Rate Note*”).

(i) *Interest Payment Dates:*

Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date specified in the

applicable Pricing Supplement at the rate per annum equal to the Rate of Interest calculated in accordance with this Condition 5(b) and such interest will be payable in arrear on each Interest Payment Date specified in such Pricing Supplement.

Interest will cease to accrue on each Floating Rate Note on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue at the Rate of Interest and in the manner provided in this Condition 5(b) to the Applicable Date.

(ii) *Rate of Interest:*

In the case of a Floating Rate Note which specifies in the applicable Pricing Supplement that the manner in which the Rate of Interest is to be determined shall be Benchmark Rate Determination, the Rate of Interest for each Interest Period shall be a floating rate or rates of interest equal to (x) the Benchmark Rate (as defined below) adjusted, if necessary, by any Margin in accordance with Condition 5(b)(iv) or (y) such other rate or rates calculated as specified in the applicable Pricing Supplement. The Rate of Interest in respect of a Floating Rate Note may be calculated by reference to SIBOR, Swap Rate, HIBOR, KLIBOR or one or more other interest rates (each, a “*Benchmark Rate*”). The dates on which interest shall be payable on a Floating Rate Note, the basis for calculation of each amount of interest payable in respect of such Floating Rate Note on each such date and on any other date on which interest becomes payable in respect of such Floating Rate Note, and the rate (or the basis of calculation of such rate) at which interest will accrue in respect of any overdue principal shall be as set out below, unless otherwise specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, the Rate of Interest and Interest Amount (as defined in Condition 5(b)(iv)) payable on the Floating Rate Note on each Interest Payment Date shall be determined by the Calculation Agent at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period on the basis of the following provisions.

- (A) If the applicable Pricing Supplement specifies that the “Primary Source for Floating Rate” shall be a specified page, section or other part of a particular information service, then the Benchmark Rate for such Interest Period, subject as provided below, shall be (x) the Reference Rate so appearing in or on that page, section or other part of such information service (where such Reference Rate is a composite quotation of interest rates per annum or is customarily supplied by one entity) or (y) if no composite quotation so appears, the arithmetic mean of the individual Reference Rates at that time appearing in or on that page, section or other part of such information service, in any such case in

respect of deposits in the relevant Specified Currency for a period equal to the duration of such Interest Period.

- (B) If the applicable Pricing Supplement specifies that the “Primary Source for Floating Rate” shall be the Reference Banks identified in such Pricing Supplement, or in the case of a Floating Rate Note in respect of which paragraph (A) above is applicable but (x) no Reference Rate appears at or about such Relevant Time or (y) fewer than two Reference Rates appear at or about such Relevant Time, then the Calculation Agent shall request the principal offices in the Relevant Banking Centre of each of the Reference Banks specified in the applicable Pricing Supplement (or, as the case may be, any Reference Bank appointed from time to time pursuant to Condition 5(b)(vi)) to provide the Calculation Agent with its Reference Rate quoted to leading banks for deposits in the relevant Specified Currency for a period equivalent to the duration of the relevant Interest Period. Where this Condition 5(b)(ii)(B) shall apply, the Benchmark Rate for the relevant Interest Period shall, subject as provided below, be the arithmetic mean of such Reference Rates as calculated by the Calculation Agent.
  
- (C) If, at or about the Relevant Time on any Interest Determination Date where the Benchmark Rate in respect of a Floating Rate Note is to be determined pursuant to Condition 5(b)(ii)(B), only two or three of such Reference Banks provide such relevant quotations, then the Benchmark Rate for the relevant Interest Period shall, subject as provided below, be the arithmetic mean of the Reference Rates quoted by such Reference Banks as calculated by the Calculation Agent.
  
- (D) If at or about the Relevant Time on any Interest Determination Date where the Benchmark Rate is to be determined pursuant to Condition 5(b)(ii)(B), fewer than two of such Reference Banks provide such Reference Rates, then the Calculation Agent shall, after consultation with ADB, select four or more banks carrying on business in the Relevant Financial Centre for such Specified Currency (the “*Alternative Banks*”), and the Benchmark Rate for the relevant Interest Period shall, subject as provided below, be whichever is the higher of:
  - (1) the Benchmark Rate in effect for the last preceding Interest Period to which Condition 5(b)(ii)(A), (B) or (C) shall have applied; and
  - (2) the rate per annum which the Calculation Agent determines to be the arithmetic mean of the Reference Rate quoted by such Reference Bank (if any) and the Reference Rates in respect of the relevant Specified Currency which such

Alternative Banks are quoting at or about the Relevant Time on the relevant Interest Determination Date for a period equivalent to the duration of such Interest Period to other leading banks carrying on business in that Relevant Financial Centre; *provided, however*, that if the Calculation Agent is unable to select the requisite number of Alternative Banks or if the Alternative Banks so selected by the Calculation Agent are not quoting as aforesaid, then the Benchmark Rate shall be the Benchmark Rate determined in accordance with paragraph (1) of this Condition 5(b)(ii)(D).

(iii) *Rounding:*

The Calculation Agent shall, if necessary, round any Rate of Interest to the nearest one-hundred thousandth of one percent.

(iv) *Determination of Rate of Interest and Calculation of Interest Amounts:*

As soon as practicable after the Relevant Time on each Interest Determination Date or such other relevant time, the Calculation Agent will obtain any quote or rate or make any determination or calculation, determine the Rate of Interest and calculate the amount of interest payable (the “*Interest Amount*”) in respect of each Specified Denomination of the relevant Floating Rate Notes for the relevant Interest Period. Interest Amount(s) shall be calculated by applying the Rate of Interest to each Specified Denomination, and multiplying such product by the applicable Day Count Fraction(s) and rounding, if necessary, the resultant figure to the nearest unit of the relevant currency (half of such unit being rounded upwards). The determination of the Rate of Interest and the Interest Amounts, the obtaining of any quote or rate, and the making of any determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(v) *Notification of Rate of Interest and Interest Amounts:*

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be provided to ADB, each of the Agents and, if the relevant Floating Rate Notes are at such time listed on any stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than two Relevant Business Days after the date of their determination. The Calculation Agent will also cause the same information to be provided to Noteholders in accordance with Condition 13 as soon as possible after its determination but, unless otherwise provided in the applicable Pricing Supplement, in no event later than the seventh calendar day thereafter. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or

appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(vi) *Calculation Agent and Reference Banks:*

ADB will ensure that, as long as any Floating Rate Note remains outstanding, there shall always be a Calculation Agent for such Floating Rate Note and so long as the Primary Source for Floating Rate for such Floating Rate Note is Reference Banks, and unless otherwise provided in the applicable Pricing Supplement, there shall at all times be at least four Reference Banks for such Floating Rate Note with offices in the Relevant Banking Centre. In the case of any Floating Rate Note in respect of which Condition 5(b)(ii)(A) applies but no Reference Rate appears at or about the Relevant Time, or fewer than two Reference Rates appear at or about the Relevant Time and ADB has not appointed at least five Reference Banks, ADB will, after consulting with the Calculation Agent, identify at least four Reference Banks for such Floating Rate Note with offices in the Relevant Banking Centre. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then ADB will use reasonable endeavours to appoint another Reference Bank with an office in the Relevant Banking Centre to act as Reference Bank in its place. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, then ADB will appoint, in the case of HKD Notes or SGD Notes, the Hong Kong or Singapore office of a leading bank engaged in the international interbank markets and, in the case of MYR Notes, the Kuala Lumpur office of a leading bank engaged in the Kuala Lumpur interbank money markets to act as Calculation Agent in its place. With respect to any Floating Rate Note at any time outstanding, the Calculation Agent thereof may not resign its duties unless a successor has been appointed and the appointment has been made effective.

(c) *Zero Coupon Notes:* In the case of a Note the interest basis for which is specified in the applicable Pricing Supplement as “Zero Coupon” (a “*Zero Coupon Note*”), references to the amount of interest payable in respect of a Note (other than as provided in Condition 9) and Coupons in these Conditions are not applicable. If, upon the presentation of a Zero Coupon Note on or after the Maturity Date, payment of principal is improperly withheld or refused, interest shall accrue (on the same basis as that referred to in Condition 5(a)) on such Note from the Maturity Date to the Applicable Date at a rate per annum equal to the Amortisation Yield specified in the applicable Pricing Supplement.

(d) *Definitions:* As used in these Conditions, and unless otherwise specified in the applicable Pricing Supplement:

“*Applicable Date*” means, in respect of any Note or Coupon for which payment of principal or interest thereon is improperly withheld or refused upon due presentation thereof, the earlier of (i) the date on which actual payment in respect of such Note or Coupon is made or (ii)

the 14th calendar day following the receipt of such payment in respect of such Note or Coupon by the appointed Paying Agent therefor.

“*Business Day Convention*” means either:

- (i) the “*Floating Rate Business Day Convention*,” in which case principal of and interest on a Note shall be payable on such Maturity Date (in the case of principal) or Interest Payment Dates (in the case of interest) as may be specified in the applicable Pricing Supplement, *provided* that:
  - (A) if there is no such numerically corresponding day in the calendar month in which a Maturity Date or Interest Payment Date should occur, then the relevant Maturity Date or Interest Payment Date, as the case may be, will be the last day which is a Relevant Business Day in that calendar month;
  - (B) if a Maturity Date or Interest Payment Date would otherwise fall on a day which is not a Relevant Business Day, then the relevant Maturity Date or Interest Payment Date, as the case may be, will be the first following day which is a Relevant Business Day, unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Relevant Business Day; and
  - (C) if such Interest Commencement Date or the preceding Interest Payment Date occurred on the last day in a calendar month which was a Relevant Business Day, then all subsequent Interest Payment Dates (and any Maturity Date, if such dates are intended to correspond to Interest Payment Dates) in respect of such Note will be the last day which is a Relevant Business Day in the calendar month which is the Specified Period specified in the applicable Pricing Supplement after the calendar month in which such Interest Commencement Date or, as the case may be, the preceding Interest Payment Date occurred; or
- (ii) the “*Modified Following Business Day Convention*,” in which case principal of and interest on a Note shall be payable on such Maturity Date (in the case of principal) or Interest Payment Dates (in the case of interest) as may be specified in the applicable Pricing Supplement, *provided* that, if any Maturity Date or Interest Payment Date would otherwise fall on a date which is not a Relevant Business Day, such Maturity Date or Interest Payment Date, as the case may be, will be the first following day which is a Relevant Business Day, unless that day falls in the next calendar month, in which case the relevant Maturity Date, Installment Date or Interest Payment Date will be the first preceding day which is a Relevant Business Day; or
- (iii) the “*Following Business Day Convention*,” in which case principal of and interest on a Note shall be payable on such Maturity Date (in the case of principal) or Interest Payment Dates (in the case of interest) as may be

specified in the applicable Pricing Supplement, *provided* that, if any Maturity Date or Interest Payment Date would otherwise fall on a date which is not a Relevant Business Day, the relevant Maturity Date or Interest Payment Date, as the case may be, will be the first following day which is a Relevant Business Day; or

- (iv) the “*Preceding Business Day Convention*,” in which case principal of and interest on a Note shall be payable on such Maturity Date (in the case of principal) or Interest Payment Dates (in the case of interest) as may be specified in the applicable Pricing Supplement, *provided* that, if any Maturity Date or Interest Payment Date would otherwise fall on a date which is not a Relevant Business Day, the relevant Maturity Date or Interest Payment Date, as the case may be, will be the first preceding day which is a Relevant Business Day; or
- (v) such other Business Day Convention as may be specified in the applicable Pricing Supplement.

“*Day Count Fraction*” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last day of such period, whether or not constituting an Interest Period, the “*Calculation Period*” or “*Compounding Period*,” as the case may be):

- (i) if “1/1” is specified in the applicable Pricing Supplement, 1;
- (ii) if “Actual/365” or “Actual/Actual - ISDA” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period or Compounding Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period or Compounding Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period or Compounding Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period or Compounding Period falling in a non-leap year divided by 365);
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period or Compounding Period in respect of which payment is being made divided by 365;
- (iv) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period or Compounding Period in respect of which payment is being made divided by 360;
- (v) if “30/360,” “360/360” or “Bond Basis” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period or Compounding Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period or

Compounding Period is the 31st day of a month but the first day of the Calculation Period or Compounding Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period or Compounding Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); or

- (vi) such other calculation basis as is specified in the applicable Pricing Supplement.

*“Interest Commencement Date”* means, in the case of the first issue of a Tranche of Notes, the Issue Date of such Notes or such other date as may be specified as the Interest Commencement Date in the applicable Pricing Supplement and, in the case of a further issue of a Tranche of Notes on substantially identical terms, the Interest Payment Date in relation to such first issue immediately preceding the date on which such Tranche of Notes are issued or if there is no such date, the Interest Commencement Date in respect of such first issue, or in any case such other date as may be specified as the Interest Commencement Date in the applicable Pricing Supplement.

*“Interest Determination Date”* means, in respect of any Interest Period, the date that is that number of days (if any) specified in the applicable Pricing Supplement prior to the first day of such Interest Period on which banks and foreign exchange markets settle payments in the Relevant Banking Centre.

*“Interest Payment Date”* means either:

- (i) with respect to any Fixed Rate Note, a date on which interest in respect of such Note is payable, as specified in the applicable Pricing Supplement, and
- (ii) with respect to any Floating Rate Note, each date falling such number of days or months equal to the Specified Period, as specified in the applicable Pricing Supplement, after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date, or such other date or dates as are specified as such in the applicable Pricing Supplement, in each case subject to adjustment by the Business Day Convention (if any) specified in such Pricing Supplement.

*“Interest Period”* means, unless otherwise specified in the applicable Pricing Supplement, the period beginning on and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date.

*“Issue Date”* means, in respect of any Tranche of Notes, the date of issue of such Notes.

*“Margin”* means the rate per annum (expressed as a percentage) specified as such in the applicable Pricing Supplement.

“*Maturity Date*” means, with respect to any Note, the maturity date of such Note as specified in the applicable Pricing Supplement, subject to adjustment by the Business Day Convention (if any) specified in such Pricing Supplement.

“*Rate of Interest*” means, with respect to any Note, the interest rate per annum (expressed as a percentage) payable from time to time in respect of such Note.

“*Reference Rate*” means, for any Floating Rate Note, the bid, offered or mean of bid and offered rate, as specified in the applicable Pricing Supplement, for the Rate of Interest specified in such Pricing Supplement.

“*Relevant Banking Centre*” means, for any Specified Currency specified in the applicable Pricing Supplement, the Relevant Banking Centre specified in such Pricing Supplement.

“*Relevant Business Day*” 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 the Relevant Financial Centre and any Additional Business Centre(s) specified in the applicable Pricing Supplement.

“*Relevant Financial Centre*” means the principal financial centre for such currency.

“*Relevant Time*” means the local time in the Relevant Banking Centre at which it is customary to determine bid, offered and mean rates in respect of deposits in that currency in the interbank market in that Relevant Banking Centre.

“*Series*” means a series of Notes issued in one or more Tranches on one or more Issue Dates.

“*Tranche*” means a tranche of Notes having identical terms and issued on the same Issue Date.

## **6. Redemption, Purchase and Options**

(a) *Final Redemption:* Unless previously redeemed or purchased and cancelled as provided in this Condition 6, each Note shall be redeemed in full on the Maturity Date or the Interest Payment Date falling in the Redemption Month specified in the applicable Pricing Supplement at its redemption amount (which, unless otherwise provided in this Condition 6 or in the applicable Pricing Supplement, shall be its nominal amount) (“*Final Redemption Amount*”).

(b) *Purchases:* ADB may at any time purchase or otherwise acquire Notes at any price (*provided* that in the case of Bearer Notes they are purchased or acquired together with all unmatured Coupons relating to them) in the open market or otherwise.

(c) *Early Redemption of Zero Coupon Notes:*

(i) The redemption amount payable in respect of any Zero Coupon Note, at any time prior to its stated Maturity Date or upon it becoming due and payable

as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note.

- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any Zero Coupon Note, shall be the sum of (A) the Reference Price specified in the applicable Pricing Supplement and (B) the aggregate amortisation of the difference between the Reference Price and the nominal amount of the Note from the Issue Date to the date on which the Note becomes due and payable, calculated using a rate per annum (expressed as a percentage) equal to the Amortisation Yield applied to the Reference Price in the manner specified in such Pricing Supplement. Where the specified calculation is to be made for a period of less than a full year it shall be made using the applicable Day Count Fraction.
- (iii) If the redemption amount payable in respect of any such Note upon it becoming due and payable as provided in Condition 9 is not paid when due, the redemption amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Applicable Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (before and, to the extent permitted by applicable law, after judgment) until the Applicable Date, unless the Applicable Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled redemption amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

(d) *Redemption at the Option of ADB (Call Option)*: If so provided in the applicable Pricing Supplement, ADB may at its option, subject to compliance with all relevant laws, regulations and directives, on giving to the holder of such Note irrevocable notice in accordance with Condition 13 of not less than 30 nor more than 45 days (or such other notice period as specified in the applicable Pricing Supplement) redeem all or, if so specified in the applicable Pricing Supplement, some of the Series of Notes of which such Note forms part, on the Optional Redemption Date(s) specified in the applicable Pricing Supplement (which shall, in the case of a Floating Rate Note, be an Interest Payment Date) at the amount specified on such date as the Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption. All Notes in respect of which any such notice is given shall be redeemed on the Optional Redemption Date(s) specified in such notice in accordance with this Condition 6(d).

In the case of a partial redemption of, or a partial exercise of ADB's option in respect of Notes, the notice to Noteholders shall also contain the certificate or serial numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place as the relevant Agent may approve and in such manner as may be agreed between ADB and the relevant Agent, taking account of prevailing market practice, and subject to compliance with any applicable laws and stock exchange requirements.

Unless otherwise specified in the applicable Pricing Supplement, no drawing of Notes will be required in the event that ADB exercises its call option set forth in this Condition while an issue of Notes is represented by a Global Note or a Global Certificate, as the case may be, in respect of less than the aggregate principal amount of such Notes then outstanding. In these circumstances, the relevant clearing system will allocate the redemption of Notes as between holders.

(e) *Redemption at the Option of Noteholders (Put Option):* If so provided in the applicable Pricing Supplement, ADB shall, subject to compliance with all relevant laws, regulations and directives, at the option of the holder of such Note, redeem such Note on the Optional Redemption Date(s) specified in the applicable Pricing Supplement (which shall, in the case of a Note that has a Floating Rate interest basis be an Interest Payment Date) at the amount specified in the applicable Pricing Supplement as the Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption.

To exercise such options or any other Noteholders' option that may be specified in the applicable Pricing Supplement, the holder must deposit, (i) in the case of Bearer Notes, such Note (and, in the case of a Definitive Note, together with all unmatured Coupons) with any Paying Agent; or (ii) in the case of Registered Notes, the Certificate representing such Note(s) with the Registrar, at its specified office, together, in each case, with a duly completed option exercise notice ("*Exercise Notice*") in the form obtainable from any Paying Agent or the Registrar (as applicable) not more than 60 nor less than 46 days (or such other deposit period as may be specified in the applicable Pricing Supplement) prior to the relevant date for redemption. No Note, Certificate or Exercise Notice so deposited may be withdrawn without the prior consent of ADB and the relevant Agent.

(f) *Cancellation:* ADB will be entitled to hold and deal with any Notes purchased or acquired by it which may be surrendered, for cancellation or not, at ADB's discretion. Any Notes so surrendered for cancellation may not be reissued or resold, and the obligations of ADB in respect of any such Notes shall be discharged. Cancellation of any Note that ADB elects to be cancelled following its purchase will, unless otherwise specified in the applicable Pricing Supplement, be effected by reduction in the principal amount of the Global Note or Global Certificate.

(g) *Determination of redemption amount or premium:* If the applicable Pricing Supplement provides that any redemption amount or premium are to be determined by the Calculation Agent (or another person), then on or prior to each date the Calculation Agent (or such other person) is required to determine each such redemption amount or premium, the Calculation Agent (or such other person) will obtain any quote or rate, or make any other determination or calculation as may be required, and will determine such redemption amount or premium in accordance with the applicable Pricing Supplement. The determination of such redemption amount or premium, and the obtaining of any quote or rate, by the Calculation Agent (or such other person) shall (in the absence of manifest error) be final and binding upon all parties. The Calculation Agent (or such other person) shall cause to be provided to ADB, each of the Agents, the relevant Noteholders (in accordance with Condition 13) and any stock exchange, if the relevant Notes are listed on such stock exchange and the rules of such exchange so require, the redemption amounts or premium determined by it as soon as possible after their

determination but in no event later than two Relevant Business Days after the date of their determination.

## 7. Payments

(a) *Bearer Notes:* Payments of principal, premium (if any), interest or any other amounts in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Bearer Notes (in the case of all payments of principal and premium (if any) and, in the case of interest, as specified in Condition 7(e)(iv)) and Coupons (in the case of interest, except as specified in Condition 7(e)(iv)), as the case may be, at the specified office of any Paying Agent outside the United States (A) by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency maintained by the payee with, a bank in the Relevant Financial Centre for that currency or (B) as may be set out at the end of these Conditions or as may otherwise be specified in the applicable Pricing Supplement as an Alternative Payment Mechanism.

Payments of principal, premium (if any), interest or any other amounts in respect of Bearer Notes represented by a Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent. A record of which payment made against presentation or surrender of such Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by such Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

(b) *Registered Notes:*

- (i) Payments of principal, premium (if any), interest or any other amounts in respect of Registered Notes shall be made to the person shown on the Register at the close of business at the office of the Registrar on the 15th day before the due date for payment thereof (the “*Record Date*”) and, in the case of payment of principal, against presentation and surrender of the relevant Certificates at the specified office of the Registrar and in the manner provided in sub-paragraph (ii) and (iii) below.
- (ii) Unless an Alternate Payment Mechanism is otherwise provided for in the applicable Pricing Supplement, payments of principal, premium (if any), interest or any other amounts on each Registered Note shall be made in the currency in which such payments are due by transfer to an account in the relevant currency maintained by the payee with a bank in the Relevant Financial Centre for such currency, or, at the holder’s option or, if the holder fails to nominate an account to which transfers may be made, by cheque drawn on a bank in the Relevant Financial Centre for such currency and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register.
- (iii) Noteholders will not be entitled to any interest or other payment for any postponed payment resulting from the application of Condition 7(f), if the

Noteholder is late in surrendering its Certificate (if required to do so), or if its Certificate cannot be surrendered to the Registrar that is open for business on the day of such surrender or if a cheque mailed in accordance with this Condition 7(b) arrived after the due date for payment.

(c) *Payments Subject to Law:* All payments are subject to any applicable laws, regulations and directives. No commission or expenses shall be charged to the holders in respect of such payments.

(d) *Appointment of Agents:* ADB has initially appointed DBS Bank Ltd. as the Principal Agent, and AmInvestment Bank as the Facility Agent. ADB reserves the right at any time to vary or terminate the appointment of the Principal Agent or the Facility Agent and to appoint a substitute Principal Agent, Facility Agent and/or additional or other Agents, *provided* that ADB shall at all times maintain (i) for Registered Notes, a Registrar, (ii) for Bearer Notes, a Paying Agent and, for MYR Notes only, a Facility Agent, (iii) one or more Calculation Agent(s) if specified in the applicable Pricing Supplement, (iv) a CMU Lodging Agent in respect of Notes to be cleared through the Central Moneymarkets Unit Service ("*CMU Notes*"), and (v) such other agents as may be required by any other stock exchange on which the Notes may be listed.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 13.

(e) *Unmatured Coupons:*

- (i) Definitive Notes that are Fixed Rate Notes should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the nominal amount due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Unless otherwise specified in the applicable Pricing Supplement, upon the due date for redemption of any Bearer Note that is a Floating Rate Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.
- (iii) Unless otherwise provided in the applicable Pricing Supplement, where any Bearer Note that is a Floating Rate Note is presented for redemption without all unexpired Coupons, redemption shall be made only against the provision of such indemnity as ADB may require.
- (iv) If the due date for redemption of any Note is not an Interest Payment Date, interest accrued from the immediately preceding Interest Payment Date or the Interest Commencement Date, as the case may be, shall only be payable

against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(f) *Non-Business Days*: Unless otherwise provided in the applicable Pricing Supplement, if any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other payment in respect of such postponed payment. In this paragraph, “*business day*” means a day which is a Relevant Business Day for such Note.

(g) *Unavailability of Specified Currency*: If the principal of, premium (if any) or interest on, any Note is payable in a Specified Currency and at the time any such payment is due such Specified Currency is no longer used by the government of the country issuing such currency or for the settlement of transactions by public institutions in such country or within the international banking community, or if such Specified Currency is otherwise not expected to be available to ADB as a result of circumstances beyond the control of ADB, then ADB shall 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 specified in the applicable Pricing Supplement 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 where the required payment is in a Specified Currency other than U.S. dollars shall constitute valid payment and shall not constitute a default in respect of the Notes.

## **8. Prescription**

Claims against ADB for payment in respect of the Notes and Coupons shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof. As used in these Conditions, “*Relevant Date*” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due.

References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it and (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it.

## **9. Events of Default**

With respect to a Series of Notes, if ADB shall default in the payment of the principal of, or premium (if any) or interest on, or in the performance of any covenant in respect of a purchase fund or a sinking fund for, any bonds (including the Notes), notes or similar obligations which shall have been issued, assumed or guaranteed by ADB, and such default shall continue for a period of 90 days, then at any time thereafter and during the continuance of such default the

holder of any Note of such Series may deliver or cause to be delivered to ADB, at the office of the relevant Agent, written notice that such holder elects to declare the principal and premium (if any) of and accrued interest on all Notes of such Series held by it (the aggregate nominal amount of such Notes to be specified in such notice) to be due and payable (with a copy of such written notice mailed or delivered to ADB at its principal office), and on the 30th day after such notice shall be so delivered to ADB, the principal and premium (if any) of and accrued interest on such Notes shall become due and payable, unless prior to that time all such defaults theretofore existing shall have been cured. Should ADB fail to redeem the Notes when due, interest shall not cease to accrue but shall continue to accrue until the actual redemption of the Notes but not beyond the 15th day after the necessary funds for redemption have been provided to the relevant Agent.

## **10. Modifications**

ADB and the relevant Agent may agree, without the consent of the Noteholders or holders of Coupons, to any modification of any of these Conditions (including any provisions in any Pricing Supplement) or any of the provisions of the the Programme Documents which is (i) not, in the reasonable opinions of ADB and the relevant Agent, materially prejudicial to the interests of the Noteholders or holders of Coupons, (ii) of a formal, minor or technical nature or (iii) aimed at correcting a manifest error.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the applicable Pricing Supplement in relation to such Series.

## **11. Replacement of Notes, Certificates and Coupons**

If a Note, Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and regulations, and the rules and regulations of relevant stock exchanges and clearing systems, at the specified office of the relevant Agent or such other Paying Agent as may from time to time be designated by ADB for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate or Coupon is subsequently presented for payment, there shall be paid to ADB on demand the amount payable by ADB in respect of such Notes, Certificates or Coupons) and otherwise as ADB may require. Mutilated or defaced Notes, Certificates or Coupons must be surrendered before replacements will be issued.

## **12. Further Issues**

ADB may from time to time without the consent of the Noteholders create and issue further securities having the same terms and conditions as outstanding Notes in all respects and so that such further issue shall be consolidated and form a single Series with such outstanding Notes. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a further Tranche of Notes of the same Series as the Notes.

### **13. Notices**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to holders of Registered Notes will also be published in accordance with the requirements applicable to Bearer Notes set forth below, although such publication shall have no effect on when notice is deemed to have been given.

Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation as specified in these Conditions. Notices to holders of Notes which are listed on any stock exchange will be valid if published in such additional newspaper or newspapers in such place or places (if any) as are required by the rules of such exchange. If any such publication is not practicable, notice shall be validly given if published in a leading daily English language newspaper with general circulation in Asia. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relevant Note or Certificate, with the relevant Agent. In the case of Bearer Notes, so long as any of such Notes are represented by a Global Note, such notice may be given by any holder of a Note to the relevant Agent via a clearing system, as the case may be, in such manner as the relevant Agent and such clearing system may approve for this purpose.

### **14. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

### **15. Governing Law and Jurisdiction**

(a) *Governing Law:* The Notes and the Coupons are governed by, and shall be construed in accordance with, English law.

(b) *Jurisdiction:* With respect to any legal action or proceedings (“*Proceedings*”) in the courts of England arising out of or in connection with any Notes or Coupons, ADB irrevocably submits to the non-exclusive jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in the English courts shall be conclusive and binding upon ADB, *provided, however,* that, in accordance with Article 50, paragraph 2 of the Agreement Establishing the Asian Development Bank (the “*Charter*”), no action shall be brought against ADB by any member of ADB, or by any agency or instrumentality of a member, or by any entity or person directly or indirectly acting for or deriving claims from a member, or from any agency or instrumentality of a member, and that, in accordance with Article 50, paragraph 3 of the

Charter, the property and assets of ADB shall, wheresoever located and by whomsoever held, be immune from all forms of seizure, attachment or execution before the delivery of final judgment against ADB.

(c) *Service of Process:* ADB irrevocably appoints Freshfields Bruckhaus Deringer at 65, Fleet Street, London EC4Y 1HS as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. If for any reason such process agent ceases to be able to act as such or no longer has an address in London, ADB irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 13. Nothing shall affect the right to serve process in any manner permitted by law.

### *Specific Terms and Conditions applicable to HKD Notes*

#### **1. Form and Denomination**

The HKD Notes shall be Bearer Notes and shall be denominated in such denomination as will be specified in the applicable Pricing Supplement.

#### **2. Title**

For so long as any of the HKD Notes is represented by a Global Note and such Global Note is deposited with a sub-custodian for the Central Moneymarkets Unit Service (the “*CMU Service*”), operated by the Hong Kong Monetary Authority (“*HKMA*”), each person for whose account interests in such Global Note are credited as being held in the CMU Service in accordance with the CMU Rules as notified by the CMU Service to the CMU Lodging Agent in a relevant CMU Instrument Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error) shall be treated by ADB, the Principal Agent and all other agents of ADB as the holder of such principal amount of HKD Notes. HKD Notes which are represented by the Global Note will be transferable only in accordance with the rules and procedures for the time being of the CMU Service.

#### **3. Day Count Fraction**

The Day Count Fraction in respect of HKD Notes is Actual/365 (Fixed) (or such other Day Count Fraction as may be specified in the applicable Pricing Supplement).

#### **4. Payments**

For so long as the HKD Notes are represented by a Global Note and held through the CMU Service, payments of principal, premium (if any) and interest or any other amounts will be made to the person(s) for whose accounts interests in the relevant Global Note are credited as being held with the CMU Service in accordance with the CMU Rules as set out in a CMU Instrument Position Report or any other relevant notification supplied by the CMU Lodging Agent by the CMU Service, which notification shall be conclusive evidence of the records of the CMU Service (save in the case of manifest error) and save, in the case of final payment, no

presentation of the relevant Global Note shall be required for such purpose. Payment made in accordance thereof shall discharge the obligations of ADB in respect of that payment.

If a Global Note is lodged with the CMU Service, the person(s) for whose account(s) interests in such Global Note are credited as being held in the CMU Service in accordance with the CMU Rules as notified by the CMU Service to the CMU Lodging Agent in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error) shall be the only person(s) entitled to receive payments of principal, premium (if any), interest or any other amounts in respect of the HKD Notes represented by such Global Note and ADB will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note are credited as being held in the CMU Service in respect of each amount so paid. Save in the case of final payment, no presentation of the relevant Global Note shall be required for such purpose. Each of the persons shown in the records of the CMU Service, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note, must look solely to the CMU Lodging Agent for his share of each payment so made by ADB in respect of such Global Note.

## **5. Notices**

Notices to the holders of Bearer Notes which are HKD Notes shall be valid if published in a daily newspaper of general circulation in Hong Kong (which is expected to be the South China Morning Post).

## **6. Definitions**

The following definitions shall apply to the Specific Terms and Conditions applicable to HKD Notes:

“*CMU Instrument Report*” and “*Instrument Position Report*” shall have the meanings specified in the CMU Rules;

“*CMU Manual*” means the reference manual relating to the operation of the CMU Service issued by the HKMA to CMU Members, as amended from time to time;

“*CMU Member*” means a member of the CMU Service; and

“*CMU Rules*” means all requirements of the CMU Service for the time being applicable to a CMU Member and includes (a) all the obligations for the time being applicable to a CMU Member under or by virtue of its membership agreement with the CMU Service and the CMU Manual; (b) all the operating procedures as set out in the CMU Manual for the time being in force in so far as such procedures are applicable to a CMU Member; and (c) any directions for the time being in force and applicable to a CMU Member given by the HKMA through any operational circulars or pursuant to any provision of its membership agreement with the HKMA or the CMU Manual.

Specific Terms and Conditions applicable to MYR Notes

**1. Form and Denomination**

MYR Notes shall be Bearer Notes and shall be denominated in such denominations as may be specified in the applicable Pricing Supplement.

**2. Title**

For so long as any of the MYR Notes is represented by a Global Note, transfers of interests in MYR Notes will be effected through records maintained by the Central Depository and the ADIs in accordance with the RENTAS Rules and the Depository Procedures. Save for any manifest error, any statement by the Central Depository certified by a duly authorised officer of the Central Depository shall be conclusive as to any interests in the MYR Notes referred to in such statement. Transfers of such interests will be subject to compliance by the transferor and the transferee with the Depository Procedures and the terms of the Depository and Paying Agency Agreement. Any transfer of interests in MYR Notes shall be subject to the selling restrictions contained in and endorsed on the Global Note of the relevant MYR Notes.

**3. Day Count Fraction**

The Day Count Fraction in respect of MYR Notes is Actual/365 (Fixed) (or such other Day Count Fraction as may be specified in the applicable Pricing Supplement).

**4. Payments**

In the case of MYR Notes represented by a Global Note, payment of interest (if applicable) and principal under the MYR Notes shall be made by or on behalf of ADB to the Facility Agent and the Facility Agent shall remit the payment to the Central Depository. The Central Depository shall execute the payment process to the holders of interests in the MYR Notes as follows:

- (a) where the holder of the interest in the MYR Notes is an ADI, to the cash account of the ADI's own securities account with the Central Depository;
- (b) where the holder of the interest in the MYR Notes is not a RENTAS member, to the cash account of the relevant ADI's account maintained with the Central Depository for holders of the interests in the MYR Notes who are not RENTAS members.

The records of the Central Depository and the ADIs shall be conclusive evidence of the identity of the holders of interests in the MYR Notes and the respective amounts of the MYR Notes held by such holders.

*Interest Payments*

If an Interest Payment Date is to fall on an expected holiday, payment of interest is on the next business day unless it falls into the next month when it shall be paid on the preceding

business day. If the Interest Payment Date falls on an unexpected holiday, payment shall be the next business day irrespective of whether it falls into the next month or not. Regardless of the foregoing, the final Interest Payment Date will coincide with the date for redemption of the relevant MYR Notes.

Subject to the RENTAS Rules, where there is an adjustment of the Interest Payment Date the amount of interest payable will be adjusted accordingly.

### *Redemption*

Under the RENTAS Rules, if the date for redemption of any MYR Notes is to fall on an expected holiday, redemption will be on the preceding business day.

If the date for redemption of any MYR Notes falls on an unexpected holiday, redemption will be the next business day.

To exercise any Noteholders' option that may be specified in the applicable Pricing Supplement in relation to any MYR Notes, the holder must deposit with the Facility Agent a duly completed option exercise notice ("*Exercise Notice*") in the form obtainable from the Facility Agent not more than 60 nor less than 46 days (or such other deposit period as may be specified in the applicable Pricing Supplement) prior to the relevant date for redemption.

### *Discharge*

In the case of MYR Notes represented by a Global Note, every payment of interest and principal by or on behalf of ADB to the Facility Agent shall operate in satisfaction pro tanto of the payment obligations of ADB in respect of the relevant MYR Notes. Each of the persons shown in the records of the Central Depository as the holder of a MYR Note represented by a Global Note must look solely to the Central Depository for his share of each payment made by the Facility Agent to the Central Depository and, in relation to all rights arising under the Global Note, subject to and in accordance with the Depository Procedures. Such persons shall have no claim directly against ADB in respect of payments due for so long as such MYR Notes are represented by such Global Note because all obligations of ADB shall be discharged by payment to the Facility Agent in respect of each amount so paid.

## **5. Notices**

Notices to the holders of interests in the MYR Notes shall be valid if published in a leading daily newspaper printed in the English language of general circulation in Malaysia.

All notices in relation to the MYR Notes shall be given in the English language.

## **6. Definitions**

The following definitions shall apply to the Specific Terms and Conditions applicable to MYR Notes:

“ADI” means an Authorised Depository Institution appointed by Bank Negara Malaysia and approved by it to have access to and utilize RENTAS;

“*business day*” means any day from Monday to Friday but excluding any day which is a public holiday or bank holiday in Kuala Lumpur. Saturdays and Sundays are not business days and public holidays or bank holidays in Kuala Lumpur which are known in advance are expected holidays;

“*Depository Procedures*” means procedures established from time to time by Bank Negara Malaysia in connection with the deposit of securities under RENTAS and the transfer of interests therein;

“*RENTAS*” means the Real Time Electronic Transfer of Funds and Securities System operated by Bank Negara Malaysia; and

“*RENTAS Rules*” means the “Rules on Scripless Securities under RENTAS, 2006” issued by Bank Negara Malaysia (and as modified or revised or substituted from time to time by Bank Negara Malaysia).

### *Specific Terms and Conditions applicable to SGD Notes*

#### **1. Form and Denomination**

The SGD Notes may be Registered Notes or Bearer Notes and shall be denominated in such denominations as may be specified in the applicable Pricing Supplement.

#### **2. Title**

For so long as any of the SGD Notes is represented by a Global Note or a Global Certificate and such Global Note or Global Certificate, as the case may be, is held by CDP, each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such SGD Notes (in which regard any certificate or other document issued by CDP as to the principal amount of such SGD Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by ADB, the Principal Agent, and all other agents of ADB as the holder of such principal amount of SGD Notes; *provided*, that solely with respect to the payment of principal, interest and any other amounts in respect of the SGD Notes, the bearer of a Global Note or the person(s) shown on the Register at the close of business on the Record Date shall be treated by ADB, the Principal Agent and all other agents of ADB as the holder of such SGD Notes in accordance with and subject to the terms of such Global Note or Global Certificate, as the case may be (and the expressions “*Noteholder*” and “*holder of Notes*” and related expressions shall be construed accordingly). SGD Notes which are represented by a Global Note or a Global Certificate, as the case may be, will be transferable only in accordance with the rules and procedures for the time being of CDP.

### **3. Day Count Fraction**

The Day Count Fraction in respect of SGD Notes is Actual/365 (Fixed) (or such other Day Count Fraction as may be specified in the applicable Pricing Supplement).

### **4. Payments**

For so long as the SGD Notes are represented by a Global Note or a Global Certificate, payments of principal, premium (if any) and interest in respect of such SGD Notes will be made to CDP, being the holder of the Global Note or the person shown on the Register at the close of business on the Record Date (as the case may be).

Each of the persons shown in the records of CDP as the holder of a SGD Note represented by a Global Note or a Global Certificate must look solely to CDP for his share of each payment made by ADB to CDP and in relation to all rights arising under the Global Note or Global Certificate, as the case may be, subject to and in accordance with the rules and procedures of CDP. Such persons shall have no claim against ADB in respect of payments due for so long as such SGD Notes are represented by such Global Note or Global Certificate because all obligations of ADB shall be discharged by payment to CDP in respect of each amount so paid.

### **5. Notices**

Notices to the holders of Bearer Notes which are SGD Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be the *Business Times*).

## CLEARANCE AND SETTLEMENT

### Introduction

The Programme has been designed so that Notes may be held through one or more international and domestic clearing systems, principally, the book-entry systems operated by CDP, HKMA, BNM and by Euroclear and Clearstream, Luxembourg in Europe. Electronic securities and payment transfer, processing, depository and custodial links have been established among some of these systems and others, either directly or indirectly through custodians and depositories, which enable Notes to be issued, held and transferred among the clearing systems across these links.

The relationship between ADB and the holder of a Registered Note, a Bearer Note or a Book-Entry Note is governed by the terms and conditions of that Note. The holder of a Global Certificate and the holder of a Global Note will be one or more clearing systems. The beneficial interests in Notes held by a clearing system will be in book-entry form in the relevant clearing system. Each clearing system has its own separate operating procedures and arrangements with participants or accountholders which govern the relationship between them and the relevant clearing system and to which ADB is not and will not be a party. ADB will not impose fees payable by any holder with respect to any Notes held by one or more clearing systems; however, holders of beneficial interests in Notes may incur fees payable in respect of the maintenance and operation of the book-entry accounts in which Notes are held.

### The Agents

DBS will act as the Principal Agent and in that capacity, with respect to HKD Notes and SGD Notes, performs the roles of paying agent, registrar, calculation agent and CMU Lodging Agent. BNM will act as central depository and paying agent and AmInvestment Bank will act as facility agent and calculation agent with respect to MYR Notes.

### Listing

So long as any of the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, ADB shall appoint a Singapore paying agent in compliance with Rule 305 of the Listing Manual and announce all material information with regard to the delivery of the Notes in definitive form (including details of the Singapore paying agent), in the event that a Global Note is exchanged for Definitive Notes or, as the case may be, a Global Certificate is exchanged for Definitive Certificates.

In relation to the listing of the Programme on the SGX-ST, the SGX-ST has waived the following requirements:

- (a) minimum board lot size of S\$200,000 or equivalent foreign currencies after listing;
- (b) appointment of trustee as required under Rule 308 of the Listing Manual; and

- (c) provision of trust deed and compliance with trust deed requirements as required under Rules 308(5) and 309 of the Listing Manual.

MYR Notes will not be listed on any exchange.

## Clearing Systems

### *CDP*

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("*Depository System*") maintained by CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note or a Global Certificate for persons holding the Notes in securities accounts with CDP ("*Depositors*"). Delivery and transfer of Notes between the Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors ("*Depository Agents*") approved by CDP under the Companies Act, Chapter 50 of Singapore, to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

In the case of any Notes denominated in a currency other than Singapore dollars, such Notes may be accepted for clearance by CDP subject to all operational, timing and other requirements being agreed upon with ADB.

## *CMU*

The CMU Service is a central depository service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service (“*CMU Members*”) of capital markets instruments (“*CMU Instruments*”) which are specified in the CMU Service Reference Manual as capable of being held within the CMU Service. CMU Instruments may be denominated in Hong Kong dollars or other currencies.

The CMU Service is only available for CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU Service is open to all members of the Hong Kong Capital Markets Association and “authorised institutions” under the Banking Ordinance (Cap. 155) of Hong Kong.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU Service is limited. In particular (and unlike the European clearing systems), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The lodging CMU Member will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any CMU Notes will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU Service.

## *RENTAS*

RENTAS (Real-time Electronic Transfer of Funds and Securities) is a real time gross settlement/Delivery-versus-Payment system for the interbank transfer of high value Ringgit denominated funds and the clearing and settlement of transactions in debt and Islamic securities issued by, amongst others, the Malaysian Government, BNM, Multilateral Development Banks and corporates.

RENTAS is comprised of the Interbank Funds Transfer System (IFTS) and the Scripless Securities Trading System (SSTS) The IFTS provides for the interbank transfer of high value funds while the SSTS is the system through which debt and Islamic securities are first accepted to be dealt with on RENTAS and which then also effects the clearing and settlement of transactions in such debt and Islamic securities. As part of the SSTS, BNM acts as the central depository for global certificates of the debt and Islamic securities to be cleared and settled

through RENTAS. Interests in such debt and Islamic securities are reflected through book entries in accounts maintained with BNM. Settlement is also effected through the accounts maintained with BNM.

RENTAS is owned and operated by BNM and was introduced in July 1999 to reduce payment and settlement risks. Access to RENTAS is restricted to financial institutions licensed under the Banking and Financial Institutions Act 1989 (BAFIA) and the Islamic Banking Act 1983 (IBA), and other financial institutions approved by BNM such as Cagamas Bhd (the National Mortgage Corporation). Persons approved by BNM to have access to and utilize RENTAS are referred to as “Authorised Depository Institutions” or “ADIs”. Persons without access to RENTAS but seeking to transfer high value funds or to deal in debt and Islamic securities have to do so through ADIs.

Procedures relating to RENTAS are set out under the “Rules on Scripless Securities under RENTAS, 2006” issued by BNM (and as modified or revised or substituted from time to time by BNM, the “RENTAS Rules”). Procedures under the RENTAS Rules are subject to alteration by BNM.

Each issue of MYR Notes will be represented by a Global Note deposited with BNM as central depository. The transfer and trading of MYR Notes in the secondary market will be done through the RENTAS.

On issue of MYR Notes, BNM will credit the accounts of the ADIs in accordance with the instructions of the Facility Agent subject to availability of sufficient funds in the cash accounts of the relevant ADIs maintained with BNM.

Secondary market trading of MYR Notes is through the SSTS with transfers of interests between the ADIs being reflected through book entries in the accounts maintained by the ADIs with BNM. Settlement is also effected through accounts maintained by the ADIs with BNM.

#### *Euroclear and Clearstream, Luxembourg*

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal and interest with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

#### *Other Clearing Systems*

Any other clearing system that ADB, the relevant Agent and any Dealer agree shall be available for a particular issue of Notes will be described in the applicable Pricing Supplement, together with the clearance and settlement procedures for such clearing system.

#### *General*

Although CDP, HKMA, BNM, Euroclear and Clearstream, Luxembourg have established procedures to facilitate transfers of beneficial interests in Notes in global form among participants and accountholders of CDP, the CMU Service, RENTAS, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of ADB or any of its Agents will have any responsibility for the performance by CDP, HKMA, BNM, Euroclear and Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

## TAX CONSIDERATIONS

### General

The Notes will not be exempt from taxation generally.

Under the Charter, no member country may impose any tax on the Notes (including interest thereon) (i) if such tax discriminates against the Notes solely because they are issued by ADB, or (ii) if the sole jurisdictional basis for such tax is the place or currency in which the Notes are issued, made payable or paid, or the location of any office or place of business maintained by ADB. Also, under the Charter, ADB is exempt from any obligation imposed by any member country for the payment, withholding or collection of any tax or duty on Notes. Accordingly, payments on the Notes will be made to the relevant Agent without deduction in respect of any such tax or duty.

### Hong Kong Taxation

#### *Withholding Tax*

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

#### *Profits Tax*

(a) *Notes denominated in Hong Kong dollars*

Interest on, and sums deriving from the sale, disposal or redemption of Notes denominated in Hong Kong dollars are exempt from Hong Kong profits tax.

(b) *Notes denominated in a currency other than Hong Kong dollars*

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on Notes denominated in a currency other than Hong Kong dollars may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a company, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong) and arises through or from the carrying on by the financial institution of its business in Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes denominated in a currency other than Hong Kong dollars will be subject to profits tax.

Sums derived from the sale, disposal or redemption of Notes denominated in a currency other than Hong Kong dollars will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

#### *Stamp Duty*

Stamp duty will not be payable on any issuance or transfer of Bearer Notes. No stamp duty is payable on any issuance of Registered Notes. Stamp duty will not be payable on any transfer of Registered Notes *provided* the relevant transfer is required to be registered in Hong Kong.

#### *Estate Duty*

The Revenue (Abolition of Estate Duty) Ordinance 2005 commenced operation on 11 February 2006. Estates of persons who pass away on or after the commencement date of that ordinance are not subject to Hong Kong estate duty.

### **Malaysian Taxation**

*The statements below are general in nature and are based on tax laws in Malaysia in force as at the date of this Offering Circular and are subject to changes in such laws or administrative guidelines, or the interpretation of those laws, or guidelines, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Holders or prospective holders of the Notes who are in doubt about their respective tax positions or any such tax implications of the purchase, ownership or transfer of Notes or who may be subject to tax in a jurisdiction other than Malaysia should consult their own professional advisers.*

### *Withholding Tax*

Article 56 of the Charter read with Section 3 of the Asian Development Bank Order, 1970 exempts ADB from any obligation imposed by Malaysia for the payment, withholding or collection of any tax or duty on MYR Notes.

### *Interest and Other Payments*

Interest on the MYR Notes is exempt from Malaysian income tax unless the holder of MYR Notes is a resident company carrying on business of banking, insurance or sea or air transport.

### *Capital Gains*

Any gains considered to be in the nature of capital made from the sale of the MYR Notes will not be taxable in Malaysia.

### *Stamp Duty*

No Malaysian stamp duty is payable on the issuance or redemption of MYR Notes. In addition, where the Notes are transferred or disposed of on a scripless basis through RENTAS, no Malaysian stamp duty is payable.

### *Estate Duty*

There is no estate duty imposed in Malaysia.

## **Singapore Taxation**

*The statements below are general in nature and are based on certain aspects of current tax laws in Singapore, announced budget measures in the 2007 budget and administrative guidelines issued by the Monetary Authority of Singapore in force as at the date of this Offering Circular and are subject to enactment of such budget measures and to any changes in such laws or administrative guidelines, or the interpretation of those laws, or guidelines, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Holders or prospective holders of the Notes who are in doubt about their respective tax positions or any such tax implications of the purchase, ownership or transfer of Notes or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.*

### *Withholding Tax*

Article 56 of the Charter read with Section 9 of the Asian Development Bank Act, Cap. 15 of Singapore exempts ADB from any obligation imposed by Singapore for the payment, withholding or collection of any tax or duty on the Notes.

### *Interest and Other Payments*

If the dealers for more than half of the debt securities issued under a tranche of Notes are:

- (a) financial institutions in Singapore where their staff based in Singapore have a leading and substantial role in the distribution of the debt securities; or
- (b) Financial Sector Incentive (Bond Market) Companies (as defined in the Income Tax Act, Chapter 134 of Singapore (“**ITA**”)),

such tranche of Notes (whether denominated in Singapore dollars or in any other currency) issued from the date of this Offering Circular and on or before 31st December 2008 (“*Relevant Notes*”) will be qualifying debt securities for the purposes of the ITA. Accordingly, subject to certain prescribed conditions having been fulfilled (including the submission of a return on debt securities to the Comptroller of Income Tax in Singapore within one month (excluding Saturdays) from the date of issue of the Notes), interest on the Relevant Notes and discount income (excluding discount income from secondary trading) on the Relevant Notes received by any company or body of persons (as defined in the ITA) in Singapore is subject to a concessionary tax rate of 10%.

However, notwithstanding the foregoing:

- (a) if during the primary launch of the Relevant Notes, the Relevant Notes are issued to less than four persons and 50% or more of the principal amount of the Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of ADB, the Relevant Notes would not qualify as “qualifying debt securities”; and
- (b) even though the Relevant Notes are “qualifying debt securities”, if at any time during the tenor of the Relevant Notes, 50% or more of the principal amount of the Relevant Notes is beneficially held or funded, directly or indirectly, by any related party(ies) of ADB, interest or discount income derived from the Relevant Notes held by (1) any related party of ADB; or (2) any other person where the funds used by such person to acquire the Relevant Notes are obtained, directly or indirectly, from any related party of ADB, shall not be eligible for the concessionary tax rate of 10%.

All foreign-sourced income received in Singapore on or after 1 January 2004 by Singapore tax-resident individuals will be exempted from tax, *provided* such foreign-sourced income is not received through a partnership in Singapore.

In the 2007 Budget, it was announced that the tax incentives for qualifying debt securities will be extended to prepayment fee, redemption premium and break cost that are derived by investors from qualifying debt securities issued on or after 15 February 2007, subject to conditions to be announced.

### *Capital Gains*

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains from the sale of Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who are adopting Singapore Financial Reporting Standard 39 ("**FRS 39**") for Singapore income tax purposes may be required to recognise gains or losses on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 treatment for Singapore income tax purposes" for a brief summary of (amongst other things) when a taxpayer must or may adopt FRS 39 for Singapore income tax purposes.

#### *Adoption of FRS 39 treatment for Singapore income tax purposes*

On 30 December 2005, the Inland Revenue Authority of Singapore issued a circular entitled "Income Tax Implications arising from the adoption of FRS 39 - Financial instruments: Recognition and Measurement" (the "**FRS 39 Circular**"). Legislative amendments to give effect to the FRS 39 Circular have been incorporated in the Income Tax (Amendment) Act 2007.

Singapore companies are generally required to adopt Singapore Financial Reporting Standards for financial reporting purposes. Taxpayers who are required to comply with FRS 39 for financial reporting purposes are also generally required to adopt FRS 39 for Singapore income tax purposes (i.e. to apply the treatment set out in the FRS 39 Circular) unless they have elected to "opt out" from this, pursuant to certain limited "opt out" rights provided for under Section 34A(3) of the ITA. Taxpayers who are not required to prepare or maintain financial accounts in accordance with Singapore Financial Reporting Standards do not have to adopt FRS 39 for Singapore income tax purposes but may apply to the Comptroller of Income Tax for approval to do so.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding, transfer or sale of the Notes.

### *Stamp Duty*

No Singapore stamp duty is payable on the issuance or redemption of Notes. In addition, where the Notes are transferred on a scripless basis through CDP, no Singapore stamp duty is payable.

### *Estate Duty*

Singapore estate duty is imposed on the value of immovable property situated in Singapore and movable property, wherever it may be situated, passing on the death of an individual domiciled in Singapore. Accordingly, Notes passing upon the death of an individual domiciled in Singapore are subject to Singapore estate duty upon such individual's death. Singapore estate duty is payable to the extent that the value of the Notes aggregated with any

other assets subject to Singapore estate duty exceeds S\$600,000. Unless other exemptions apply to the other assets, for example, the separate exemption limit for residential properties, any excess beyond S\$600,000 will be taxed at 5% on the first S\$12 million of the individual's Singapore chargeable assets and thereafter at 10%.

Estate duty, however, is not imposed on movable properties passing on the death of persons who are not domiciled in Singapore. Accordingly, where an individual holder of the Notes is not domiciled in Singapore at the time of the individual's death, the Notes will not be subject to Singapore estate duty. Prospective purchasers of the Notes who are individuals, whether or not domiciled in Singapore, should consult their own tax advisors regarding the Singapore estate duty consequences of their investment and ownership of such Notes.

## PLAN OF DISTRIBUTION

### Dealers

The Programme provides for the appointment of dealers in respect of any particular issue of Notes (“*Dealers*”). There are no sponsoring dealers with respect to the Programme. Any Dealer will be able to purchase Notes on an underwritten basis, either individually or as part of a syndicate, or on an agency basis.

### Standard Provisions

Notes may be sold from time to time by ADB to or through any one or more Dealers and by ADB itself. The arrangements under which Notes may from time to time be agreed to be sold by ADB to or through Dealers are set out in the Standard Provisions dated as of 14 January 2008 (as amended or supplemented from time to time, the “*Standard Provisions*”). The Standard Provisions will be incorporated by reference into the agreement by which Dealers are subsequently appointed in respect of a particular issue of Notes.

Any agreement for the sale of Notes will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the method of distribution of Notes, the price at which such Notes will be purchased by any Dealer and the commissions or other agreed deductibles (if any) that are payable or allowable by ADB in respect of such purchase. ADB and such Dealer may also enter into a separate agreement allocating expenses incident to the placement of Notes. In addition, each placement of Notes is subject to certain conditions, including the condition that there shall not have occurred any national or international calamity or development, crisis of a political or economic nature, change in currency exchange rates or exchange controls, or change in the money or capital markets in which the Notes are being offered, the effect of which on such financial markets shall be such as, in the judgment of the relevant Dealer(s) or ADB, to materially adversely affect the ability of the relevant Dealer(s) to sell or distribute the Notes, whether in the primary market or in respect of dealings in the secondary market.

### Selling Restrictions

#### *General*

No action has been or will be taken by ADB or by or on behalf of any Dealer in any jurisdiction to allow ADB or any Dealer to make a public offering of any of the Notes, or to possess or distribute the Offering Circular or any amendment or supplement thereto or any Pricing Supplement issued in connection with the offering of any of the Notes or any other offering material, in any such jurisdiction where there are requirements for such purpose to be complied with. Each Dealer will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells, or delivers Notes or has in its possession or distributes the Offering Circular or any amendment or supplement thereto or any Pricing Supplement or any other offering material, in all cases at its own expense.

No Dealer is authorised to make any representation or use any information in connection with the issue, offering and sale of the Notes other than as contained in the Offering Circular, the

applicable Pricing Supplement or such other information relating to ADB and/or the Notes as ADB has authorised to be used.

### *Hong Kong*

In relation to any Notes, each Dealer will represent, warrant and agree that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of the issues and will not issue or have in its possession for the purpose of issue whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed by or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

### *Malaysia*

Before issuance, MYR Notes may not be offered or sold, directly or indirectly, nor may any document or other material in connection therewith be distributed, in Malaysia other than to persons, whether as principal or agent, falling within any one of the categories of persons specified in Schedule 6 or Section 229(1)(b) and Schedule 7 or Section 230(1)(b) of the Capital Markets and Services Act 2007.

After issuance, MYR Notes may not be offered or sold, directly or indirectly, nor may any document or other material in connection therewith be distributed, in Malaysia other than to persons, whether as principal or agent, falling within any one of the categories of persons specified in Schedule 6 or Section 229(1)(b) of the Capital Markets and Services Act 2007.

### *Singapore*

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (“MAS”). As ADB is an international financial institution in which Singapore holds membership, pursuant to Section 279 of the Securities and Futures Act, Chapter 289 of Singapore (“SFA”), Subdivisions (2) and (3) of Division 1 of Part XIII of the SFA shall not apply to an offer of the Notes to persons in Singapore and, accordingly, no prospectus is required to be registered with the MAS in relation to any such offer of the Notes.

### *Japan*

The Notes will not be registered under the Financial Instruments and Exchange Law of Japan (the “*Financial Instruments and Exchange Law*”). Accordingly, each Dealer will represent, warrant and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of a resident of

Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other relevant laws and regulations of Japan.

#### *United Kingdom*

Each Dealer will represent, warrant and agree that it has complied and will comply with all applicable provisions of the Financial Service and Market Act 2000 with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

#### *United States of America*

Under the provisions of Section 11(a) of the Asian Development Bank Act, the Notes are exempted securities within the meaning of Section 3(a)(2) of the U.S. Securities Act of 1933, as amended, and Section 3(a)(12) of the U.S. Securities Exchange Act of 1934, as amended.

The Notes have not been and will not be registered under the Securities Act. Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States. Each of the Dealers has agreed that it will not offer, sell or deliver a Note in bearer form within the United States except as permitted by the Standard Provisions.

Each Global Note or Bearer Note with a maturity of more than one year, and any Coupons relating to such Bearer Notes, will bear the following legend:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

As used herein, “*United States person*” means any citizen or resident of the United States, any corporation, partnership or other entity created or organized in or under the laws of the United States, any estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a U.S. court is able to exercise primary supervision over the trust’s administration and (ii) one or more United States persons have the authority to control all of the trust’s substantial decisions, and “*United States*” means the United States of America (including the states thereof and the District of Columbia) and its possessions. Other terms used herein have the meanings given to them by the Code and the Treasury Regulations issued thereunder.

#### *Other Jurisdictions*

For each placement of Notes in a jurisdiction other than Hong Kong, Malaysia, Singapore, Japan, the United Kingdom or the United States, selling restrictions applicable to the Specified Currency and the jurisdiction(s) of placement, as agreed upon by ADB and the relevant Dealer(s), may be provided in the applicable Pricing Supplement.

Each Dealer will severally agree that it shall offer, sell and deliver such Notes only in compliance with such selling restrictions and such other applicable laws and regulations of a given jurisdiction.

### **Related Derivatives Transactions**

In connection with the issuance of Notes, ADB may enter into negotiated currency and/or interest rate swap or other financial derivative transactions. ADB's counterparty in any such derivative transaction may be an institution that is also acting as Dealer with respect to the Notes, or an affiliate of a Dealer. Payments to be made and received by ADB under any such derivative transaction may be calculated on the basis of the amounts payable by ADB under the Notes and the proceeds payable to ADB in connection with the sale of the Notes, either before or after deduction of the commissions described in the applicable Pricing Supplement. However, ADB's rights and obligations under any such derivative transaction will be wholly independent of its rights and obligations under the Notes, and the holders of the Notes will have no interest in any such derivative transaction or any payment to which ADB may be entitled thereunder.

## **VALIDITY OF THE NOTES**

The validity of Notes issued under the Programme will be passed on for ADB by its General Counsel, its Deputy General Counsel or an Assistant General Counsel, and by Linklaters Allen & Gledhill, English and Singapore legal advisers to the Programme, Linklaters, Hong Kong legal advisers to the Programme and Wong & Partners, Malaysian legal advisers to the Programme.

The opinions of ADB's counsel, Linklaters Allen & Gledhill, Linklaters and Wong & Partners will be conditioned upon, and subject to certain assumptions regarding, future action required to be taken by ADB and the relevant Agent in connection with the issuance and sale of any particular Note, the specific terms of Notes and other matters that may affect the validity of Notes but that cannot be ascertained on the date of such opinions.

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**CENTRAL DEPOSITORY  
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*for MYR Notes*

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