

The background of the cover is a stylized illustration in shades of brown, tan, and olive green. It depicts various scenes of development: a bridge with a person walking on it, wind turbines on a hill, a person carrying a large bundle on their head, a person leading a goat, and a doctor in a white coat with a stethoscope. The overall style is graphic and modern.

ANNUAL REPORT

09

VOLUME 2
Financial Report

Asian Development Bank

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries substantially reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two-thirds of the world's poor: 1.8 billion people who live on less than \$2 a day, with 903 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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The ADB logo consists of the letters 'ADB' in a white, serif font, centered within a solid blue square. The background of the entire cover is a textured orange-brown with a faint, abstract geometric pattern of intersecting lines.

ADB

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CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

I. OVERVIEW	6
II. ORDINARY CAPITAL RESOURCES	7
A. Basis of Financial Reporting	7
B. Selected Financial Data	8
C. Overall Financial Results	8
D. Current Value Basis	11
E. Operating Activities	11
1. Loans	11
2. Technical Assistance	13
3. Guarantees	13
4. Syndications	14
5. Equity Investments	14
F. Financing Resources	14
1. Capital and Reserves	14
2. Borrowings	15
G. Liquidity Portfolio	16
H. Contractual Obligations	17
I. Financial Risk Management	17
1. Credit Risk	18
2. Market Risk	22
3. Liquidity Risk	23
4. Operational Risk	23
5. Capital Adequacy	23
6. Asset and Liability Management	23
J. Internal Control over Financial Reporting	24
K. Critical Accounting Policies and Estimates	24
III. SPECIAL FUNDS	24
A. Asian Development Fund	25
B. Technical Assistance Special Fund	27
C. Japan Special Fund	28
D. ADB Institute Special Fund	28
E. Asian Tsunami Fund	28
F. Pakistan Earthquake Fund	29
G. Regional Cooperation and Integration Fund	29
H. Climate Change Fund	29
I. Asia Pacific Disaster Response Fund	30
IV. GRANT COFINANCING	30
A. Japan Fund for Poverty Reduction	32
B. Japan Scholarship Program	32
APPENDIX: CURRENT VALUE FINANCIAL STATEMENTS	33

FINANCIAL STATEMENTS, MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING, AND INDEPENDENT AUDITORS' REPORTS

I. Ordinary Capital Resources (OCR)

Management's Report on Internal Control over Financial Reporting	37
Independent Auditors' Report on Internal Control over Financial Reporting	38
Independent Auditors' Report on Financial Statements	40
OCR-1—Balance Sheet, 31 December 2009 and 2008	42
OCR-2—Statement of Income and Expenses for the Years Ended 31 December 2009 and 2008	44
OCR-3—Statement of Cash Flows for the Years Ended 31 December 2009 and 2008	45
OCR-4—Statement of Changes in Capital and Reserves for the Years Ended 31 December 2009 and 2008	46
OCR-5—Summary Statement of Loans, 31 December 2009 and 2008	48
OCR-6—Summary Statement of Borrowings, 31 December 2009 and 2008	50
OCR-7—Statement of Subscriptions to Capital Stock and Voting Power, 31 December 2009	52
OCR-8—Notes to Financial Statements, 31 December 2009 and 2008	54

II. Asian Development Fund (ADF)

Management's Report on Internal Control over Financial Reporting	83
Independent Auditors' Report on Internal Control over Financial Reporting	84
Independent Auditors' Report on Financial Statements	86
ADF-1—Special Purpose Statement of Assets, Liabilities and Fund Balances, 31 December 2009 and 2008	88
ADF-2—Special Purpose Statement of Revenue and Expenses for the Years Ended 31 December 2009 and 2008	89
ADF-3—Special Purpose Statement of Cash Flows for the Years Ended 31 December 2009 and 2008	90
ADF-4—Special Purpose Statement of Changes in Fund Balances for the Years Ended 31 December 2009 and 2008	91
ADF-5—Special Purpose Summary Statement of Loans, 31 December 2009 and 2008	92
ADF-6—Special Purpose Statement of Resources, 31 December 2009	94
ADF-7—Notes to Special Purpose Financial Statements, 31 December 2009 and 2008	95

III. Technical Assistance Special Fund (TASF)

Management's Report on Internal Control over Financial Reporting	105
Independent Auditors' Report on Internal Control over Financial Reporting	106
Independent Auditors' Report on Financial Statements	108
TASF-1—Statement of Financial Position, 31 December 2009 and 2008	110
TASF-2—Statement of Activities and Changes in Net Assets for the Years Ended 31 December 2009 and 2008	111
TASF-3—Statement of Cash Flows for the Years Ended 31 December 2009 and 2008	112
TASF-4—Statement of Resources, 31 December 2009	113
TASF-5—Summary Statement of Technical Assistance Approved and Effective for the Year Ended 31 December 2009	114
TASF-6—Notes to Financial Statements, 31 December 2009 and 2008	115

IV. Japan Special Fund (JSF)

Management's Report on Internal Control over Financial Reporting	120
Independent Auditors' Report on Internal Control over Financial Reporting	121
Independent Auditors' Report on Financial Statements	123
JSF-1—Statement of Financial Position, 31 December 2009 and 2008	124
JSF-2—Statement of Activities and Changes in Net Assets for the Years Ended 31 December 2009 and 2008	125
JSF-3—Statement of Cash Flows for the Years Ended 31 December 2009 and 2008	126
JSF-4—Notes to Financial Statements, 31 December 2009 and 2008	127

V. Asian Development Bank Institute Special Fund (ADBISF)	
Independent Auditors' Report	132
ADBISF-1—Statement of Financial Position, 31 December 2009 and 2008	133
ADBISF-2—Statement of Activities and Changes in Net Assets for the Years Ended 31 December 2009 and 2008	134
ADBISF-3—Statement of Cash Flows for the Years Ended 31 December 2009 and 2008	135
ADBISF-4—Notes to Financial Statements, 31 December 2009 and 2008	136
VI. Asian Tsunami Fund (ATF)	
Management's Report on Internal Control over Financial Reporting	144
Independent Auditors' Report on Internal Control over Financial Reporting	145
Independent Auditors' Report on Financial Statements	147
ATF-1—Statement of Financial Position, 31 December 2009 and 2008	148
ATF-2—Statement of Activities and Changes in Net Assets for the Years Ended 31 December 2009 and 2008	149
ATF-3—Statement of Cash Flows for the Years Ended 31 December 2009 and 2008	150
ATF-4—Notes to Financial Statements, 31 December 2009 and 2008	151
VII. Pakistan Earthquake Fund (PEF)	
Management's Report on Internal Control over Financial Reporting	155
Independent Auditors' Report on Internal Control over Financial Reporting	156
Independent Auditors' Report on Financial Statements	158
PEF-1—Statement of Financial Position, 31 December 2009 and 2008	159
PEF-2—Statement of Activities and Changes in Net Assets for the Years Ended 31 December 2009 and 2008	160
PEF-3—Statement of Cash Flows for the Years Ended 31 December 2009 and 2008	161
PEF-4—Notes to Financial Statements, 31 December 2009 and 2008	162
VIII. Regional Cooperation and Integration Fund (RCIF)	
Management's Report on Internal Control over Financial Reporting	167
Independent Auditors' Report on Internal Control over Financial Reporting	168
Independent Auditors' Report on Financial Statements	170
RCIF-1—Statement of Financial Position, 31 December 2009 and 2008	171
RCIF-2—Statement of Activities and Changes in Net Assets for the Years Ended 31 December 2009 and 2008	172
RCIF-3—Statement of Cash Flows for the Years Ended 31 December 2009 and 2008	173
RCIF-4—Notes to Financial Statements, 31 December 2009 and 2008	174
IX. Climate Change Fund (CCF)	
Management's Report on Internal Control over Financial Reporting	178
Independent Auditors' Report on Internal Control over Financial Reporting	179
Independent Auditors' Report on Financial Statements	181
CCF-1—Statement of Financial Position, 31 December 2009 and 2008	182
CCF-2—Statement of Activities and Changes in Net Assets for the Year Ended 31 December 2009 and for the Period 7 April to 31 December 2008	183
CCF-3—Statement of Cash Flows for the Year Ended 31 December 2009 and for the Period 7 April to 31 December 2008	184
CCF-4—Notes to Financial Statements, 31 December 2009 and 2008	185
X. Asia Pacific Disaster Response Fund (APDRF)	
Management's Report on Internal Control over Financial Reporting	189
Independent Auditors' Report on Internal Control over Financial Reporting	190
Independent Auditors' Report on Financial Statements	192
APDRF-1—Statement of Financial Position, 31 December 2009	193
APDRF-2—Statement of Activities and Changes in Net Assets for the Period 1 April to 31 December 2009	194

APDRF-3—Statement of Cash Flows for the Period 1 April to 31 December 2009	195
APDRF-4—Notes to Financial Statements for the Period 1 April to 31 December 2009	196

STATISTICAL ANNEXES

1 Sovereign and Nonsovereign Loan Approvals by Country, 2009	203
2 Grant-Financed Project Approvals by Country, 2009	207
3 Loan Approvals by Sector: 3-Year Moving Averages, 1968-1970–2006-2009	209
4 Loan Approvals by Sector, 2009	210
5 Sectoral Distribution of Loans, 2009, 1967–2009	213
Sectoral Distribution of Grants, 2009, 1968–2009	213
6 Loan and ADF Grant Approvals, by Country and Source of Funds, 2009	214
7 Projects Involving Cofinancing, 2009	215
8 Loan Disbursements, 2008 and 2009	218
9a Program Loan Disbursements, 2009	218
9b Trends in Program Lending and Grant, 1999–2009	219
10 Nonsovereign Approvals and Total Project Costs by Country, 2009	219
11 Nonsovereign Approvals and Total Project Costs by Sector, 2009	220
12 Nonsovereign Approvals by Year, 1983–2009	220
13 Nonsovereign Approvals by Country, 1983–2009	221
14 Number of Loans and Projects Approved and Under Administration, Project Completion Reports (PCRs) Circulated, Projects Completed, Loans Closed, and Project/Program Performance Evaluation Reports (PPERs) Circulated	222
15 Amount of Loans Approved, Contracts Awarded, and Disbursements	224
16 Technical Assistance Grant Approvals by Country and Regional Activities, 1967–2009, 2008, 2009	226
17 Technical Assistance Grant Approvals, 2009	228
18 Technical Assistance Grant Approvals by Sector, 1967–2000, 2008, 2009	237
19 Loan-Finance Consulting Services and TA Grants by Sector, 2009	237
20 Regional Technical Assistance Activities, 2009	238
21 Net Transfer of Resources (Ordinary Capital Resources and Asian Development Fund), 2007–2009	243
22 Net Transfer of Resources (Ordinary Capital Resources and Asian Development Fund), 1999–2009	244
23 Asian Development Fund Resources and Commitment Authority	245
24 Technical Assistance Special Fund	246
25 Japan Special Fund—Regular and Supplementary Contributions	247
26 Japan Special Fund—Asian Currency Crisis Support Facility	247
27 Japan Fund for Poverty Reduction, 2009	248
28 Projects with ADB-Administered Grant Financing, 2009 Approvals	249
29 Contracts Awarded by Country of Origin, 2009: Project Loans—Ordinary Capital Resources	253
30 Contracts Awarded by Country of Origin, 2009: Project Loans—Asian Development Fund	254
31 Contracts Awarded by Country of Origin, 2009: Project Loans—Ordinary Capital Resources and Asian Development Fund Combined	255
32 Estimates of Payment to Supplying Countries for Foreign Procurement Under Program Lending, 2009	256
33 Cumulative Contracts Awarded By Country of Origin: Technical Assistance Operations	257
34 Contracts Awarded by Country of Origin, 2007–2009	258



MANAGEMENT'S DISCUSSION AND ANALYSIS

The Asian Development Bank (ADB) is an international development financial institution whose vision is to make Asia and the Pacific free of poverty. ADB was established in 1966 through the Agreement Establishing the Asian Development Bank (the Charter), ratified by 31 countries to promote the social and economic development of the region and reduce poverty. As of 31 December 2009, ADB is owned by 67 members, 48 of which are in the region.

ADB provides various forms of financial assistance to its developing member countries. The main instruments are loans, technical assistance, grants, guarantees, and equity investments. These instruments are financed through ordinary capital resources (OCR), Special Funds, and various trust funds. OCR and Special Funds are used to finance operations that are solely under ADB administration. Trust funds are externally funded and are administered by ADB on behalf of donors. The Charter requires that funds from each resource be kept separate from the others.

ADB also provides policy dialogues and advisory services and mobilizes financial resources through its cofinancing operations tapping official, commercial, and export credit sources to maximize the development impact of its assistance. Cofinancing for ADB projects can be in the form of external loans, grants for technical assistance and components of loan projects, and credit enhancement products such as guarantees and syndications.

ORDINARY CAPITAL RESOURCES

Funding for OCR operations comes from three distinct sources: funds borrowed from private placements and capital markets, paid-in capital provided by shareholders, and accumulated retained income (reserves). The financial strength of OCR is largely based on the support of shareholders and on sound financial policies and practices. Shareholder support is reflected in the form of capital backing from members and in the record of borrowing members in meeting their debt service obligations.

Borrowed funds, together with equity, are used to fund OCR lending and investment activities as well as other general operations. Loans are generally provided to developing member countries that have attained a higher level of economic development and to private and other nonsovereign borrowers. Sovereign loans are priced on a cost pass-through basis in which the cost of funding the loans plus a lending spread is passed to the borrowers. Nonsovereign loans are priced based on market practice.

In addition to direct lending, ADB also provides guarantees to assist governments of developing member countries and nonsovereign borrowers secure commer-

cial funds for ADB-assisted projects. ADB experienced a strong and growing demand for guarantees as credit enhancement products.

Basis of Financial Reporting

Statutory Basis. ADB prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP).¹ ADB's fiscal year follows the calendar year ending in December.

ADB manages its balance sheet by selectively using derivatives to minimize interest rate and currency risks associated with its financial assets and liabilities. Derivative instruments are used to enhance asset and liability management of individual positions and overall portfolios, and to reduce borrowing costs.

Financial instruments including all derivatives, structured and swapped borrowings, and marketable investments are recorded at their fair value while loans and unswapped borrowings are recorded at carrying book value. Unlisted equity investments are valued either at cost less any permanent impairment, or using the equity method.

ADB complies with *Derivatives and Hedging* (815) *Fair Value Measurements and Disclosures* (820) and *Fair Value Option* (825-10) Topics of FASB ASC.

ASC 815 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. ASC 815 allows hedge accounting only if certain qualifying criteria are met. An assessment of those criteria indicated that most of ADB's derivative transactions are highly effective in hedging the underlying transactions and are appropriate for reducing funding costs. Compliance with hedge accounting requirements will impose undue constraints on future borrowings, loans, and hedge programs and will likely detract ADB's efforts to effectively and efficiently minimize the funding costs for its borrowing member countries. Accordingly, ADB elects not to adopt hedge accounting and reports all derivative instruments on the

¹ In June 2009, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 168, *The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162*. Effective for financial statements issued for interim and annual periods ending after 15 September 2009, FASB Accounting Standards Codification™ (ASC) becomes the source of authoritative US accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the Securities and Exchange Commission (SEC). ASC supersedes all existing, non-SEC accounting and reporting standards for nongovernmental entities.

balance sheet at fair value while recognizing changes in the fair value of derivative instruments for the year as part of net income.

ASC 815-15-25-4 to 815-15-25-5 allows fair value measurement for hybrid financial instruments that contain embedded features that would otherwise be required to be treated as a separate derivative instrument (bifurcated) in the reported financial statements under ASC 815. As of 31 December 2009, ADB holds a relatively small portion of hybrid financial instruments in its borrowing portfolio.

ASC 825 expands the scope of financial assets and liabilities that entities may carry at fair value. Effective 1 January 2008, ADB utilized this election to fair value all non-hybrid borrowings that are swapped. As a result of this election, all borrowings that are swapped and their related derivatives are reported at fair value, with changes in fair value reported in earnings. However, ADB still reports all of its loans and those borrowings that are not swapped at amortized cost.

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements about fair value measurements. In compliance with this standard, and in conjunction with the ASC 825 election, ADB incorporated its credit risk (as a credit spread) in fair valuing its liabilities. The combined effect of the adoption of ASC 820 and 825 was to increase the opening balance of retained income as at 1 January 2008 by \$227.5 million.

ASC 815-10-50 further expands the disclosure requirement on derivatives in order to provide readers of the financial statements with better understanding of (i) how and why an entity uses derivatives; (ii) how derivative instruments and related hedged items are accounted for; and (iii) how derivative instruments and hedged items affect an entity's financial position, performance, and cash flows. Note H of OCR-8 provides the required disclosures in compliance with this standard.

Supplemental Reportings. To better reflect ADB's financial position and risk management for management reporting purpose, two non-US GAAP supplemental financial statements are included: pre-ASC 815/825 and current value basis.

Pre-ASC 815/825 Basis. Under pre-ASC 815/825 basis, the net income (operating income)² does not include unrealized gains or losses of the portfolio. The unrealized

gains or losses, although an important indicator of the portfolio performance, generally represent changes in income as a result of fluctuations in the market environment. Since ADB does not actively trade these financial instruments, such gains or losses are not realized unless ADB is forced to do so by risk events before maturity. Under pre-ASC 815/825, loans, promissory notes, swapped borrowings, and all derivative instruments are reported at cost.

Since ADB intends to hold most borrowings and related swaps until maturity, the periodic unrealized gains and losses reported under statutory basis will eventually converge with the net cash income/expenses ADB recognizes over the life of the transaction.

Current Value Basis. Current value income is estimated by measuring all the financial instruments with a model based on the present value of the expected cash flows. As certain financial instruments (including all derivatives, swapped and structured borrowings, and certain investments) are recorded at their fair value while loans, remaining borrowings, and remaining investments are recorded at amortized cost, the statutory income may not fully reflect the overall economic value of ADB's financial position. The current value model utilizes market corroborated data to determine the cash flow and discount rates for each instrument.

Selected Financial Data

Table 1 presents selected financial data on three bases: statutory basis, pre-ASC 815/825 basis, and current value basis. Ratios under statutory and pre-ASC 815/825 bases were all lower compared with last year as a result of a decrease in interest rates, especially for US dollar. Under current value basis, the increase in return on investments represents the unrealized gains position of the investment portfolio, while the increase in return on average earning assets is due to favorable adjustment in the valuation of the loans and loan-related swaps. Please refer to the Overall Financial Results section below for discussion on revenue and expenses.

Overall Financial Results

Net (Loss) Income. Table 2 presents overall financial results in 2009. Net loss for the year was \$27.5 million compared to net income \$1,126.3 million for 2008. The

² Operating income is defined as statutory net income before unrealized gains/losses on fair value changes of borrowings and derivatives and ADB's proportionate share in unrealized gains/losses from equity investment accounted under equity method.

Table 1: Selected Financial Data
(31 December, amounts in \$ million)

	Statutory Basis				
	2009	2008	2007	2006	2005
Revenue and Expenses					
From Loan	959.8	1,358.0	1,442.3	1,210.1	1,036.3
From Investments	459.4	677.2	683.2	564.5	377.4
From Guarantees	9.2	6.9	5.1	4.1	4.1
From Equity Investments	24.5	3.7	58.9	41.5	3.3
From Other Sources	18.6	18.7	18.8	18.7	11.3
Total Revenue	1,471.5	2,064.5	2,208.3	1,838.9	1,432.4
Borrowings and Related Expenses	741.7	1,208.4	1,389.8	1,116.3	893.2
Administrative Expenses ^a	193.6	141.0	127.3	127.7	135.7
Provision for Losses	115.8	(3.5)	(0.6)	(32.5)	(3.5)
Other Expenses ^b	5.1	14.7	3.3	2.5	0.8
Total Expenses	1,056.2	1,360.6	1,519.8	1,214.0	1,026.2
Net Realized Gains (Losses)	23.3	(28.1)	22.9	80.6	16.9
Net Unrealized (Losses) Gains	(466.2)	450.6	53.8	(135.4)	(313.8) ^c
Net Loss (Income)	(27.5)	1,126.3	765.2	570.1	109.3
Average Earning Assets ^d	54,655	50,394	42,780	37,904	36,092
Annual Return on Average Earning Assets (%)	(0.05)	2.24	1.79	1.50	0.30
Return on Loans (%)	2.67	3.84	5.00	4.98	4.35
Return on Investments (%)	2.93	3.20	4.68	4.18	2.96
Cost of Borrowings (%)	2.91	4.11	4.32	4.81	5.04
Pre-ASC 815/825^e Basis					
Operating Income	420.1 ^f	699.8 ^f	711.4	705.5	415.6
Average Earning Assets ^d	54,828	50,443	42,757	37,859	36,076
Annual Return on Average Earning Assets ^g (%)	0.77	1.39	1.66	1.86	1.15
Return on Loans (%)	2.55	4.14	5.14	4.94	4.35
Return on Investments (%)	2.87	3.70	4.72	4.27	2.99
Cost of Borrowings (%)	1.83	3.29	4.68	4.31	3.75
Current Value Basis					
Net Income	936.8	101.9	1,159.0	544.1	93.7
Average Earning Assets ^d	56,091	51,575	43,726	39,130	37,948
Annual Return on Average Earning Assets (%)	1.67	0.20	2.65	1.31	0.23
Return on Loans (%)	1.48	9.18	6.40	2.58	(1.18)
Return on Investments (%)	4.39	3.51	7.77	5.48	(1.11)
Cost of Borrowings (%)	0.32	7.17	5.32	3.51	(1.34)

() = negative, ASC = Accounting Standards Codification™.

a Net of administration expenses allocated to the Asian Development Fund and loan origination costs that are deferred.

b Includes technical assistance to member countries.

c Includes cumulative effect of change in accounting principle.

d Composed of investments and related swaps, outstanding loans (excluding net unamortized loan origination cost/front-end fees) and related swaps and equity investments.

e ASC 825 is applicable to 2008–2009 only.

f Starting September 2009, pre-ASC 815/825 income is defined as the operating income. Operating income is defined as statutory net income before unrealized gains/losses on fair value changes of borrowings and derivatives and ADB's proportionate share in unrealized gains/losses from equity investments accounted under equity method.

g Represents net income before net unrealized gains/losses on borrowings and derivatives, over average earning assets.

decrease in net income is primarily due to a decrease of \$279.7 million in operating income and a decrease of \$916.8 million in net unrealized gain and losses, driven by the unfavorable ASC 815/825 application.

Operating Income. Operating income³ for 2009 was \$420.1 million compared to \$699.8 million for

2008. The decrease in operating income was predominantly due to the following:

- \$517.9 million decrease in overall loan income, mainly due to \$368.2 million net decrease in interest income, \$30.5 million decrease in other loan charges, net of ex-

³ Footnote 2.

penses on asset swaps hedging loan products, and \$119.2 million increase in provision for loan losses. Despite a higher outstanding loan portfolio, overall loan income decreased because of lower US dollar and Japanese yen LIBOR compared with the same period in 2008;

- \$162.5 million decrease in investment income resulting from lower investment returns associated with the decrease in the interest rate environment;
- \$28.2 million decrease in income from equity investments resulting mainly from \$25.0 million decrease in the realized portion of the proportionate share of income from private equity funds, which are accounted for under the equity method and recognition of \$2.4 million impairment loss mostly associated with restructured accounts, and net of \$2.9 million increase in dividend income;
- \$52.6 million increase in administrative expenses allocated to OCR. This was primarily driven by a decrease in the deferred loan origination cost of \$13.1 million

and increases in staff benefits of \$14.9 million, salaries of \$12.4 million, and contractual services of \$4.2 million. The increase in staff benefit cost is driven by an increase of actuarial estimate of the net periodic pension costs; and

- \$469.6 million decrease in overall borrowings and related expenses resulting mainly from declining interest rates in some markets.

Net Unrealized Gains and Losses. During 2009, ADB posted net unrealized loss of \$466.2 million. This primarily consists of fair value adjustments on the swapped borrowings and the derivatives used for hedging transactions. The impact on swapped borrowings was an unrealized gain of \$653.7 million and that on derivatives was an unrealized loss of \$1,117.6 million. The fair value adjustments are primarily due to the upward shift of the medium- to long-term yield curves of most major currencies and the narrowing of ADB's credit spreads.

Table 2: Overall Financial Results for the Years Ended 31 December 2009 and 2008
(\$ million)

	2009	2008	Increase (Decrease)
Income from loans	844.1	1,362.0	(517.9)
Interest income	947.9	1,316.1	(368.2)
Provision for losses	(115.8)	3.5	(119.2)
Others	11.9	42.4	(30.5)
Borrowings and related expenses	(738.7)	(1,208.3)	(469.6)
Income from investments	489.8	652.3	(162.5)
Interest income	459.4	677.2	(217.8)
Realized gain (loss)	30.5	(24.8)	55.3
(Loss) Income from equity investments (EI)	(4.3)	23.9	(28.2)
Realized (loss) gain on proportionate share of income from EI accounted under the equity method	(13.1)	11.9	(25.0)
Impairment loss	(11.1)	(8.7)	(2.4)
Dividend income	18.7	15.8	2.9
Others	1.2	4.9	(3.7)
Administrative expenses - OCR	(193.6)	(141.0)	52.6
Other income/expenses—net	22.8	11.0	11.9
Operating Income	420.1	699.8	(279.7)
Net unrealized (losses) gains	(466.2)	450.6	(916.8)
Net unrealized gains (losses) on proportionate share of income from EI accounted under the equity method	18.6	(24.1)	42.7
Net (loss) income	(27.5)	1,126.3	(1,153.8)

Note: Figures may not add up due to rounding.

The net unrealized gains in 2008, mainly from fair value adjustments, were \$450.6 million. The underlying factors were the downward shift of the short- to medium-term yield curves of the major currencies and the widening of ADB's credit spreads. Also, effective 1 January 2008, ADB elected to fair value nonstructured swapped borrowings under ASC 825, thereby expanding the scope of fair value adjustments to cover all swapped borrowings.

Current Value Basis

The Current Value Balance Sheet presents ADB's estimates of the economic value of OCR's financial assets and liabilities, taking into consideration the changes in market environment. For financial instruments with no market quotations, current value is estimated by discounting the expected cash flow streams and applying the appropriate interest and exchange rates. The current value results may differ from the actual net realizable value in the event of liquidation. The reversal of ASC 815/825 effects removes its impact, as these effects are part of the current value adjustments. The Current Value Financial Statements reconciled from the statutory basis for the year ended 31 December 2009 as well as further details and analyses of the current value adjustments can be found in the Appendix.

Operating Activities

In pursuing its objectives, ADB provides financial assistance through loans, technical assistance, guarantees, and equity investments to its developing member countries to help them meet their development needs. This assistance can be provided to sovereign and nonsovereign entities. ADB also actively promotes cofinancing of its development projects and programs to complement its own assistance with funds from both official and commercial sources including export credit agencies.

Loans

Until 30 June 2001, ADB's three windows for loans from OCR were the pool-based multicurrency loan, the pool-based single-currency loan in US dollars, and the market-based loan. With the introduction of the LIBOR-based loan on 1 July 2001, the pool-based multicurrency loan and market-based loan are no longer offered, and on 1 July 2002, the pool-based single-currency loan in US dol-

lars was retired. Effective January 2004, the pool-based multicurrency loans were transformed into pool-based single currency loans in Japanese yen. The LIBOR-based loan is a timely response to borrowers' demand for loan products that suit project needs and effectively manage their external debt. It gives borrowers a high degree of flexibility in managing interest rate and exchange rate risks while providing low intermediation risk to ADB. Since November 2002, ADB has been offering local currency loans to nonsovereign borrowers and expanded this to sovereign borrowers in August 2005. In June 2009, ADB established a Countercyclical Support Facility in response to the global economic crisis that spread to Asia and the Pacific. The facility is designed to provide time-bound assistance to crisis affected countries up to \$3.0 billion.

Loan Approvals, Disbursements, Repayments, and Prepayments. In 2009, the Board of Directors approved 57 sovereign loans totaling \$10.6 billion, and 7 nonsovereign loans totaling \$0.4 billion, compared with 2008 approvals of 46 sovereign loans totaling \$6.9 billion and 15 nonsovereign loans totaling \$1.8 billion. Disbursements in 2009 totaled \$7.9 billion (\$7.4 billion for sovereign loans and \$0.5 billion for nonsovereign loans), representing an increase of 21% from the \$6.5 billion disbursements in 2008. Regular principal repayments for the year were \$1.9 billion (\$1.6 billion in 2008) while prepayments amounted to \$6.7 million (\$277.1 million in 2008). In 2009, one loan was fully prepaid for \$4.8 million and one loan partially prepaid for \$1.9 million. As of 31 December 2009, the total loans outstanding after provision for losses and net unamortized loan origination cost amounted to \$41.7 billion, of which \$39.8 billion is for sovereign loans and \$1.9 billion is for nonsovereign loans.

In 2005, ADB established the multitranche financing facility (MFF), a debt financing facility that allows ADB to deliver financial resources for a specific program or investment in a series of separate financing tranches over a fixed period. Financing tranches may be provided as loans, guarantees, equity or any combination of these instruments based on periodic financing requests submitted by the borrower. In 2009, 10 MFFs totaling \$5.0 billion (6 MFFs totaling \$4.3 billion in 2008), were approved under OCR. Periodic financing requests under MFFs amounting to \$3.1 billion were approved in 2009 (\$1.8 billion in 2008).

Starting September 2005, ADB provided lending without sovereign guarantee to entities that can be con-

sidered public sector borrowers but are structurally separate from the sovereign or central government. Such entities include state-owned enterprises, government agencies, municipalities, and local government units. In 2009, two loans to state-owned enterprises without sovereign guarantee totaling \$134.3 million were approved (two loans for \$300.0 million in 2008).

In June 2009, the Board of Directors approved the establishment of the Countercyclical Support Facility (CSF) in response to the global economic crisis that spread to Asia and the Pacific. The CSF is a transitory sovereign lending instrument available in 2009 to 2010 and is aimed at providing support to the countercyclical development expenditure/policy program of developing member countries. Five sovereign loans totaling \$2.5 billion were approved and four of these totaling \$2.0 billion were made effective in 2009.

Status of Loans. Three nonsovereign loans with an outstanding principal balance of \$38.4 million (one non-sovereign loan totaling \$1.7 million in 2008) were in non-accrual status as of 31 December 2009.

Loan Charges on Sovereign Loans. LIBOR-based loans and loans approved under the CSF carry a floating lending rate that consists of 6-month LIBOR and an effective contractual spread fixed over the life of the loan. The lending rate is reset every 6 months on each interest reset date and can be converted into fixed rate at borrower's request. The lending rates for pool-based single-currency loans are based on the previous semester's average cost of borrowings. Interest rates for market-based loans are either fixed or floating. The floating rates are determined based on 6-month LIBOR with reset dates of either 15 March and 15 September or 15 June and 15 December. Effective 2000, all sovereign loans without specific provisions in the loan agreements were charged with lending spread of 60 basis points over the base lending rate. Since 2004, 20 basis points of the lending spread were waived on sovereign loans that did not have loans in arrears. Subsequently, the policy was extended to cover the period up to June 2010. In December 2007, the Board of Directors revised the lending rates for all sovereign LIBOR-based loans negotiated on or after 1 October 2007 by reducing the effective contractual spread to 20 basis points over the base lending rate and eliminating the waiver mechanism for such loans. The loans approved un-

der the Countercyclical Support Facility carry a lending spread of 200 basis points over the base lending rate.

ADB's variable lending rates for pool-based single-currency loans in US dollars and in Japanese yen are shown in Table 3.

ADB charged a front-end fee of 1% on sovereign loans to cover the administrative costs incurred in loan origination starting in 2000. In 2004, the Board of Governors approved the waiver of the entire front-end fee on all new sovereign loans approved from 1 January 2004 to 30 June 2005. Subsequently, the policy was extended to cover the period up to June 2009. In December 2007, the Board of Directors approved the elimination of front-end fees for sovereign LIBOR-based loans negotiated on or after 1 October 2007.

ADB applied a progressive commitment fee of 75 basis points on undisbursed loan balances for sovereign project loans and a flat commitment fee of 75 basis points for sovereign program loans. In October 2006, as part of the enhancement of ADB's loan and debt management products, all sovereign project loans negotiated after 1 January 2007 carried a flat commitment fee of 35 basis points on the full amount of undisbursed loan balances. In April 2007, the Board of Directors also approved the waiver of 10 basis points of the commitment charge on the undisbursed balances of sovereign project loans negotiated after 1 January 2007 and 50 basis points of the commitment charge on the undisbursed balances of sovereign program loans. The waiver is applicable to all interest periods starting from 1 January 2007 up to and including 30 June 2009. In December 2007, the Board of Directors approved the reduction of the commitment charge from 75 basis points for sovereign program loans and 35 basis points for sovereign project loans to 15 basis points for both sovereign program and project loans negotiated on or after 1 October 2007, and eliminated the waiver mechanism for such loans.

Table 3: Lending Rates^a
(% per annum)

	2009	2008	PSCLs
1 January	1.92 5.03	1.90 6.12	Japanese yen US dollar
1 July	1.90 4.57	1.98 5.64	Japanese yen US dollar

PSCL = pool-based single-currency loan.

^a Lending rates are set on 1 January and 1 July every year and are valid for 6 months and are represented net of 20 basis points lending spread waiver.

Rebates and surcharges are standard features of sovereign LIBOR-based loans and loans approved under the Countercyclical Support Facility (CSF). To maintain the principle of cost pass-through pricing, ADB returns the actual funding cost margin above or below LIBOR to its LIBOR-based loans sovereign borrowers through a surcharge or rebate. The funding cost margins are set on 1 January and 1 July every year and are based on the actual average funding cost margin for the preceding 6 months. Effective 1 July 2007, rebates or surcharges are passed on to the borrowers by incorporating them into the interest rate for the succeeding interest period, rather than retroactively. ADB returned an actual sub-LIBOR funding cost margin of \$82.2 million to its LIBOR-based loan sovereign borrowers in 2009 (\$81.1 million in 2008) based on the rebate rates, and will collect surcharge of loans under the CSF starting 2010.

Table 4: Funding Cost Margin
(% per annum)

	LIBOR-based loans		Countercyclical Support Facility
	US dollar	Japanese yen	US dollar
1 January 2009	(0.35)	(0.38)	—
1 July 2009	(0.31)	(0.35)	0.22

— = nil, () = negative.

Loan Charges on Nonsovereign Loans. For nonsovereign loans, the lending spread is determined based on market practices, which is intended to cover ADB's risk exposure to specific borrowers and projects. ADB also charges a market-based front-end fee on nonsovereign loans to cover the administrative costs incurred in loan origination. Front-end fees are typically in the range of 1% to 1.5% depending on the transaction. Based on the LIBOR-based lending policy, ADB applies a commitment fee typically in the range of 0.50% to 0.75% per annum on the undisbursed commitment.

Local currency loans are priced based on relevant local funding benchmarks or ADB's funding costs and a risk-based spread.

Official Cofinancing for Loans. In 2009, \$2,627.7 million from official external sources was mobilized in loan cofinancing for four loan projects totaling \$702.0 million. Of the total cofinancing, \$16.7 million is under ADB's partial

administration and \$2,611.0 million is under collaborative arrangement (Refer to Note E of OCR Financial Statement for loans administered by ADB as of 31 December 2009).

Technical Assistance

From 1967 to 1991, technical assistance expenses were charged to OCR and other technical assistance funding resources—the Technical Assistance Special Fund (TASF), the Japan Special Fund, and trust or grant funds. From 1992 to 2000, no technical assistance expenses were charged to OCR. In 2001, the Board of Directors approved the financing of high-priority technical assistance programs out of OCR current income within a rolling 4-year financing framework. The amount of financing required varies between years and is subject to the approval of the Board of Directors. In 2003, the Board reverted to the practice of allocating OCR net income to the TASF and of financing technical assistance activities through it and other various funding resources. On an exceptional basis, ADB committed \$10.0 million from OCR net income as contribution to the Java Reconstruction Fund in November 2008, for the Yogyakarta and Central Java reconstruction. This was regarded as a technical assistance grant in 2008.

Guarantees

ADB provides guarantees⁴ as credit enhancements for eligible projects to cover risks that the project and its commercial cofinancing partners cannot easily absorb or manage on its own. Reducing these risks can make a significant difference in mobilizing debt funding for projects. ADB has used its guarantee instruments successfully for infrastructure projects, financial institutions, capital markets, and trade finance. These instruments generally are not recognized in the balance sheet and have off-balance sheet risks. For guarantees issued and modified after 31 December 2002 in accordance with ASC 460-10, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness to Others," ADB recognized at the inception of a guarantee the noncontingent aspect of its obligations. ADB's total exposure on signed and effective guarantees is disclosed in Note F of OCR

⁴ ADB offers two types of guarantee products—political risk and partial credit—designed to facilitate cofinancing by mitigating risk exposure of commercial lenders and capital market investors. A political risk guarantee covers against specifically defined political risks. A partial credit guarantee provides comprehensive cover (of commercial and political risks) for a specific portion of the debt service provided by cofinanciers. These guarantees are issued for projects in which ADB satisfies its participation requirement.

Financial Statements. In 2009, ADB provided one partial credit guarantee amounting to \$71.8 million and one political risk guarantee amounting to \$325.0 million to power projects in Thailand and Viet Nam, respectively.

Syndications

Syndications enable ADB to mobilize cofinancing by transferring some or all of the risks associated with its loans and guarantees to other financing partners.⁵ Syndications thus decrease and diversify the risk profile of ADB's financing portfolio. Syndications may be on a funded or unfunded basis and may be arranged on an individual, portfolio, or any other basis consistent with industry practices. In 2009, \$276.2 million for syndications through B-loans⁶ was provided for three projects.

Equity Investments

In accordance with ADB's Charter that mandates that its non-sovereign operations promote the investment of private capital in the region for development, ADB provides assistance in the form of equity investments, in addition to loans without government guarantees, and other financing schemes. The Charter allows the use of OCR for equity investments in private enterprises up to 10% of its unimpaired paid-in capital together with reserves and surplus, exclusive of special reserves. The total equity investment portfolio for OCR for both outstanding and undisbursed approved facilities amounted to \$1,046.0 million at the end of 2009. This represented about 68% of the ceiling defined by the Charter.

In 2009, five equity investments totaling \$220.0 million were approved compared with seven equity investments totaling \$123.1 million in 2008. In the same year, ADB disbursed a total of \$58.7 million in equity investments, 53.3% decrease from \$125.7 million disbursed in 2008, and received a total amount of \$27.1 million from capital distributions and divestments, whether in full or in part, in 23 projects. The divestments were carried out in a manner consistent with good business practices, after ADB's development role in its investments have been fulfilled, and without destabilizing the companies concerned.

Financing Resources

Capital and Reserves

The total authorized capital of ADB is 10,638,933 shares valued at \$166,179.1 million as of 31 December 2009. Subscribed capital as of 31 December 2009 was 3,889,343 shares valued at \$60,751.1 million. Of the subscribed capital, \$4,110.3 million was paid-in and \$56,640.8 million was callable. Callable capital can be called only if required to meet ADB's obligations incurred on borrowings or guarantees under OCR. No call has ever been made on ADB's callable capital.

ADB successfully completed its review of OCR requirements with the adoption of a resolution by ADB's Board of Governors for the fifth general capital increase (GCI V), which will increase its capital base from \$55.0 billion to \$165.0 billion. The deadline for subscription is 31 December 2010. As of 31 December 2009, ADB has received subscriptions from four members totaling \$4.2 billion and after the year-end, additional four members' subscription totaling \$12.5 billion became effective.

ADB reviews the medium-term financial planning and adequacy of ADB's equity capital annually. Based on this review, the Board of Governors approves the allocation of previous year's net income to reserves and/or surplus. In addition, to the extent feasible, it transfers part of the net income to other Special Funds to support development activities in its developing member countries. In May 2009, the Board of Governors approved the allocation of 2008 net income of \$1,129.5 million, including \$10.0 million previously recorded as technical assistance for commitment related to Java Reconstruction Fund and after appropriation of guarantee fees to special reserve, as follows: (i) \$427.0 million representing unrealized gains from ASC 815 and ASC 825-10 adjustments and equity investments accounted for under the equity method, to Cumulative Revaluation Adjustments account; (ii) \$298.1 million to Loan Loss Reserve; (iii) \$261.4 million to Ordinary Reserve; (iv) \$120.0 million to ADF; and (v) \$23.0 million to Technical Assistance Special Fund (TASF).

Total shareholders' equity on a statutory basis increased from \$15,269.5 million as of 31 December 2008 to \$15,318.3 million as of 31 December 2009. This was

⁵ Depending on whether ADB retains risk or not, there may or may not be a contingent liability to ADB.

⁶ A B-loan is a tranche of a direct loan nominally advanced by ADB, subject to eligible financial institutions' taking funded risk participations within such a tranche and without recourse to ADB. It complements an A-loan funded by ADB.

due primarily to net increase in other comprehensive income of \$141.0 million (favorable translation adjustments of \$163.6 million, and unrealized gain on investments and equity investments of \$223.0 million, offset by the adjustment to pension and post-retirement benefit obligation of \$244.9 million and amortization of ASC 815 adjustment of \$0.7 million); the net effect of change in special drawing rights value on capital and reserves of \$73.2 million; and additional capital subscription received of \$5.1 million. These were offset by the allocations to the ADF of \$120.0 million, to the TASF of \$23.0 million, and net loss for the year of \$27.5 million.

In December 2008, the Board of Directors approved the revised policy on ADB's lending limitation, which limits the total amount of outstanding loans and guarantees as well as outstanding equity investments including undisbursed commitments, to the total amount of ADB's unimpaired subscribed capital, reserves, and surplus. In addition, the gross outstanding borrowings shall not exceed the sum of callable capital from nonborrowing members, paid-in capital, and reserves (including surplus). As of 31 December 2009, headroom for lending was \$29.5 billion and for borrowings \$5.8 billion (\$29.2 billion for lending and \$8.9 billion for borrowings as of 31 December 2008).

Borrowings

ADB's primary borrowing objective is to ensure availability of funds at the most stable and lowest possible cost for its operations. Subject to this objective, ADB seeks to diversify its funding sources across markets, instruments, and maturities. To achieve the objective, ADB continued in 2009 a strategy of issuing liquid benchmark bonds to maintain its strong presence in key currency bond markets, and raising funds through opportunistic financing and private placements, such as retail-targeted transactions and structured notes, which provide ADB with cost-efficient funding levels. In addition, ADB continued to pursue its objective of contributing to the development of regional bond markets and of providing local currency financing for ADB's projects through local currency bond issues and swap transactions. All proceeds from new funding transactions are invested until they are required for ADB's ordinary operations, including loan disbursements and refinancing of maturing funding obligations.

2009 Funding Operations. In 2009, ADB completed 44 borrowing transactions raising about \$10.4 billion in long- and medium-term funds compared with \$9.4 billion in 2008. The new borrowings were raised in seven currencies: Australian dollar, Mexican peso, yuan, South African rand, Swiss franc, Turkish lira, and US dollar. A total of \$9.0 billion or 86.8% of the 2009 borrowings were swapped into US dollar, and the remaining \$1.4 billion or 13.2% were in Japanese yen (11.8%), and yuan (1.4%). The average maturity of 2009 borrowings was 3.8 years compared with 3.5 years in 2008. Of the total 2009 borrowings, \$7.7 billion was raised through nine public offerings including two global benchmarks in US dollar, and a local currency bond issue in the People's Republic of China (PRC), and the remaining \$2.7 billion were in 35 private placements. In addition, ADB raised \$340.0 million in short-term funds under its euro commercial paper program to enhance its presence in the market and to meet short-term cash needs. Table 5 shows the details of the 2009 borrowings compared with the borrowings in 2008.

Table 5: Borrowings
(amounts in \$ million)

	2009	2008
Long Term		
Total Principal Amount	10,358.8	9,372.1
Average Maturity to First Call (years)	3.8	3.5
Average Final Maturity (years)	5.2	4.4
Number of Transactions		
Public Offerings	9	11
Private Placements	35	102
Number of Currencies (before swaps)		
Public Offerings	4	4
Private Placements	4	6
Short Term^a		
Total Principal Amount ^b	340.0	2,866.6
Number of Transactions	4	21
Number of Currencies	1	2

a All euro-commercial papers.

b At year-end, the outstanding principal amount was nil in 2009 and 2008.

Local Currency Bond Issues. ADB continued to pursue its objective of contributing to the development of regional bond markets and providing the appropriate local currency funding for its borrowers. In 2009, ADB successfully issued its second CNY1.0 billion Panda bond in the PRC. Additionally, ADB raised Indian rupee, Indonesian rupiah, and Philippine peso funding through cost-effective cross-currency swaps.

The Philippine peso and New Taiwan dollar were included in the Asian Currency Note Programme in April 2009 following receipt of approvals from the respective regulators.

Figure 1: Effect on Currency Composition

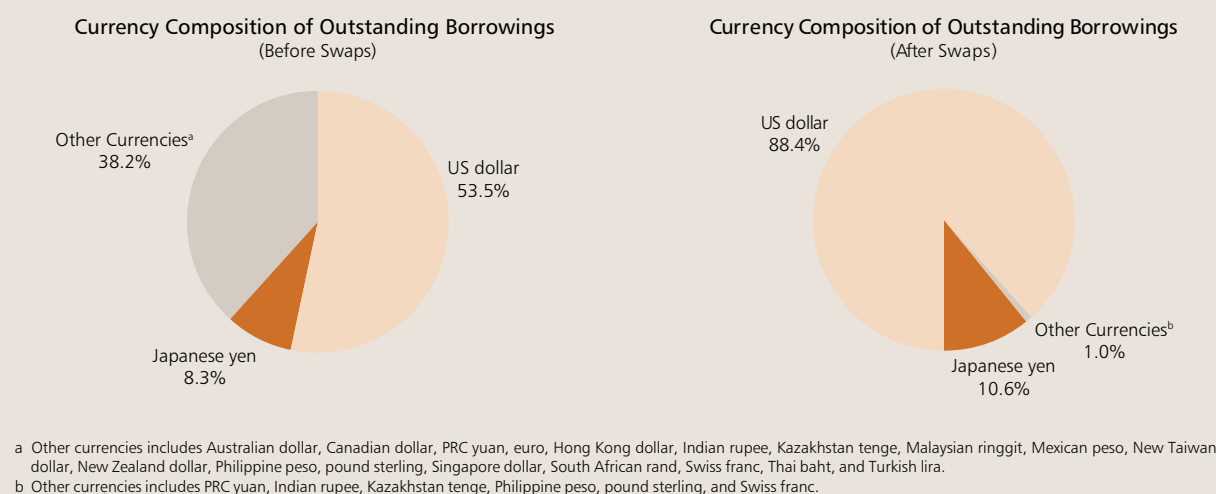
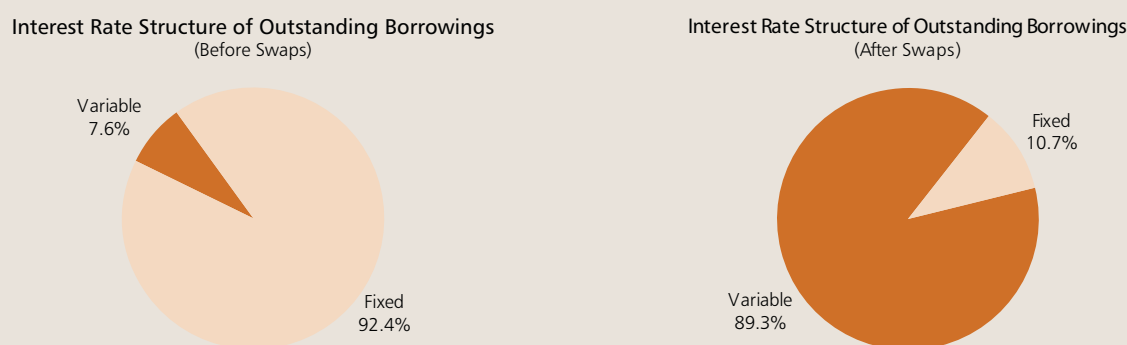


Figure 2: Effect on Interest Rate Structures



Use of Derivatives. ADB undertakes currency and interest rate swaps to raise, on a fully hedged basis, currencies needed for operations in a cost-efficient way while maintaining its borrowing presence in major capital markets. Figures 1 and 2 show the effects of swaps on the interest rate structure and currency composition of ADB's outstanding borrowings as of 31 December 2009. Interest rate swaps are also used for asset and liability management purposes to match the liabilities to the interest rate characteristics of loans.

Liquidity Portfolio

The liquidity portfolio helps ensure the uninterrupted availability of funds to meet loan disbursements, debt servicing, and other cash requirements. It also contributes

to ADB's earning base. ADB's Investment Authority governs its liquid asset investments. The primary objective is to maintain the security and liquidity of funds invested. Subject to these two parameters, ADB seeks to maximize the total return on its investments. In compliance with its Charter, ADB does not convert currencies for investment; investments are made in the same currencies in which they are received. At present, liquid investments are held in 21 currencies.

Liquid assets are held in government and government-related debt instruments, time deposits, and other unconditional obligations of banks and financial institutions, and, to a limited extent, in corporate bonds, mortgage-backed securities, and asset-backed securities of high credit quality. They are held in four subportfolios—prudential liquidity, operational cash, cash cushion,

and discretionary liquidity—all of which have different risk profiles and performance benchmarks. The year-end balance of the portfolios in 2009 and 2008, including receivables for securities repurchased under resale arrangements, and excluding securities transferred under securities lending arrangements and unsettled trades, is presented in the table below.

Table 6: Year-End Balance of Liquidity Portfolio^a
(\$ million)

	2009	2008
Prudential Liquidity Portfolio	10,063.2	9,604.5
Operational Cash Portfolio	201.5	298.2
Cash Cushion Portfolio	1,953.2	2,605.9
Discretionary Liquidity Portfolio	1,246.2	2,622.0
Other Portfolio	495.2	626.1
TOTAL	13,959.3	15,756.7

^a The composition of liquidity portfolio may shift from 1 year to another as part of ongoing liquidity management.

Table 7: Return on Liquidity Portfolio
(%)

	Annualized Financial Return	
	2009	2008
Prudential Liquidity Portfolio	3.83	6.43
Operational Cash Portfolio	0.14	2.03
Cash Cushion Portfolio	0.92	2.59
Discretionary Liquidity Portfolio ^a	0.34	0.44
Other Portfolio	4.14	2.83

^a Spread over funding cost at 31 December.

The prudential liquidity portfolio is invested to ensure that the primary objective of a liquidity buffer is met. Cash inflows and outflows are minimized to maximize the total return relative to a defined level of risk. The portfolio is funded by equity, and performance is measured against external benchmarks with an average duration of about 2.2 years.

The operational cash portfolio is designed to meet net cash requirements over a 1-month horizon. It is funded by equity and invested in short-term highly liquid money market instruments. The portfolio performance is measured against short-term external benchmarks.

The cash cushion portfolio holds the proceeds of ADB's borrowing transactions pending disbursement. It is invested in short-term instruments, and the performance is measured against short-term external benchmarks. The portfolio also aims to maximize the spread earned between borrowing cost and the investment income.

The discretionary liquidity portfolio is used to support medium-term funding needs and is funded by debt to provide flexibility in executing the funding program over the medium term, to opportunistically permit borrowing ahead of cash-flow needs and bolster ADB's access to short-term funding through continuous presence in the market.

Contractual Obligations

In the normal course of business, ADB enters into various contractual obligations that may require future cash payments. Table 8 summarizes ADB's significant contractual cash obligations at 31 December 2009 and 2008. Long-term debt includes direct medium- and long-term borrowings, excluding swaps, and exclusive of unamortized premiums, discounts, and effects of applying ASC 815. Other long-term liabilities correspond to accrued liabilities, including pension and postretirement medical benefits.

Table 8: Contractual Cash Obligations
(\$ million)

	2009	2008
Long-Term Debt	42,713.4	35,713.5
Undisbursed Loan Commitments	22,877.9	20,648.5
Undisbursed Equity Investment Commitments	433.4	275.7
Guarantee Commitments	1,971.6	1,772.6
Other Long-Term Liabilities	748.9	712.7
TOTAL	68,745.2	59,123.0

Financial Risk Management

The Office of Risk Management (ORM) is responsible for the overall management of ADB's credit, market, and operational risks. It develops risk policies and procedures to measure, monitor, and control risks. It assesses the creditworthiness of all nonsovereign transactions. Specifically, it conducts risk assessments of new transactions, provides independent monitoring following origination, and when necessary assumes responsibility for resolving distressed transactions. The ORM also monitors market and treasury risks, such as the credit quality of counterparties, interest rate risk, and foreign exchange risk. For the aggregate portfolio, the ORM monitors limits and concentrations, calculates loan loss reserve requirements, and assesses capital adequacy.

Other important institutions within the ADB's risk management framework include the Audit Committee of the Board, to whom the ORM presents quarterly on developments in ADB's risk profile, and the Risk Committee, which provides high-level oversight of ADB's risks and recommends risk policies and actions to the President.

In carrying out its mission, ADB is exposed to various risks that could result in financial loss: (i) credit risk, (ii) market risk, (iii) liquidity risk, and (iv) operational risk. This section also discusses capital adequacy, which is ADB's ultimate protection against unexpected losses.

Credit Risk

Credit risk is the loss that could result if a counterparty defaults or if its creditworthiness deteriorates. Credit risk also includes concentration risk, which arises when a high proportion of the portfolio is allocated to a specific country, industry sector, obligor, type of instrument, or individual transaction. Equity risk, which is the risk that the value of equity investments may fall or fluctuate, is also discussed in this section.

ADB is exposed to credit risk in its sovereign, nonsovereign, and treasury activities. These portfolios include several asset classes. The sovereign portfolio includes sovereign debt and guarantees. The nonsovereign portfolio includes nonsovereign debt and guarantees, publicly traded equity and private equity, and the treasury portfolio which includes fixed-income securities, cash and cash equivalents, and derivatives. Table 9 details the credit risk exposure for each asset class. These figures are gross of collateral, other credit enhancements, and impairment provisions.

Table 9: Exposure to Credit Risk

As of 31 December 2009 and 2008
(\$ million)

Item	2009	2008
Sovereign operations (debt and guarantee)	40,488.1	34,870.7
Nonsovereign operations	3,363.9	2,754.2
a. Debt and guarantee	2,479.5	2,109.7
b. Publicly traded equity	461.6	238.5
c. Private equity	422.9	406.0
Treasury	16,092.1	17,000.5
a. Fixed Income	12,794.0	14,097.5
b. Cash Instruments	2,369.6	2,308.4
c. Derivatives	928.4	594.6
Aggregate Exposure	59,944.1	54,625.4

Note: Figures may not add up due to rounding.

ADB assigns a risk rating to each loan, guarantee, and Treasury counterparty on an internal scale from 1 to 14 (Table 10). For nonsovereign transactions, the rating is normally capped at the country's sovereign rating.

Table 10: ADB Internal Risk Rating Scale

ADB Internal Rating Scale	S&P Rating Equivalent	ADB Definitions
1	AAA to A	Lowest expectation of credit risk
2	A-	Very low credit risk
3	BBB+	Low credit risk
4	BBB	Low credit risk
5	BBB-	Low to medium credit risk
6	BB+	Medium credit risk
7	BB	Medium credit risk
8	BB-	Medium credit risk
9	B+	Significant credit risk
10	B	Significant credit risk
11	B-	Significant credit risk
12	CCC+	High credit risk
13	CCC to C	Very high credit risk
14	D	Default

Credit Risk in the Sovereign Portfolio

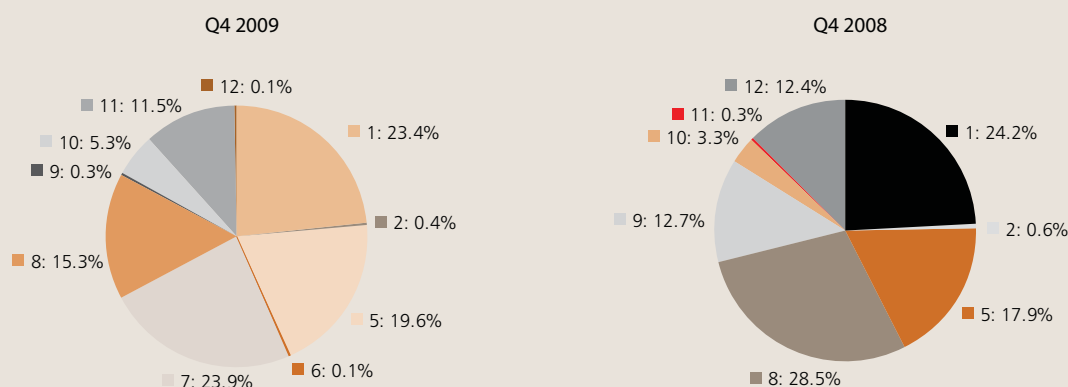
Management. Sovereign credit risk is the risk that a sovereign borrower may default on its loan or guarantee obligations. ADB manages its sovereign credit risk through the provision of loan loss reserves and conservative capital adequacy. ADB has experienced few defaults, and when countries have defaulted, they have generally returned their loans to accrual status such that ADB has never had to write off a sovereign loan funded from OCR.

ADB holds provisions to offset known or probable losses in specific transactions and a loan loss reserve to offset the average losses that ADB would expect to incur in the course of lending. The sum of the provisions and loan loss reserve represents ADB's expected loss.

2009 Results. Sovereign Credit Quality. The weighted average risk rating of the sovereign portfolio improved from 6.4 (BB+) to 6.0 (BB+) in 2009 because of increased disbursements to developing countries with a credit rating of at least 6 (BB+) (Figure 3).

Sovereign Concentrations. Because Asia's population is concentrated in a few countries, ADB assumes higher concentration to the most populous countries to fulfill its development mandate. The three largest borrowers—Indonesia, the PRC, and India—represented 65.2% of the portfolio (Table 11).

Figure 3: Sovereign Exposure by Credit Quality



Expected Loss. Improvements in credit quality offset increases in expected loss from portfolio growth and brought expected loss for the sovereign portfolio from \$428.0 million in 2008 to \$193.1 million in 2009 (Table 12).

Credit and Equity Risk in the Nonsovereign Portfolio

Management. The Investment Committee and Risk Committee oversee risks in the nonsovereign portfolio. The Investment Committee reviews all nonsovereign transactions for creditworthiness and is chaired by the vice-president for operations. The Risk Committee monitors aggregate portfolio risks and individual transactions whose creditworthiness has deteriorated. It also approves or endorses policy changes in the management of the portfolio's risks and approves provisions for impaired transactions. The managing director general chairs the Risk Committee.

The Office of Risk Management (ORM) is closely involved in managing nonsovereign credit risk. It independently assesses new projects at the concept clearance stage and again before loan approval. Following approval, ORM reviews all exposures at least annually. It reviews more frequently those exposures that are more vulnerable

to default or have defaulted. At each review, ORM assesses whether there has been any change in the risk profile of the exposure, recommends actions to mitigate risk and reconfirms or adjusts the risk rating, and, for share investments, reviews the fair value. Where relevant, ORM reviews the specific provision. At the recommendation of ORM, investments considered to be in jeopardy may be transferred from the operations departments to the corporate recovery unit (within ORM) to manage restructuring and recovery.

Equity investments are also managed under the non-sovereign portfolio. For publicly traded equities, ADB values the investments daily. For direct private equity investments, ADB estimates the fair value at least annually. For private equity funds, ADB validates the fund's reported net asset value at least annually. ADB's Charter limits equity investments to 10% of unimpaired paid-in capital, reserves, and surplus less special reserves. Additionally, for risk management purposes, private equity funds are limited to 5% of this sum.

ADB uses limits for countries, industry sectors, corporate groups, obligors, and individual transactions to manage concentration risk in the nonsovereign portfolio.

Table 11: Country Concentration

As of 31 December 2009 and 2008
(\$ million unless otherwise specified)

Country	2009		2008	
	Exposure	%	Exposure	%
Indonesia	9,679.9	23.9	9,831.6	28.2
People's Republic of China	9,409.5	23.2	8,345.4	23.9
India	7,299.3	18.0	6,165.2	17.7
Philippines	5,452.0	13.5	4,293.5	12.3
Pakistan	4,658.5	11.5	4,292.5	12.3
Others	3,988.8	9.9	1,942.4	5.6

Table 12: Sovereign Portfolio Expected Loss

As of 31 December 2009 and 2008

	2009		2008	
	\$ million	% of SO portfolio	\$ million	% of SO portfolio
Provision for loan losses	2.7	0.0	4.4	0.0
Loan loss reserve requirement ^a	190.4	0.5	423.6	1.2
Expected Loss	193.1	0.5	428.0	1.2

Note: 0.0 is less than 0.05%.

SO = Sovereign operations.

^a The loan loss reserve requirement is subject to Board of Governors' approval during the annual meeting in May 2010.

2009 Results. *Nonsovereign Loan and Guarantee Portfolio.* In the first quarter of 2009, ADB introduced a new credit rating system that assigns an obligor and a facility risk rating to each nonsovereign loan and guarantee. The obligor risk rating, which reflects the probability of a borrower default, is the main credit rating that ADB monitors. During 2009, ADB's weighted average risk rating generally improved with the stabilization of the global economy and the weighted average credit rating as of year-end was 7.4 (BB) (Figure 4).

Publicly Traded Equity Portfolio. ADB's publicly traded equity portfolio increased by 93.5% during 2009 and outperformed the MSCI Emerging Asia Index which increased by 70.4% (Table 13).

Private Equity Portfolio. The private equity portfolio has two components: (i) direct equity investments, where ADB owns shares in investee companies; and (ii) private equity funds, where ADB has partial ownership of a private equity fund that is managed by a fund manager, who takes equity stakes in investee companies.

ADB accounts for its private equity portfolio using either the cost or equity method of accounting. To complement these methods, ADB conducted a valuation exercise of all its private equity accounts in Q2 2009 using 2008 year-end data. The direct equity portfolio had an estimated fair value of \$224.6 million and an unreal-

ized gain of \$90.8 million. The weighted average internal rate of return since the investments' disbursements was 17.0%. The private equity fund portfolio had an estimated fair value of \$232.1 million and an unrealized loss of \$57.0 million. The weighted average internal rate of return since the investments' disbursements was 2.4%. The low internal rate of return for the private equity funds reflects in part the deterioration in equity values at the end of 2008.

Nonsovereign Concentrations. Nonsovereign exposure is concentrated in the People's Republic of China (23.7%), India (16.4%), and the Philippines (7.6%). Their combined exposure increased from 41.2% in 2008 to 47.7% in 2009 (Table 14). All countries complied with ADB's nonsovereign country limits.

The nonsovereign portfolio is focused on energy and finance (Table 15). ADB maintains higher exposures to these sectors because of the importance of infrastructure and the finance sector to economic development. To mitigate sector concentration, ADB conducts additional monitoring of and reporting on these sectors and employs specialists in these areas.

Expected Loss. Expected loss in the nonsovereign portfolio increased substantially in 2009. The driver of the increase was provisions on loans to and guarantees for defaulted financial institutions.

Figure 4: Nonsovereign Exposure by Credit Quality, Q4 2009

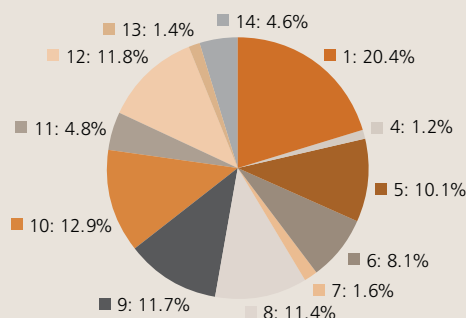


Table 13: Publicly Traded Equity Performance

As of 31 December 2009 and 2008
(\$ million unless otherwise specified)

Item	2009	2008	Annual Change (%)
ADB Portfolio	461.6	238.5	93.5
MSCI Emerging Asia Index	401.7	235.8	70.4

Table 14: Country Concentration

As of 31 December 2009 and 2008

Country	2009		2008	
	\$ million	%	\$ million	%
People's Republic of China	796.1	23.7	472.4	17.2
India	553.3	16.4	401.2	14.6
Philippines	256.0	7.6	261.6	9.5
Viet Nam	221.3	6.6	102.2	3.7
Bangladesh	200.3	6.0	203.0	7.4
Others	1,336.9	39.7	1,313.8	47.7

Note: Percentages may not add up to 100% due to rounding.

Table 15: Sector Concentration

As of 31 December 2009 and 2008

Sector	2009		2008	
	\$ million	%	\$ million	%
Energy	1,618.9	48.1	1,254.2	45.5
Finance	1,133.2	33.7	917.8	33.3
Investment Funds	291.5	8.7	278.6	10.1
Others	320.3	9.5	303.5	11.0

Note: Percentages may not add up to 100% due to rounding.

Table 16: Nonsovereign Portfolio Expected Loss
As of 31 December 2009 and 2008

	2009		2008	
	\$ million	% of NSO portfolio	\$ million	% of NSO portfolio
Provision for loan losses	122.3	4.9	4.8	0.2
Loan loss reserve requirement ^a	55.6	2.2	69.6	3.3
Expected Loss	177.9	7.2	74.4	3.5

Note: Figures may not add up due to rounding.

NSO = Nonsovereign operations.

a The loan loss reserve requirement is subject to Board of Governors' approval during the annual meeting in May 2010.

Credit Risk in the Treasury Portfolio

Management. Default and counterparty risks are credit risks that affect the treasury portfolio. Default risk is the risk that a bond issuer may default on its interest or principal payments. Counterparty risk is the risk that a counterparty may fail to meet its contractual obligations to ADB.

To control default and counterparty credit risk, ADB only transacts with financially sound institutions with ratings from at least two reputable public rating agencies. Moreover, the treasury portfolio is generally invested in conservative assets, such as money market instruments and government securities. In addition, ADB has established prudent exposure limits for its corporate investments, depository relationships, and other investments.

To mitigate counterparty credit risk arising through derivative transactions, ADB has strict counterparty eligibility criteria. In general, ADB will only undertake swap transactions with counterparties that meet the required minimum counterparty credit rating, executed an International Swaps and Derivatives Association Master Agreement, and signed a credit support annex. Under the credit support annex, derivative positions are marked-to-market daily and the re-

sulting exposures are collateralized by US dollar cash and US Treasuries. ADB also sets exposure limits for individual swap counterparties and monitors these limits against both current and potential exposures. The Office of Risk Management endorses daily collateral calls as needed to ensure that counterparties meet their collateral obligations.

2009 Results. The weighted average credit rating for the treasury portfolio remained constant at AA+ in 2009 (Figure 5). Investments in the portfolio that are rated 8 (BB-) are attributed to investments in ADB member country sovereign bonds.

At 31 December 2009, there were no fixed income instruments, derivatives, or other Treasury exposures past due or impaired (nil – 2008).

Credit Risk: Deposits. ADB deposits funds only in institutions that have a minimum long-term average credit rating of A+ or short-term credit rating of A-1 and P-1. ADB maintains a watch list of institutions that it perceives as potentially riskier than their credit ratings would suggest. Moreover, the size of the deposit is limited by the counterparty's equity and creditworthiness. Generally, depository credit risk is low, and all deposits are with institutions rated AA- or better.

Credit Risk: Fixed Income. ADB has a conservative policy toward fixed-income securities, and the credit risk is low. Low-risk sovereign and sovereign-guaranteed securities represent 85.6% of fixed-income assets. The remainder is equally divided between asset-backed and mortgage-backed securities that are rated AAA and corporate bonds that are rated at least A- (Table 17). The credit risk of mortgage-backed securities and corporate bonds has generally fallen over the last year as global economic conditions have improved.

Figure 5: Treasury Exposure by Credit Quality



Credit Risk: Derivatives. Derivative counterparty credit risk is low. All swap counterparties are rated at least A-. The current exposure to counterparties rated A- through A+ are fully collateralized while the uncollateralized exposure to those rated AA- and above are subjected to specified thresholds. As of the end of December 2009, only 52% of the marked-to-market exposure is collateralized given the high credit quality of our derivatives counterparties.

Concentration. At the end of 2009, Treasury credit risk exposure was allocated across 26 countries with the largest exposure in the US (Table 18).

Market Risk

Management. Market risk is the risk of loss on financial instruments due to changes in market prices. ADB principally faces three forms of market risk: equity price risk, which is discussed above with the nonsovereign portfolio, and interest rate and foreign exchange risk, which are discussed below.

Interest Rate. Interest rate risk in the operations portfolio is fully hedged as the basis for borrowers' interest payments are matched to ADB's borrowing expenses. Therefore, the borrower must assume or hedge the risk of fluctuating interest rates whereas ADB's margins remain largely constant.

ADB is primarily exposed to interest rate risk through the Treasury portfolio. ADB monitors and manages interest rate risks in the Treasury portfolio by employing various quantitative methods. It marks all positions to market, monitors interest rate risk metrics, and employs stress testing and scenario analysis.

ADB uses duration and interest rate value-at-risk (VaR) to measure interest rate risk in the Treasury portfolio. Duration is the estimated percentage change in the portfolio's value in response to a 1% parallel change in interest rates. Interest rate VaR is a measure of possible loss at a given confidence level in a given timeframe due to changes in interest rates. ADB uses a 95% confidence level and a 1-year time horizon. In other words, ADB would expect to lose at least this amount once every 20 years due to fluctuations in interest rates. Unlike duration, which ADB uses to measure interest rate risk across the Treasury portfolio, ADB only uses VaR for the Prudential Liquidity Portfolio, which is the most exposed to interest rate risk.

Foreign Exchange. ADB ensures that its operations have minimal exposure to exchange rate risk. In both the operations and Treasury portfolios, ADB is required to match its loans and investments to the same currencies as its funding. Borrowed funds or funds to be invested may only be converted into other currencies provided that they are fully hedged through cross currency swaps or forward exchange agreements. Given its multicurrency operations, however, ADB is exposed to fluctuations in reported US dollar results due to currency translation adjustments.

2009 Results. The discussion of market risk in this section is limited to the major currencies of the Prudential Liquidity Portfolio (PLP) since this portfolio bears the majority of ADB's market risks. The PLP accounts for 72% of ADB's OCR while major currencies account for 95% of the PLP. Major currencies include the US dollar, Japanese yen, euro, pounds sterling, Australian dollar, and Canadian dollar.

Value-at-Risk. Aggregate value-at-risk (VaR), which includes interest rate and foreign exchange risk, decreased from 8.7% in 2008 to 5.3% in 2009. This VaR means that there is a 5% probability that the portfolio will lose more than 5.3% (\$517.1 million) of its value over the next year. These potential loss estimates decreased in 2009 as currency markets stabilized and as the average maturity of ADB's treasury investments decreased.

Table 17: Fixed Income Portfolio by Asset Class

As of 31 December 2009 and 2008
(\$ million)

Item	2009	2008
Government	4,092.5	4,770.7
Government Guaranteed	4,778.7	2,883.2
Government-Sponsored Enterprises and Supra-Nationals	2,084.3	4,182.8
Asset-Backed and Mortgage-Backed Securities Rated AAA	855.3	761.9
Corporations	983.1	1,498.9
Total	12,794.0	14,097.5

Note: Figures may not add to total due to rounding.

Table 18: Country Concentration

As of 31 December 2009 and 2008

Country	2009		2008	
	\$ million	%	\$ million	%
United States	5,123.6	31.8	5,261.1	30.9
Japan	3,107.4	19.3	1,906.8	11.2
Australia	1,951.8	12.1	1,072.4	6.3
Germany	1,382.3	8.6	1,412.7	8.3
United Kingdom	722.4	4.5	1,928.2	11.3
France	676.4	4.2	1,434.6	8.4
Canada	642.7	4.0	385.8	2.3
Others	2,485.6	15.4	3,600.9	21.2

Note: Percentages may not add up to 100% due to rounding.

Duration. The major PLP's interest rate sensitivity, as reflected in its weighted portfolio duration, went unchanged in 2009 at 2.3 years.

Stress Testing. ADB measures how sensitive the major PLP is to interest rate changes. If interest rates were to rise 2%, the major PLP portfolio would be expected to lose 4.21% (\$412.8 million). This estimated loss is slightly less than last year's because the average maturity of ADB's investments decreased. ADB also uses scenario analysis to assess how the major PLP would respond to significant changes in market factors, such as those that have occurred in the past. Because of the high quality of ADB's investments, scenario analysis suggests that the Treasury portfolio would appreciate during most stressed scenarios as demand for highly rated securities increases.

Liquidity Risk

Liquidity risk can arise if ADB is unable to raise funds to meet the financial and operational commitments. ADB maintains prudential liquidity to safeguard against liquidity shortfall in case ADB's access to the capital market is temporarily denied. The liquidity levels and cash requirements are monitored on an ongoing basis and reviewed by the Board of Directors quarterly.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. ADB is exposed to many types of operational risk, which it mitigates through sound internal controls. ADB has a rigorous process for approving transactions to minimize errors in the lending function. ADB has also strengthened business continuity, and particularly information technology, to reduce the impact of disruptions.

Capital Adequacy

ADB's most significant risk is if a large proportion of its loan portfolio defaulted. Credit risk is measured in both terms of expected and unexpected losses. For expected losses, ADB holds loan loss reserves. For unexpected losses, ADB relies on its income-generating capacity and capital, which is a financial institution's ultimate protection against unexpected losses that may arise from credit and other risks.

ADB principally uses stress testing to assess the capacity of its capital to absorb unexpected losses. The framework has two objectives. First, it measures ADB's ability to absorb income losses due to a credit shock. In doing so, ADB reduces the probability that it would have to rely on shareholder support such as additional paid-in capital or a capital call. As a result, ADB not only protects its shareholders but also supports its AAA credit rating, which reduces ADB's borrowing costs and consequently its lending rates.

Second, the framework evaluates ADB's ability to generate sufficient income to support loan growth subsequent to the credit shock. As a development institution, ADB's mandate becomes all the more important during a financial crisis when some developing member countries may find their access to capital markets limited. This second requirement ensures that ADB will have the capacity to lend under such adverse conditions.

For the stress test, ADB generates thousands of potential portfolio scenarios and imposes credit shocks that are large enough to account for 99% of those scenarios. ADB then assesses the impact of these shocks on its capital by modeling the ratio of equity to loans over the next 10 years. Throughout 2009, the stress test indicated that ADB had adequate capital to absorb the losses of a severe credit shock and to continue its development lending.

Asset and Liability Management

The objectives of asset and liability management for ADB is to safeguard ADB's net worth and overall capital adequacy, promote steady growth in ADB's risk-bearing capacity, and define sound financial policies to undertake acceptable levels of financial risks to provide resources for developmental lending purposes at the lowest and most stable funding cost to the borrowers along with the most reasonable lending terms, while safeguarding ADB's financial strength. The asset and liability management safeguards net worth from foreign exchange rate risks, protects net interest margin from fluctuation in interest rates, and provides sufficient liquidity to meet ADB's operations. ADB also adheres to cost pass-through pricing policy for the loans to sovereign borrowers, and allocates the most cost-efficient borrowings to fund the loans. The asset and liability management objectives and practices were clarified and formalized in 2006 through the Board-approved comprehensive asset and liability management policy framework. The framework has formalized the

guiding principles for managing OCR financial assets and liabilities, and provided the governing framework to guide all asset and liability management–related financial policies, including liquidity, investments, equity management, and capital adequacy.

Internal Control over Financial Reporting

In line with global best practices on corporate governance, ADB's management carried out an evaluation of the adequacy and effectiveness of internal control over financial reporting using criteria established in Internal Control – Integrated Framework issued by the Committee of the Sponsoring Organization of the Treadway Commission. The evaluation includes test of key controls over financial reporting, and ADB's external auditors concurred that ADB maintained effective internal control over financial reporting for 2009.

Critical Accounting Policies and Estimates

Significant accounting policies are contained in Note B of OCR's financial statements. As disclosed in the financial statements, management estimates the fair value of financial instruments. Estimates by their nature are based on judgment and available information; therefore, actual results may differ and might have a material impact on the financial statements.

Fair Value of Financial Instruments. Under statutory reporting, ADB carries its financial instruments and derivatives, as defined by ASC 815 on a fair value basis. These financial instruments include embedded derivatives that are valued and accounted for in the balance sheet as whole. Fair values are usually based on quoted market prices. If market prices are not readily available, fair values are usually determined using market-based pricing models incorporating readily observable market data and require judgment and estimates.

The pricing models used for determining fair values of ADB's financial instruments are based on discounted expected cash flows using observable market data. ADB reviews the pricing models to assess the appropriateness of assumptions to reasonably reflect the valuation of the financial instruments. In addition, the fair values derived from the models are subject to ongoing internal and external verification and review. The models use market-sourced inputs such as interest rates, ex-

change rates, and option volatilities. Selection of these inputs may involve some judgment and may impact net income. ADB believes that the estimates of fair values are reasonable.

The Financial Accounting Standards Board issued *Fair Value Measurements and Disclosures* (ASC 820), in September 2006, and *Financial Instruments* (ASC 825), in February 2007. ASC 820 emphasizes the definition and methods for measuring fair value, and expands disclosure requirements for financial reporting purposes, while ASC 825 expands the scope of financial instruments that may be carried at fair value. These are discussed in more detail in Note B of OCR's financial statements.

Provision for Loan Losses and Loan Loss Reserves. In 2006, the Board approved the revision of the loan loss provisioning methodology for ADB's nonsovereign operations to a risk-based model. Provision against loan losses for impaired loans reflects management's judgment and estimate of the present value of expected future cash flows discounted at the loan's effective interest rate. ADB considers a loan impaired when, based on current information and events, ADB will probably be unable to collect all the amounts due according to the loan's contractual terms. The provisioning estimate is done quarterly by the Office of Risk Management.

ADB uses an internal risk rating system to estimate expected loss for unimpaired loans. The probability of default is based on its past loan loss experience and various tools available in the market. A loan loss reserve is established in the equity section for the expected losses as an allocation of net income subject to the approval of the Board of Governors.

SPECIAL FUNDS

ADB is authorized by its Charter to establish and administer special funds. These are the ADF, Technical Assistance Special Fund, Japan Special Fund, ADB Institute Special Fund, the Asian Tsunami Fund, the Pakistan Earthquake Fund, the Regional Cooperation and Integration Fund, the Climate Change Fund, and the Asia Pacific Disaster Response Fund. Financial statements for each fund are prepared in accordance with accounting principles generally accepted in the United States of America except for ADF's which are special purpose financial statements prepared in accordance with ADF Regulations.

Asian Development Fund

ADF is ADB's concessional financing window for developing member countries with low per capita gross national product and limited debt repayment capacity. It is the only multilateral source of concessional assistance dedicated exclusively to reducing poverty and to improving the quality of life in Asia and the Pacific. Thirty-two donor members (regional and nonregional) have contributed to the fund. Cofinancing with bilateral and multilateral development partners complements ADB's ADF resources.

In August 2008, the Board of Governors adopted the resolution providing for the ninth replenishment of the ADF (ADF X) and the fourth regularized replenishment of the TASF. This became effective on 16 June 2009. The resolution provides for a substantial replenishment of the ADF to finance ADB's concessional program for the 4-year period from January 2009, and for a replenishment of the TASF in conjunction with the ADF replenishment, to finance technical assistance operations under the TASF. In June 2009, the Board of Directors approved providing additional \$400 million assistance for ADF-only countries. Total replenishment size in SDR7.4 billion (\$11.8 billion), consisted of SDR7.2 billion for ADF X and SDR0.2 billion for TASF. About 37% of the replenishment will be financed from new donor contributions amounting to SDR2.7 billion (\$4.2 billion equivalent).

Currency Management. Effective 1 January 2006, the new currency management framework for ADF was implemented. Under this new framework, the previous practice of managing ADF resources in as many as 15 currencies was discontinued, and an approach based on special drawing rights (SDR) basket of currencies was introduced. ADF donor contributions and loan reflows received in currencies that do not constitute SDR are immediately converted into one of SDR currencies to maintain SDR-based liquidity portfolio. In addition, the borrower's obligations for new ADF loans are now determined in SDR.

Loan Conversion. Starting 2008, ADB offered a full-fledged special drawing right (SDR) approach to ADF legacy loans by providing ADF borrowers the option to convert their existing liability (i.e., disbursed and outstanding loan balance) into various currencies into SDR, while the undisbursed portions will be treated as new loans redenominated in SDR. The conversion will shorten the time horizon to achieve the full benefits, reduce exchange rate volatility associated with legacy ADF loans, and pro-

vide a consistent debt portfolio management framework across peer multilateral banks and all ADF loans. As of 31 December 2009, 17 out of 30 ADF borrowing countries have signified their agreement to the conversion, and the outstanding balance of their SDR-converted loans amounts to equivalent \$14.3 billion.

Revised Framework for Grants and Hard-Term Facility. In September 2007, the Board of Directors approved the revised ADF grant framework which limits grants eligibility to ADF-only countries and introduced a new hard-term ADF lending facility. The facility will have a fixed interest rate of 150 basis points below the weighted average of the 10-year fixed swap rates of the SDR component currencies plus the OCR lending spread, or the current ADF rate, whichever is higher. Other terms are similar to those of regular ADF loans. In general, blend countries with per capita income not exceeding the International Development Association operational cutoff for more than 2 consecutive years and with an active OCR lending program are eligible to borrow from this new facility. The interest rate will be reset every January through a board information paper. The rate will apply to all hard-term loans approved that year and will be fixed for the life of the loan. For hard-term ADF loans approved in 2009, the interest rate was set at 1.6%. Five loans were approved under this new facility in 2009.

Liquidity Management. Starting 2008, ADF's liquidity assets are managed under two tranches to allow for the optimal use of financial resources. The main objective of the first tranche is to ensure adequate liquidity is available to meet the expected cash requirements. The second tranche comprise the prudential minimum liquidity ADF holds to meet unexpected demands and any usable liquidity for future commitments. This approach ensures that liquidity is managed in a transparent and efficient manner.

Heavily Indebted Poor Countries (HIPC) Debt Relief. ADF donors requested ADB's participation in the HIPC debt relief. In line with this, ADB's Board of Governors adopted Board Resolution No. 329 on 7 April 2008 for ADB to participate in the HIPC debt relief, and to provide Afghanistan with debt relief. The estimated principal amount of Afghanistan's ADF debt to be forgiven and charged against ADF income is \$81.5 million.

The HIPC Initiative was launched in 1996 by the International Development Association and International Monetary Fund to reduce the excessive debt burden faced by the world's poorest countries. A "sunset clause" was

stipulated to prevent the HIPC debt relief from becoming a permanent facility, minimize moral hazard, and encourage early adoption of reform programs. This has been extended several times with the latest “sunset clause” being end-2006 with a “ring-fence” of its application to countries satisfying the income and indebtedness criteria using end-2004 data. Thus far, Afghanistan is the only ADF borrower that has qualified for HIPC debt relief. While other ADF borrowers have met the HIPC indebtedness criteria, it is not possible to currently estimate whether these countries will qualify for HIPC debt relief.

Under the policy, upon approval of debt relief for a country by the Board of Directors, the principal component of the estimated debt relief costs will be recorded as a reduction of the disbursed and outstanding loans on a provisional basis and charged against ADF income. The International Development Association and International Monetary Fund boards will decide when a country has satisfied the conditions for reaching the completion point. Upon reaching the completion point, the debt relief will become irrevocable. The accumulated provision for HIPC debt relief will be reduced when debt relief is provided on the loan service payment date. As of 31 December 2009, provision of \$1.5 million has been written off under this arrangement, bringing the balance to \$80.0 million.

Contributed Resources. During the ninth replenishment of the ADF (ADFX), donors agreed to a total replenishment size of SDR7.4 billion (\$11.8 billion), of which SDR4.3 billion will be financed from internal resources, SDR2.6 billion from new donor contributions, SDR0.3 billion released from the foreign exchange provision, and SDR0.2 billion net income transfers from OCR. This covers the 4-year period from 2009 to 2012 which became effective in June 2009 after instruments of contribution deposited with ADB for unqualified contribution exceeded 50% of all pledged contributions. As of 31 December 2009, 26 donors have contributed a total of \$3.4 billion,⁷ of which \$0.8 billion has been received and made available for operational commitments. Total deposited installment payments amounting to \$881.9 million include \$811.0 million for ADF operations and \$70.9 million for Technical Assistance Special Fund. The remaining unpaid contributions under ADF VIII as of 31 December 2009 amounted to \$161.4 million⁷ (For details of amounts released for operational commitment in 2009, see the column labeled “Addition” in Statistical Annex 23).

Table 19: Asian Development Fund Commitment Authority

31 December 2009 and 2008
(\$ million)

	2009	2008
Carryover from ADF VII Commitment Authority ^a	–	124.4
Carryover from ADF IX Commitment Authority ^b	123.7	–
ADF X Contributions	837.6	–
ADF IX Contributions	112.8 ^c	2,976.5
ADF VIII Contributions	8.3 ^d	161.6
Reflow-based Resources	3,345.8 ^e	3,895.7
OCR Net Income Transfer	120.0	160.0
Savings and Cancellation	314.4	1,133.3
Credits from Accelerated Note Encashment Program	–	63.0
Provision for Disbursement Risk ^f	–	(158.4)
Provision for Foreign Exchange Volatility ^g	–	15.2
Total ADF X Commitment Authority	4,862.6	8,371.3
Loans and Grants Committed	3,129.4	8,248.7
ADF Commitment Authority Available for Future Commitments	1,733.2	122.6^b

– = nil, () = negative, ADF = Asian Development Fund, OCR = ordinary capital resources.

a The US dollar equivalent of SDR80.4 million at the year-end exchange rate.

b The US dollar equivalent of SDR79.2 million at the year-end exchange rate which reflects the cumulative commitment authority for ADF IX.

c Represents the balance of the third installment and 27.59% of the fourth installment payment of the United States. Amounts withheld due to the pro rata exercise have been released correspondingly.

d Represents the 99.16% of Austria's fourth installment payment which was released and made available for operational commitment.

e Includes the (i) liquidity drawdown of SDR1.1 billion, and (ii) additional liquidity of SDR270.0 million released from the foreign exchange provision.

f Amount applied to contribution and net income transfer received before the adoption of the new ADF Financial Framework in December 2007.

g Allowance used to cover the shortfall in the commitment authority due to exchange rate fluctuation in the last quarter of ADF IX.

During the year, \$945.2 million contributions (\$811.0 million – ADF X, \$125.6 million – ADF IX, and \$8.6 million – ADF VIII), inclusive of amortized discount from accelerated note encashments and compensation for forgone interest, were received and made available for operational commitment.

Total resources committed, inclusive of discounts on contributions due to accelerated note encashments for ADF IX and X, amounted to \$36.5 billion as of 31 December 2009 (\$32.3 billion – 31 December 2008), of which \$33.6 billion (\$31.9 billion – 31 December 2008) was made available for operational commitments. The \$2.9 billion contributions not yet available (\$0.4 billion – 31 December 2008) comprises (i) unpaid qualified contributions, (ii) unpaid contributions from donors who exercised pro-rata rights based on qualified contributions, and (iii) unamortized discounts on accelerated note encashments. The balance of commitment authority avail-

⁷ US dollar equivalent at 31 December 2009 exchange rates.

able for operations as of 31 December 2009 increased to \$1.7 billion (\$122.6 million – 31 December 2008).

In May 2009, the Board of Governors approved the transfer of \$120.0 million to ADF as part of OCR's net income allocation (\$40.0 million in 2008). In addition, a total of \$314.4 million from loan savings and cancellations have been included in the commitment authority. This resulted from management's continuous assessment of opportunities for freeing committed resources through cancellations of unused loan balances. During 2009, promissory notes totaling \$618.1 million have been encashed, \$72.7 million of which was transferred to the Technical Assistance Special Fund.

Loan Approvals, Disbursements, and Repayments. In 2009, 45 ADF loans totaling \$2.2 billion were approved compared with 36 loans totaling \$1.8 billion in 2008. Disbursements during 2009 totaled \$2.2 billion, an increase of 7.7% from \$2.0 billion in 2008. At the end of the year, cumulative disbursements from ADF resources were \$29.3 billion. Loan repayments during the year amounted to \$845.4 million. At year-end, outstanding ADF loans amounted to \$28.0 billion.

Status of Loans. At the end of the year, 28 sovereign loans to Myanmar with total principal outstanding of \$560.2 million were in non-accrual status representing about 2.0% of the total outstanding ADF loans.

Investment Portfolio Position. The ADF investment portfolio⁸ amounted to \$5.7 billion at 31 December 2009 compared with \$6.3 billion in 2008. About 34% of the portfolio was invested in bank deposits, and 66% was invested in fixed income securities. The annualized rate of return on ADF investments including unrealized gains and losses was 2.4% (5.2% in 2008).

Grants. With the introduction of grant financing in ADF IX, 27 grants (27 in 2008) were approved in 2009 totaling \$911.3 million (\$707.4 million in 2008), while 32 grants (27 in 2008) totaling \$952.5 million (\$539.8 million in 2008) became effective, net of \$5.0 million (nil in 2008) write back of undisbursed commitments for completed grant projects.

Official Cofinancing for Loans and Grants. In 2009, \$140.3 million external sources were mobilized in official loan cofinancing for seven loan projects totaling \$279.5 million.

Technical Assistance Special Fund

The Technical Assistance Special Fund (TASF) was established to provide technical assistance on a grant basis to developing member countries of ADB and regional technical assistance.

In August 2008, the Board of Governors adopted the resolution providing for the ninth replenishment of the ADF (ADF X) and the fourth regularized replenishment of the TASF. Considering the demand estimate and the availability of funds from other sources, the donors agreed to contribute 3% of the total replenishment size as the fourth replenishment of the TASF. The replenishment will cover the 4-year period 2009 to 2012 (see related notes under ADF).

Contributed Resources. As of 31 December 2009, 26 donors committed a total of \$288.0 million to TASF, as part of the ADF X and the fourth regularized replenishment of TASF. Of the total commitment, \$70.9 million have been received.

During the year, India made a direct voluntary contribution amounting to \$0.2 million. In addition, \$23.0 million was allocated to TASF as part of OCR's 2008 net income allocation, and a total of \$288.0 million fourth regularized replenishment of TASF. At the end of 2009, total TASF resources amounted to \$1,716.2 million, of which \$1,393.5 million was committed, leaving an uncommitted balance of \$322.7 million (Statistical Annex 24).

Operations. Technical assistance (TA) commitments (approved and effective) increased from \$108.2 million in 2008 to \$117.2 million in 2009 for 174 TA projects that were made effective during the year, net of \$13.3 million (\$15.6 million in 2008) write back of undisbursed

Table 20: Technical Assistance Special Fund

Cumulative Resources
(\$ million)

	2009	2008
Regularized Replenishment		
Contributions	720.6	432.6
Allocations from OCR Net Income	729.0	706.0
Direct Voluntary Contributions	89.4	89.2
Income from Investment and		
Other Sources	180.7	178.3
Transfers from the TASF to the ADF	(3.5)	(3.5)
TOTAL	1,716.2	1,402.6

(-) = negative, ADF = Asian Development Fund, OCR = ordinary capital resources, TASF = Technical Assistance Special Fund.

⁸ Includes securities purchased under resale arrangement.

commitments for completed and cancelled TA projects. Undisbursed commitments for TA increased to \$258.9 million as of 31 December 2009 (\$222.7 million as of 31 December 2008). TASF financed 51.2% of all TA activities approved in 2009.

Investment Position. As of 31 December 2009, total TASF investment portfolio, including securities purchased under resale arrangement, amounted to \$328.1 million, higher than the \$295.7 million as of the end of 2008. Despite a higher investment portfolio in 2009, total revenue from investments decreased to \$2.5 million, from \$10.9 million during the same period in 2008, due mainly to the historically low interest rate environment.

Japan Special Fund

The Japan Special Fund was established in 1988 when ADB, acting as the administrator, entered into a financial arrangement with Japan, who agreed to make the initial contribution, to help developing member countries of ADB restructure their economies and broaden the scope of opportunities for new investments, mainly through technical assistance operations.

Contributed Resources. As of 31 December 2009, Japan's cumulative contribution to the fund since its inception in 1988 amounted to ¥112.9 billion (about \$973.7 million equivalent) comprising regular contributions of ¥94.8 billion (\$822.9 million equivalent) and supplementary contributions of ¥18.1 billion (\$150.8 million equivalent). The uncommitted balance, including approved technical assistance but not yet effective, as of 31 December 2009 was \$40.0 million.

Operations. The technical assistance (TA) financed by Japan Special Fund continued to support ADB operations aimed at reducing poverty. In 2009, 42 TA projects totaling \$41.6 million were approved (Table 21) and 38 projects totaling \$42.3 million became effective. The balance of undisbursed commitments as of 31 December 2009 amounted to \$94.1 million, compared with \$95.8 million as of the end of 2008.

Sector Activities. In 2009, the Japan Special Fund (JSF) financed 16% of the total amount of technical assistance (TA) that ADB approved, including 28% of the total amount of project preparatory TA during the year. Table 21 illustrates the breakdown of JSF approvals by sector.

Investment Position. As of 31 December 2009, total JSF investment portfolio amounted to \$158.5 mil-

lion, lower than the balance of \$198.9 million as of 31 December 2008. With the low interest rate environment, revenue from investments decreased from \$6.5 million in 2008 to \$1.3 million in 2009.

Table 21: Japan Special Fund
Technical Assistance by Sector, 2009

	\$ million	%
Agriculture and Natural Resources	9.3	22
Energy	6.5	16
Transport and Information and Communication Technology	6.4	15
Finance	4.8	12
Multisector	4.8	12
Education	2.7	6
Public Sector Management	2.5	6
Water Supply and Other Municipal Infrastructure and Services	2.5	6
Health and Social Protection	2.1	5
TOTAL	41.6	100

ADB Institute Special Fund

The ADB Institute was established in 1996 as a subsidiary body of ADB, whose objectives are the identification of effective development strategies and capacity improvements for sound development management in developing member countries.

The costs for operating the ADB Institute are met from the ADB Institute Special Fund which is administered by ADB in accordance with the Statute of ADB Institute. In 2009, Japan committed its 14th contribution amounting to ¥0.74 billion (\$8.0 million equivalent), which was reported as Due from Contributors.

As of 31 December 2009, cumulative contributions committed amounted to ¥17.2 billion (about \$149.3 million equivalent) excluding translation adjustments. Of the total contributions received, \$142.2 million had been used by the end of the year mainly for research and capacity-building activities including organizing symposia, forums, and trainings; preparing research reports, publications, and websites; and for associated administrative expenses. The balance of net current assets (excluding property, furniture, and equipment) available for future projects and programs was about \$7.1 million.

Asian Tsunami Fund

The Asian Tsunami Fund was established on 11 February 2005 in response to the special circumstances surrounding the developing member countries that were stricken by the effects of the tsunami on 26 December 2004.

Contributed Resources. ADB contributed \$600 million to the fund, of which \$50 million unutilized funds were transferred back to OCR (\$40 million in November 2005 and \$10 million in June 2006) and transferred to Asia Pacific Disaster Response Fund (\$40 million in May 2009). In addition, Australia contributed \$3.8 million, and Luxembourg, \$1.0 million. As of 31 December 2009, total resources of the fund amounted to \$586.8 million, \$582.3 million of which has been utilized, leaving an uncommitted balance of \$4.5 million (\$46.4 million as of 31 December 2008).

Operations. No technical assistance or grants were approved or made effective during the year. The balance of undisbursed commitments as of 31 December 2009 amounted to \$116.8 million, compared with \$248.3 million as of the end of 2008.

Investment Position. As of 31 December 2009, Asian Tsunami Fund's investment portfolio amounted to \$97.9 million (\$251.3 million as of 31 December 2008). With a smaller portfolio and lower yield on US dollar placements, a lower amount of income was generated in 2009 of \$1.2 million compared to \$9.1 million in 2008.

Pakistan Earthquake Fund

The Pakistan Earthquake Fund was established in November 2005 in response to the special needs of Pakistan subsequent to the earthquake on 8 October 2005. The dedicated fund is to deliver emergency grant financing for investment projects and technical assistance to support immediate reconstruction, rehabilitation and associated development activities.

Contributed Resources. ADB contributed \$80 million to the fund. In addition, Australia contributed \$15.0 million; Belgium, \$14.3 million; Finland, \$12.3 million; and Norway, \$20.0 million. As of 31 December 2009, total resources of the fund amounted to \$143.9 million, \$140.6 million of which has been utilized, leaving an uncommitted balance of \$3.3 million (\$2.2 million as of 31 December 2008).

The contributions of Belgium and Norway were in the form of debt-for-development swap agreements. The agreements involved the conversion of Pakistan's loan service payments to the two countries for their loans to Pakistan of up to €9.9 million and \$20.0 million, respectively, into Belgium's and Norway's contributions to the Pakistan Earthquake Fund. Belgium's contributions were

made in three equal installments of €3.3 million from 2007 to 2008, while Norway's contributions were undertaken in four equal installments of \$5.0 million in 2006–2008.

Operations. No technical assistance or grants were approved or made effective during the year. The balance of undisbursed commitments as of 31 December 2009 amounted to \$49.4 million, compared with \$66.2 million as of the end of 2008.

Investment Position. As of 31 December 2009, Pakistan Earthquake Fund's investment portfolio amounted to \$49.2 million (\$61.3 million as of 31 December 2008). The smaller size of the portfolio saw revenues decrease to \$2.2 million from \$3.1 million in 2008.

Regional Cooperation and Integration Fund

The Regional Cooperation and Integration Fund was established in February 2007 in response to the increasing demand for regional cooperation and integration activities among ADB's member countries in Asia and the Pacific. Its main objective is to improve regional cooperation and integration (RCI) in Asia and the Pacific by facilitating the pooling and provision of additional financial and knowledge resources to support RCI activities.

Contributed Resources. ADB contributed \$40 million to the fund as part of the 2006 OCR net income allocation. As of 31 December 2009, total resources of the fund amounted to \$42.9 million, \$30.4 million of which has been utilized, leaving an uncommitted balance of \$12.5 million (\$24.6 million as of 31 December 2008).

Operations. In 2009, 12 TA and 1 supplementary approval totaling \$12.1 million became effective (13 TA totaling \$10.5 million in 2008). The balance of undisbursed commitments as of 31 December 2009 amounted to \$23.1 million, compared with \$16.6 million as of the end of 2008.

Investment Position. As of 31 December 2009, Regional Cooperation and Integration Fund's investment portfolio amounted to \$34.9 million (\$39.3 million as of 31 December 2008). Revenue from investments for 2009 was \$0.4 million (\$1.2 million – 2008), reflecting the low interest rate environment.

Climate Change Fund

The Climate Change Fund was established in April 2008 to facilitate greater investments in developing member

countries to address the causes and consequences of climate change alongside ADB's own assistance in various related sectors.

Contributed Resources. ADB provided the initial contribution of \$40.0 million in May 2008, as part of OCR's 2007 net income allocation. As of 31 December 2009, total resources of the fund amounted to \$40.9 million, \$14.2 million of which has been utilized, leaving an uncommitted balance of \$26.7 million (\$37.4 million as of 31 December 2008).

Operations. In 2009, 12 technical assistance (TA) and grants amounting to \$10.7 million (one TA amounting to \$3.0 million – 2008) was approved and became effective. The balance of undisbursed commitments as of 31 December 2009 amounted to \$13.0 million, compared with \$3.0 million as of the end of 2008.

Investment Position. As of 31 December 2009, Climate Change Fund's investment portfolio amounted to \$39.2 million (\$38.9 million as of 31 December 2008), providing \$0.4 million revenue for the period.

Asia Pacific Disaster Response Fund

The Asia Pacific Disaster Response Fund was established on 1 April 2009, to provide, in a timely fashion, incremental grant resources to developing member countries affected by a natural disaster.

Contributed Resources. The initial fund of \$40.0 million has been transferred from the Asian Tsunami Fund in May 2009. With accumulated income from investment and other sources of \$0.1 million, total resources of the fund as of 31 December 2009 amounted to \$40.1 million, \$7.0 million of which has been utilized, leaving an uncommitted balance of \$33.1 million.

Operations. Three grants were approved during the period. The balance of undisbursed commitments as of 31 December 2009 amounted to \$7.0 million.

Investment Position. As of 31 December 2009, Asia Pacific Disaster Response Fund's investment portfolio amounted to \$29.6 million, providing \$0.1 million revenue for the period.

GRANT COFINANCING

Trust funds and project-specific grants are key instruments to mobilize and channel grants from external sources to finance technical assistance and components of investment projects. They play an important role in complementing ADB's own resources to meet capacity development and other specific demands from developing member countries. Multilateral, bilateral, and private sector partners have contributed about \$3.0 billion in grants to ADB operations (Table 22). In 2009, there was a total of \$218.2 million in grant cofinancing for ADB-approved projects comprising \$64.1 million for 86 technical assistance projects and \$154.1 million for grant components of 23 investment projects.

By the end of the year, 37 trust funds were under active administration by ADB comprising 22 single-donor, 13 multidonor, and 2 multilateral donor trust funds to finance activities in various sectors or for specific themes, including poverty reduction, governance, gender and development, managing for development results, HIV/AIDS, water, climate, energy, education, information and communication technology, and trade and finance.

Initially, trust funds were established through donor-specific channel financing agreements, for a wide range of sectors, focused primarily on financing technical assistance operations. More recently, in support of the priority sectors under Strategy 2020⁹ and consistent with ADB's financing partnership strategy¹⁰ and harmonization efforts, ADB has established trust funds based on common agreements with development partners and financing through instruments of contribution. These are established under an umbrella facility of sector- and theme-focused financing partnership, and finance technical assistance and grant components of investment projects. Currently, four financing partnership facilities support projects in water, clean energy, regional cooperation and integration, and urban development financing.

In 2009, commitments to new trust funds totaled \$126.0 million. In July, Australia and ADB signed an agreement to establish the Carbon Capture and Storage Fund under the Clean Energy Financing Partnership Facility. Under this agreement, Australia provided about \$17.2 million to support the capture and storage of rising levels of carbon emissions in Asia. In November, the United Kingdom signed with ADB and contributed about \$23.0

9 ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank*. Manila.

10 ADB. 2006. *ADB's Financing Partnership Strategy*. Manila.

**Table 22: Schedule of Contributions and Net Assets
Grants from External Sources**

As of 31 December 2009

(\$ million)

	Contribution	Net Assets ^a
Administered by ADB		
Country		
Australia	213.2	29.3
Austria	6.7	1.9
Belgium	49.2	45.6
Brunei Darussalam	0.3	0.0
Canada	125.0	58.2
People's Republic of China	20.1	5.1
Denmark	24.7	2.5
European Community	256.1	82.3
Finland	77.3	47.3
France	33.3	3.6
India	1.0	0.0
Ireland	2.2	0.3
Italy	2.7	0.9
Japan ^b	589.3	219.3
Republic of Korea	20.9	7.4
Luxembourg	18.6	15.2
Netherlands	367.2	65.2
New Zealand	31.5	0.9
Norway	121.6	37.1
Portugal	14.9	14.6
Spain	59.5	44.9
Sweden	180.1	73.0
Switzerland	48.4	28.5
United Kingdom and Northern Ireland	526.7	129.4
United States	3.4	0.5
Subtotal	2,793.9	912.9
Others		
Cities Alliance	0.5	(0.0)
Global Environment Fund	85.6	22.2
International Fund for Agricultural Development	15.0	15.0
Islamic Financial Services Board	0.4	–
Nordic Development Fund	11.6	(0.1)
Private Sector/Foundations	3.0	0.1
Public Private Infrastructure Advisory Facility	0.6	0.0
Trust Fund for Forest (Viet Nam)	17.4	1.8
United Nations Children Fund	0.2	0.0
United Nations Development Programme	111.0	0.3
Subtotal	245.4	39.2
Not Administered by ADB		
Country		
Switzerland	19.0	–
Kuwait	14.0	0.0
Subtotal	33.1	0.0
Grand Total	3,072.4	952.2

Note: Figures may not add to total due to rounding.

– = nil, () = negative, 0.0 = amount less than \$50,000.

a Excludes projects approved not yet effective.

b Includes Japan Fund for Poverty Reduction, Japan Scholarship Program, Japan Fund for Information, Communication and Technology, and Japan Fund for Public Policy Training.

million for a new 5-year (2009–2013) strategic partnership to fight poverty in India. A multidonor Urban Financing Partnership Facility was established by ADB in December and under this, the Urban Environmental Infrastructure Fund was established in which Sweden committed a total of about \$13.8 million in grants and a guarantee capacity of about \$72.0 million. In addition, the establishment of

and administration by ADB of the ADB Clean Technology Fund and ADB Strategic Climate Fund was approved through which about \$700 million from the World Bank's climate investment funds will be transferred.

In 2009, a total of \$70.3 million was mobilized in new contributions and replenishments to existing funds from Australia, Japan, Luxembourg, and Spain. In addition,

Belgium, Finland, the Republic of Korea and Sweden were the first contributors to the Future Carbon Fund,¹¹ each committing \$20 million.

Japan Fund for Poverty Reduction

The Government of Japan established the Japan Fund for Poverty Reduction (JFPR) in May 2000 to support poverty reduction and related social development activities that can add substantive value to projects financed by ADB. To date, the fund has received \$392.9 million in total contributions, 132 grant proposals equivalent to \$335.7 million have been approved, of which 16 projects valued at \$35.3 million were approved in 2009.

During the 42nd annual Meeting held in Bali in May 2009, Japan announced that it would make available \$100 million from JFPR to support projects and technical assistance that will address the effects of the financial crisis. On 6 October 2009, the Board approved the Revised Framework for the JFPR, combining Japan's project grant and technical assistance (TA) support under one umbrella, and paving the way for a more comprehensive approach to the use of these funds toward addressing poverty, building up human resources, and empowering institutions and communities in the region. This positions the JFPR as the primary vehicle for Japan's TA and grant assistance.

Japan Scholarship Program

The Japan Scholarship Program (JSP) was established in 1988 to provide an opportunity for well-qualified citizens of developing member countries to undertake postgraduate studies in economics, management, science and technology, and other development-related fields at selected educational institutions in Asia and the Pacific.

JSP is funded by Japan and administered by ADB. Currently, 20 institutions in 10 countries participate in the JSP. Between 1988 and 2009, Japan contributed \$107.5 million. A total of 2,551 scholarships have been awarded to recipients from 35 members. Of the total, 2,216 have already completed their courses. Women have received 878 scholarships. An average of 158 scholarships have been awarded each year.

¹¹ Established by ADB in 2008 to provide a new source of financing for projects undertaken by developing member countries that support and encourage energy efficiency and renewable energy projects and other projects with long-term greenhouse gas abatement benefits beyond 2012.

APPENDIX: CURRENT VALUE FINANCIAL STATEMENTS

Current Value Balance Sheet

Loans and Related Swaps. Most loans are made to or guaranteed by ADB members. ADB does not sell its loans believing that there is no market for them. The current value of loans incorporates management's best estimate of expected cash flows including interest. Estimated cash flows from principal repayments and interest are discounted by the applicable market yield curves for ADB's funding cost plus lending spread.

The current value also includes an appropriate credit risk assessment. To recognize this inherent risk and other potential overdue payments, the loan value is adjusted through loan loss provisioning. ADB has never suffered a loss on sovereign loans except opportunity losses resulting from the difference between payments for principal installments and loan charges not in accordance with the loan's contractual terms.

The positive adjustment of \$1.2 billion indicates that the average interest rates on loans on an after-swap basis are higher than ADB would currently originate on similar loans.

Investments and Related Swaps. Under both the statutory and current value bases, investment securities and related derivatives are reported at fair values based on market quotations when available. Otherwise, the current value is calculated using market-based valuation models incorporating observable market data. The net negative adjustment of \$59.4 million resulted from unrealized losses on asset swaps due to declining interest rates in related markets.

Equity Investments. Under both statutory and current value bases, equity investments are reported at fair value when market values are readily determinable; by applying the equity method for investments in limited partnership and certain limited liability companies, or for investments where ADB has the ability to exercise significant influence; or at cost less permanent impairment, if any, which represents a fair approximation of the current value.

Receivable from Members. This consists of promissory notes that may be restricted by member countries. The current value is based on the cash flow of the projected encashment of the promissory notes discounted using appropriate interest rates.

Borrowings after Swaps. The current value of these liabilities includes the fair value of the borrowings and associated financial derivative instruments, and is calculated using market-based valuation models incorporating observable market data.

The \$316.2 million unfavorable current value adjustment is due to the fact that the average cost of the borrowings on an after-swap basis is higher than the market rate at which ADB can currently obtain new funding.

Current Value Income Statement

For 2009, the current value net income is \$936.8 million compared with pre-ASC 815/825 net income of \$420.1 million and statutory reported net loss of \$27.5 million (Table A.2).

Current Value Adjustments. The total current value adjustment of \$516.8 million (\$597.9 million in 2008) represents the change in the current value of all ADB financial instruments during the year. The adjustment reflects changes in interest rates, currency exchange rates, and credit risks. This comprised a net favorable adjustment of \$391.8 million from the change in the valuation of all outstanding financial instruments, \$146.8 million from translation adjustments and \$223.0 million net unrealized gains on investments (\$7.9 million gain for investments; \$215.1 million gain for equity investments), offset by \$244.9 million adjustment in pension and postretirement benefit liability (Table A.3).

Impact of Changes in Interest Rates. The net increase in the current value adjustments on the balance sheet during 2009 was \$391.8 million. It was a result of the decrease in unrealized losses in the borrowing portfolio of \$610.1 million, favorable results for investments of \$9.4 million and equity investments of \$18.6 million, offset by decrease in unrealized gains for loans of \$243.0 million, and increase in unrealized losses on other assets of \$3.3 million.

Impact of Changes in Exchange Rates. Translation adjustments, reported under the statutory basis as part of "accumulated other comprehensive income," are presented as current value adjustments. The general weakening of the US dollar against most major currencies in 2009 resulted in a favorable translation adjustment of \$146.8 million compared to a negative adjustment of \$107.6 million in 2008.

Table A.1: Condensed Current Value Balance Sheets as of 31 December 2009 and 2008
(\$ thousand)

	31 December 2009					31 December 2008
	Statutory Basis	Reversal of ASC 815/825 Effects ^a	Pre-ASC 815/825 Basis	Current Value Adjustments	Current Value Basis	Current Value Basis
Due from banks	\$ 129,843	\$ –	\$ 129,843	\$ –	\$ 129,843	\$ 142,238
Investments and accrued income	14,237,703	–	14,237,703	–	14,237,703	15,544,399
Securities transferred under repurchase agreement	551,386	–	551,386	–	551,386	309,358
Securities purchased under resale arrangement	335,240	–	335,240	–	335,240	511,756
Loans outstanding and accrued interest	41,922,148	(365)	41,921,783	1,332,310	43,254,093	37,771,871
Provision for loan losses and unamortized net loan origination costs	(18,636)	–	(18,636)	–	(18,636)	59,088
Equity investment	884,440	(24,668)	859,772	24,668	884,440	641,427
Receivable from members	142,181	–	142,181	(54,079)	88,102	93,724
Receivable from swaps						
Borrowings	24,917,264	(2,759,977)	22,157,287	2,759,977	24,917,264	23,831,087
Others	1,044,854	(226,075)	818,779	226,075	1,044,854	882,793
Other assets	1,520,815	–	1,520,815	–	1,520,815	504,936
TOTAL	\$ 85,667,238	\$(3,011,085)	\$ 82,656,153	\$ 4,288,951	\$ 86,945,104	\$ 80,292,677
Borrowings and accrued interest	\$ 42,498,198	\$ 564,193	\$ 43,062,391	\$ 142,069	\$ 43,204,460	\$ 37,848,839
Payable for swaps						
Borrowings	23,503,343	(2,934,103)	20,569,240	2,934,103	23,503,343	24,867,815
Others	1,294,160	(368,079)	926,081	368,079	1,294,160	1,198,781
Payable for swap related collateral	735,050	–	735,050	–	735,050	–
Payable under securities repurchase arrangement	555,000	–	555,000	–	555,000	301,759
Accounts payable and other liabilities	1,763,223	–	1,763,223	–	1,763,223	1,057,481
Total Liabilities	70,348,974	(2,737,989)	67,610,985	3,444,251	71,055,236	65,274,675
Paid-in capital	3,818,297	–	3,818,297	–	3,818,297	3,777,071
Net notional maintenance of value receivable	(523,220)	–	(523,220)	–	(523,220)	(564,383)
Ordinary reserve	9,789,807	1,228	9,791,035	279,428	10,070,463	10,410,961
Special reserve	218,903	–	218,903	–	218,903	209,723
Loan loss reserve	493,162	–	493,162	–	493,162	195,062
Surplus	884,594	–	884,594	–	884,594	894,594
Cumulative revaluation adjustments account	631,129	(631,129)	–	–	–	–
Net income ^b — 31 December 2009	(36,725)	447,607	410,882	516,787	927,669	–
Net income ^b — 31 December 2008	–	–	–	–	–	94,974
Accumulated other comprehensive income	42,317	(90,802)	(48,485)	48,485	–	–
Total Equity	15,318,264	(273,096)	15,045,168	844,700	15,889,868	15,018,002
TOTAL	\$ 85,667,238	\$ (3,011,085)	\$ 82,656,153	\$ 4,288,951	\$ 86,945,104	\$ 80,292,677

– = nil, () = negative, ASC = Accounting Standards Codification™.

a Includes reversal of unrealized (gains) losses attributed to equity investments accounted for under equity method.

b Net income after appropriation of guarantee fees to Special Reserve.

Table A.2: Condensed Current Value Income Statements for the Years Ended 31 December 2009 and 2008
(\$ thousand)

	31 December 2009					31 December 2008
	Statutory Basis	Reversal of ASC 815/825 Effects ^a	Pre-ASC 815/825 Basis	Current Value Adjustments	Current Value Basis	Current Value Basis
REVENUE						
From loans	\$ 959,833	\$ –	\$ 959,833	\$ –	\$ 959,833	\$ 1,357,981
From investments	459,367	–	459,367	–	459,367	677,175
From guarantees	9,180	–	9,180	–	9,180	6,876
From equity investments	24,527	(18,608)	5,919	18,608	24,527	3,737
From other sources—net	18,641	–	18,641	–	18,641	18,685
Total Revenue	1,471,548	(18,608)	1,452,940	18,608	1,471,548	2,064,454
EXPENSES						
Borrowings and related expenses	741,665	–	741,665	–	741,665	1,208,391
Administrative expenses	193,638	–	193,638	–	193,638	141,047
Technical assistance to member countries	(27)	–	(27)	–	(27)	8,357
Provision for losses	115,779	–	115,779	(115,779)	–	–
Other expenses	5,101	–	5,101	–	5,101	6,272
Total Expenses	1,056,156	–	1,056,156	(115,779)	940,377	1,364,067
Net realized gains (losses)	23,278	–	23,278	–	23,278	(28,096)
Net unrealized (losses) gains	(466,215)	466,215 ^b	–	(18,608)	(18,608)	23,944
Current value adjustments ^c	–	–	–	516,787	516,787	(597,852)
Provision for losses	–	–	–	(115,779)	(115,779)	3,467
NET (LOSS) INCOME	\$ (27,545)	\$ 447,607	\$ 420,062	\$ 516,787	\$ 936,849	\$ 101,850

– = nil, () = negative, ASC = Accounting Standards Codification™.

a Includes reversal of unrealized (gains) losses attributed to equity investments accounted for under equity method.

b ASC 815/825 adjustments are reversed as the current value adjustments incorporate the effect of net unrealized losses on derivatives and swapped borrowings under ASC 815/825.

c Current value adjustments include the effect of ASC 815/825 adjustments and the net unrealized losses on equity investments accounted for under equity method.

Table A.3: Summary of Current Value Adjustments
(\$ thousand)

	Balance Sheet Effects as of 31 December 2009					Income Statement Effects Year to Date	
	Loans After Swaps	Investments ^a	Borrowings After Swaps	Other Assets ^b	Less Prior Year Effects ^c	31 December 2009	31 December 2008
Total Current Value Adjustments on Balance Sheet	\$1,249,698	\$ (34,724)	\$(316,195)	\$(54,079)	\$(452,859)	\$ 391,841	\$ (257,624)
Unrealized gains on Investments ^d						223,028 ^e	27,224
Accumulated Translation Adjustments						146,798 ^f	(107,617)
Pension and Post Retirement Benefit Liability Adjustments						(244,880)	(259,835)
Total Current Value Adjustments						\$ 516,787	\$ (597,852)

() = negative, ASC = Accounting Standards Codification™.

a Relates to investments related swaps and equity investments under equity method.

b Relates to receivable from members.

c Prior Year Effects include cumulative current value adjustments on all financial instruments and equity investments accounted for under equity method, made in the prior years.

d Relates to unrealized gains on investments and equity investments classified as available for sale.

e Included in Other Comprehensive Income under statutory basis.

f Relates to the translation adjustments for the period and current translation effects from ASC 815/825 reversals.



FINANCIAL STATEMENTS

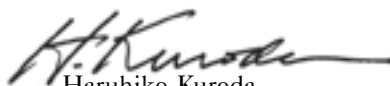
MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Asian Development Bank ("ADB") is responsible for establishing and maintaining adequate internal control over financial reporting. ADB's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America.

ADB's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of ADB's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ADB's management assessed the effectiveness of ADB's internal control over financial reporting as of 31 December 2009. In making this assessment, ADB's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework*. Based on that assessment, management believes that as of 31 December 2009, ADB's internal control over financial reporting is effective based upon the criteria established in *Internal Control – Integrated Framework*.



Haruhiko Kuroda
President



Bindu N. Lohani
Vice President (Finance and Administration)



Hong-Sang Jung
Controller

5 March 2010



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited management's assertion, included in the accompanying Management's Report on Internal Control over Financial Reporting, that Asian Development Bank ("ADB") maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. ADB's management is responsible for maintaining effective internal control over financial reporting and for its assertion of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on management's assertion based on our audit.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

ADB's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. ADB's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (3) provide reasonable assurance regarding prevention or timely detection and correction of unauthorized acquisition, use, or disposition of ADB's assets that could have a material effect on the financial statements.



Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected and corrected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, is fairly stated, in all material respects, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements as of and for the year ended December 31, 2009 of ADB – Ordinary Capital Resources and our report dated March 5, 2010 expressed an unqualified opinion on those financial statements.

A handwritten signature in black ink that reads "Deloitte & Touche CP".

Public Accountants and
Certified Public Accountants

Singapore
March 5, 2010



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited the accompanying balance sheet of Asian Development Bank (“ADB”) – Ordinary Capital Resources as of December 31, 2009 and the related statements of income and expenses, cash flows and changes in capital and reserves, for the year then ended. These financial statements are the responsibility of ADB's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of ADB – Ordinary Capital Resources for the year ended December 31, 2008 were audited by other auditors whose report, dated March 5, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of ADB - Ordinary Capital Resources as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic 2009 financial statements taken as a whole. The summary statement of loans, summary statement of borrowings and statement of subscriptions to capital stock and voting power as of December 31, 2009, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of ADB's management. Such 2009 schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole. The 2008 schedules were subjected to auditing procedures by other auditors whose report, dated March 5, 2009, referred to above, stated that such information is fairly stated in all material respects when considered in relation to the basic 2008 financial statements taken as a whole.



We have also audited, in accordance with attestation standards established by the American Institute of Certified Public Accountants, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2010 expressed an unqualified opinion on management's assertion that ADB maintained effective internal control over financial reporting.

A handwritten signature in black ink that reads "Deloitte & Touche LLP".

Public Accountants and
Certified Public Accountants

Singapore
March 5, 2010

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

BALANCE SHEET

31 December 2009 and 2008

Expressed in Thousands of United States Dollars (Note B)

ASSETS				
	2009		2008	
DUE FROM BANKS (Notes B and C)		\$ 129,843		\$ 142,238
INVESTMENTS (Notes B, C, D, L, and P)				
Government and government-guaranteed obligations	\$10,308,595		\$6,485,000	
Time deposits	1,991,982		1,481,370	
Other securities	1,823,002	14,123,579	7,446,149	15,412,519
SECURITIES TRANSFERRED UNDER REPURCHASE AGREEMENT (Notes B and P)		551,386		309,358
SECURITIES PURCHASED UNDER RESALE ARRANGEMENT (Notes B and P)		335,240		511,756
LOANS OUTSTANDING (OCR-5) (Notes A, B, E, P, and Q) (Including ASC 815 adjustment of \$365 - 2009 and \$451 - 2008; net unamortized loan origination costs of \$84,606 - 2009 and \$68,262 - 2008)				
Sovereign	39,846,308		34,256,740	
Nonsovereign	1,969,982		1,662,494	
	41,816,290		35,919,234	
Less—provision for loan losses	103,242	41,713,048	9,174	35,910,060
EQUITY INVESTMENTS (Notes A, B, G, and P)		884,440		641,427
ACCRUED INTEREST RECEIVABLE				
Investments	114,124		131,880	
Loans	190,464	304,588	299,184	431,064
RECEIVABLE FROM MEMBERS (Note K) Nonnegotiable, noninterest-bearing demand obligations (Notes C and P)		142,181		144,514
RECEIVABLE FROM SWAPS (Notes B, H, P, and Q)				
Borrowings	24,917,264		23,831,087	
Others	1,044,854	25,962,118	882,793	24,713,880
OTHER ASSETS				
Property, furniture, and equipment (Notes B and I)	158,809		158,235	
Investment related receivables (Note D)	477,016		229,390	
Swap related collateral (Note Q)	735,050		—	
Miscellaneous (Note N)	149,940	1,520,815	117,311	504,936
TOTAL		\$85,667,238		\$78,721,752

The accompanying notes are an integral part of these financial statements (OCR-8).

OCR-1

LIABILITIES, CAPITAL, AND RESERVES				
	2009		2008	
BORROWINGS (OCR-6) (Notes B, H, J, and P)				
At amortized cost	\$ 3,776,212		\$ 4,627,521	
At fair value	38,313,203	\$42,089,415	31,012,976	\$35,640,497
ACCRUED INTEREST ON BORROWINGS		408,783		385,949
PAYABLE FOR SWAPS (Notes B, H, J, P, and Q)				
Borrowings	23,503,343		24,867,815	
Others	1,294,160	24,797,503	1,198,781	26,066,596
PAYABLE UNDER SECURITIES REPURCHASE AGREEMENT (Note B)		555,000		301,759
ACCOUNTS PAYABLE AND OTHER LIABILITIES				
Investment related payables (Note D)	689,786		275,066	
Payable for swap related collateral (Note Q)	735,050		—	
Undisbursed technical assistance commitments (Note M)	10,355		10,489	
Accrued pension and postretirement medical benefit costs (Note O)	903,466		635,300	
Miscellaneous (Notes B, F, I, and N)	159,616	2,498,273	136,626	1,057,481
TOTAL LIABILITIES		70,348,974		63,452,282
CAPITAL AND RESERVES (OCR-4)				
Capital stock (OCR-7) (Notes B and K)				
Authorized (SDR106,389,330,000 - 2009; SDR35,463,110,000 - 2008)				
Subscribed (SDR38,893,430,000 - 2009; SDR35,463,110,000 - 2008)	60,751,149		54,890,156	
Less—"callable" shares subscribed	56,640,850		51,029,546	
"Paid-in" shares subscribed	4,110,299		3,860,610	
Less—subscription installments not due	217,636		9,848	
Subscription installments matured	3,892,663		3,850,762	
Less—capital transferred to the Asian Development Fund	74,366		73,691	
	3,818,297		3,777,071	
Net notional amounts required to maintain value of currency holdings (Notes B and K)	(523,220)		(564,383)	
Ordinary reserve (Note L)	9,789,807		9,532,487	
Special reserve (Note L)	218,903		209,723	
Loan loss reserve (Note L)	493,162		195,062	
Surplus (Note L)	884,594		894,594	
Cumulative revaluation adjustments account (Note L)	631,129		(23,336)	
Cumulative effect of ASC 820/825 adoption (Note B)	—		227,500	
Net (loss) income after appropriation (OCR-2) (Note L)	(36,725)		1,119,473	
Accumulated other comprehensive income (OCR-4) (Notes B and L)	42,317	15,318,264	(98,721)	15,269,470
TOTAL		\$85,667,238		\$78,721,752

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

STATEMENT OF INCOME AND EXPENSES**For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
REVENUE (Note M)		
From loans (Notes B and E)		
Interest	\$ 947,921	\$1,316,105
Commitment charge	64,061	59,668
Other	(52,149)	(17,792)
	\$ 959,833	\$1,357,981
From investments (Notes B and D)		
Interest	459,367	677,175
From guarantees (Notes B and F)	9,180	6,876
From equity investments	24,527	3,737
From other sources—net (Notes E and R)	18,641	18,685
TOTAL REVENUE	\$1,471,548	\$2,064,454
EXPENSES (Note M)		
Borrowings and related expenses (Note J)	741,665	1,208,391
Administrative expenses (Note M)	193,638	141,047
Technical assistance to member countries	(27)	8,357
Provision for losses (Notes B, E and F)	115,779	(3,467)
Other expenses	5,101	6,272
TOTAL EXPENSES	1,056,156	1,360,600
NET REALIZED GAINS (LOSSES)		
From loans	—	525
From investments (Notes D and M)	30,460	(24,837)
From equity investments (Note M)	(10,230)	(3,884)
From borrowings	2,967	70
Others	81	30
NET REALIZED GAINS (LOSSES)	23,278	(28,096)
NET UNREALIZED (LOSSES) GAINS (Note M)	(466,215)	450,591
NET (LOSS) INCOME	\$ (27,545)	\$1,126,349

The accompanying notes are an integral part of these financial statements (OCR-8).

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

STATEMENT OF CASH FLOWS

For the Years Ended 31 December 2009 and 2008

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and other charges on loans received	\$ 962,456	\$ 1,230,411
Interest on investments received	448,126	633,155
Interest received for securities purchased under resale arrangement	611	5,634
Interest and other financial expenses paid	(808,695)	(913,351)
Administrative expenses paid	(151,442)	(118,517)
Technical assistance to member countries disbursed	(10,183)	(136)
Others—net	18,888	49,153
Net Cash Provided by Operating Activities	459,761	886,349
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments	7,364,182	7,979,848
Maturities of investments	82,238,440	152,126,260
Purchases of investments	(88,628,493)	(162,198,163)
Net (payments) receipts on future contracts	(83)	1,082
Net receipts from (payments for) securities purchased under resale arrangement	172,059	(61,122)
Principal collected on loans	1,890,879	1,919,052
Loans disbursed	(7,800,946)	(6,340,161)
Receipts from swaps	43,817	2,097
Property, furniture, and equipment acquired	(16,588)	(20,302)
Change in swap related collateral	735,050	—
Purchases of equity investments	(58,744)	(125,697)
Sales of equity investments	27,062	53,550
Net Cash Used in Investing Activities	(4,033,365)	(6,663,556)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from new borrowings	10,186,688	11,803,386
Borrowings redeemed	(5,921,627)	(6,301,308)
Matured capital subscriptions collected ¹	3,655	4,618
Issuance expenses paid	(13,791)	(13,030)
Demand obligations of members encashed	8,657	9,255
Receipts from swaps	50,972	425,471
Payments for swaps	(614,386)	(16,971)
Resources transferred to ADF	(120,000)	(40,000)
Resources transferred to TASF	(23,000)	(23,000)
Resources transferred to CCF	—	(40,000)
Net Cash Provided by Financing Activities	3,557,168	5,808,421
Effect of Exchange Rate Changes on Due from Banks	4,041	2,203
Net (Decrease) Increase in Due from Banks	(12,395)	33,417
Due from Banks at Beginning of Year	142,238	108,821
Due from Banks at End of Year	\$ 129,843	\$ 142,238
RECONCILIATION OF NET (LOSS) INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net (Loss) Income (OCR-2)	\$ (27,545)	\$ 1,126,349
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	74,154	301,985
Provision for losses charged (written back)—net	115,779	(3,467)
Net realized (gains) losses from investments and other borrowings	(34,257)	19,963
Proportionate share in (earnings) losses on equity investments	(5,521)	12,160
Net unrealized losses (gains)	466,215	(450,591)
Change in accrued revenue from loans, investments and other swaps	27,654	(116,103)
Change in receivable from ADF - allocation of administrative expenses	(11,377)	(2,973)
Change in accrued interest on borrowings and swaps, and other expenses	117,798	224,249
Change in pension and postretirement benefit liability	(244,880)	(259,835)
Others—net	(18,259)	34,612
Net Cash Provided by Operating Activities	\$ 459,761	\$ 886,349

¹ Supplementary disclosure of noncash financing activities:

Nonnegotiable, noninterest-bearing demand promissory notes amounting to \$1,457 (\$2,726 - 2008) were received from members. The accompanying notes are an integral part of these financial statements (OCR-8).

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

STATEMENT OF CHANGES IN CAPITAL AND RESERVES**For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Notes B and K)

	Capital Stock	Net Notional Maintenance of Value	Ordinary Reserve	Special Reserve	Loan Loss Reserve	Surplus	Cumulative Revaluation Adjustments Account	Net Income After Appropriations	Accumulated Other Comprehensive Income	Total
Balance, 1 January 2008	\$3,842,293	\$(661,197)	\$9,245,332	\$202,847	\$182,100	\$616,300	\$(110,959)	\$ 760,174	\$177,980	\$14,254,870
Cumulative effect of ASC 820/825 adoption								227,500		227,500
Comprehensive income for the year 2008 (Note L)								1,126,349	(276,701)	849,648
Appropriation of guarantee fees to Special Reserve (Note L)				6,876				(6,876)		–
Change in SDR value of paid-in shares subscribed	(74,035)									(74,035)
Change in subscription installments not due	7,353									7,353
Additional paid-in shares subscribed during the year										–
Change in SDR value of capital transferred to Asian Development Fund	1,460									1,460
Change in notional maintenance of value (Note K)		96,814								96,814
Allocation of 2007 net income to ordinary reserve, loan loss reserve and surplus and transfer to cumulative revaluation account (Note L)			278,294		12,962	278,294	87,623	(657,174)		–
Allocation of 2007 net income to ADF, TASF and CCF (Note L)								(103,000)		(103,000)
Charge to ordinary reserve for change in SDR value of capital stock (Note L)			8,860							8,860
Balance, 31 December 2008	\$3,777,071	\$(564,383)	\$9,532,487	\$209,723	\$195,062	\$894,594	\$ (23,336)	\$1,346,973	\$ (98,721)	\$15,269,470

	Capital Stock	Net Notional Maintenance of Value	Ordinary Reserve	Special Reserve	Loan Loss Reserve	Surplus	Cumulative Revaluation Adjustments Account	Net Income After Appropriations	Accumulated Other Comprehensive Income	Total
Balance, 31 December 2008	\$3,777,071	\$(564,383)	\$9,532,487	\$209,723	\$195,062	\$894,594	\$ (23,336)	\$1,346,973	\$ (98,721)	\$15,269,470
Cumulative effect of ASC 820/825 adoption							227,500			227,500
Comprehensive income for the year 2009 (Note L)								(27,545)	141,038	113,493
Appropriation of guarantee fees to Special Reserve (Note L)				9,180				(9,180)		–
Change in SDR value of paid-in shares subscribed	36,786									36,786
Change in subscription installments not due	(160,408)									(160,408)
Additional paid-in shares subscribed during the year	165,523									165,523
Change in SDR value of capital transferred to Asian Development Fund	(675)									(675)
Change in notional maintenance of value (Note K)		41,163								41,163
Allocation of 2008 net income to ordinary reserve, loan loss reserve, surplus and transfer to cumulative revaluation account (Note L)			261,408		298,100	(10,000)	426,965	(1,203,973)		(227,500)
Allocation of 2008 net income to ADF and TASF (Note L)								(143,000)		(143,000)
Charge to ordinary reserve for change in SDR value of capital stock (Note L)			(4,088)							(4,088)
Balance, 31 December 2009	\$3,818,297	\$(523,220)	\$9,789,807	\$218,903	\$493,162	\$884,594	\$ 631,129	\$ (36,725)	\$ 42,317	\$15,318,264

Note: Figures may not add to total due to rounding.

Accumulated Other Comprehensive Income (Note L)
For the Years Ended 31 December 2009 and 2008
Expressed in Thousands of United States Dollar (Note B)

	ASC 815 Adjustments and Amortization		Accumulated Translation Adjustments		Unrealized Investment Holding Gains		Pension/ Postretirement Liability Adjustment- ASC 715 & 958		Accumulated Other Comprehensive Income	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Balance, 1 January	\$ (958)	\$ (289)	\$(156,805)	\$(113,385)	\$460,599	\$433,376	\$(401,557)	\$(141,722)	\$ (98,721)	\$177,980
Amortization	(662)	(669)	–	–	–	–	–	–	(662)	(669)
Other comprehensive income for the year	–	–	163,552	(43,420)	223,028	27,223	(244,880)	(259,835)	141,700	(276,032)
Balance, 31 December	<u>\$ (1,620)</u>	<u>\$ (958)</u>	<u>\$ 6,747</u>	<u>\$(156,805)</u>	<u>\$683,627</u>	<u>\$460,599</u>	<u>\$(646,437)</u>	<u>\$(401,557)</u>	<u>\$ 42,317</u>	<u>\$(98,721)</u>

The accompanying notes are an integral part of these financial statements (OCR-8).

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

SUMMARY STATEMENT OF LOANS

31 December 2009 and 2008

Expressed in Thousands of United States Dollars (Note B)

Borrowers/Guarantors	Loans Outstanding ¹	Undisbursed Balances of Effective Loans ²	Loans Not Yet Effective ³	Total Loans	Percent of Total Loans
Afghanistan	\$ 82,941	\$ 10,000	\$ —	\$ 92,941	0.14
Azerbaijan	93,799	407,481	75,000	576,280	0.89
Bangladesh	1,205,769	774,676	—	1,980,445	3.07
Bhutan	8,063	42,937	—	51,000	0.08
Cambodia	6,965	—	—	6,965	0.01
People's Republic of China	9,651,805	4,688,486	1,674,736	16,015,027	24.79
Cook Islands	5	8,625	10,000	18,630	0.03
Fiji Islands	95,191	36,859	59,100	191,150	0.30
Georgia	16,667	—	—	16,667	0.03
India	7,807,865	4,648,746	1,084,400	13,541,011	20.96
Indonesia	10,023,065	531,254	1,684,240	12,238,559	18.94
Kazakhstan	730,973	321,126	187,000	1,239,099	1.92
Republic of Korea	77,675	—	—	77,675	0.12
Lao People's Democratic Republic	63,194	6,806	—	70,000	0.11
Malaysia	165,903	—	—	165,903	0.26
Maldives	5,500	6,500	—	12,000	0.02
Marshall Islands	2,723	—	—	2,723	0.00
Federated States of Micronesia	138	4,662	—	4,800	0.01
Mongolia	9,120	—	—	9,120	0.01
Myanmar	—	—	—	—	—
Nauru	1,118	—	—	1,118	0.00
Nepal	12,315	—	—	12,315	0.02
Pakistan	4,714,561	2,300,914	85,000	7,100,475	10.99
Papua New Guinea	151,367	100,375	25,000	276,742	0.43
Philippines	4,986,391	253,708	120,000	5,360,099	8.30
Sri Lanka	401,856	462,885	215,000	1,079,741	1.67
Thailand	42,735	—	82,100	124,835	0.19
Uzbekistan	525,466	266,157	—	791,623	1.23
Viet Nam	837,943	1,775,816	902,850	3,516,609	5.44
	41,721,113	16,648,013	6,204,426	64,573,552	99.94
Regional	10,571	8,500	17,000	36,071	0.06
TOTAL - 31 December 2009	41,731,684	16,656,513	6,221,426	64,609,623	100.00
Provision for loan losses	(103,242)	—	—	(103,242)	
Unamortized loan origination cost - net	84,606	—	—	84,606	
NET BALANCE - 31 December 2009	\$41,713,048	\$16,656,513	\$6,221,426	\$64,590,987	
Made up of:					
Sovereign Loans	\$39,843,585	\$16,041,810	\$5,281,750	\$61,167,145	
Nonsovereign Loans					
Private Sector	1,788,716	539,703	580,376	2,908,795	
Public Sector	80,747	75,000	359,300	515,047	
Net balance - 31 December 2009	\$41,713,048	\$16,656,513	\$6,221,426	\$64,590,987	
TOTAL - 31 December 2008	\$35,850,972	\$13,817,596	\$6,830,862	\$56,499,430	
Provision for loan losses	(9,174)	—	—	(9,174)	
Unamortized loan origination cost - net	68,262	—	—	68,262	
NET BALANCE - 31 December 2008	\$35,910,060	\$13,817,596	\$6,830,862	\$56,558,518	
Made up of:					
Sovereign Loans	\$34,252,384	\$13,099,342	\$5,498,830	\$52,850,556	
Nonsovereign Loans					
Private Sector	1,573,676	718,254	1,032,032	3,323,962	
Public Sector	84,000	—	300,000	384,000	
Net balance - 31 December 2008	\$35,910,060	\$13,817,596	\$6,830,862	\$56,558,518	

1 Amounts outstanding on the multicurrency fixed rate loans totaled \$25,689 (33,734 - 2008), on pool-based loans totaled \$9,097,034 (\$10,257,327 - 2008), and on LIBOR-based loans and market-based loans totaled \$32,608,961 (25,559,911 - 2008). The average yield on loans was 2.67% (3.84 - 2008).

2 Of the undisbursed balances, ADB has made irrevocable commitments to disburse various amounts totalling \$443,627 (\$333,541 - 2008).

3 Loans become effective once all conditions precedent for disbursements are met.

MATURITY OF EFFECTIVE LOANS

Twelve Months Ending 31 December	Amount	Five Years Ending 31 December	Amount
2010	\$ 2,379,222	2019	15,597,710
2011	2,641,900	2024	13,041,151
2012	3,112,704	2029	8,895,723
2013	4,285,506	2034	4,074,482
2014	4,062,334	over 2034	297,465
		Total	<u>\$58,388,197⁴</u>

SUMMARY OF CURRENCIES RECEIVABLE ON LOANS OUTSTANDING

Currency	2009	2008	Currency	2009	2008
Chinese yuan	\$ 208,196	\$ 83,098	Pakistan rupee	190	131
Japanese yen	4,923,704	5,566,126	Philippine peso	90,129	81,011
Indian rupee	242,559	190,354	Swiss franc	2,785	3,247
Indonesian rupiah	12,719	10,762	United States dollar	36,227,141	29,876,516
Kazakhstan tenge	24,261	39,727			
			Total	<u>\$41,731,684</u>	<u>\$35,850,972</u>

4 Includes undisbursed commitment relating to Revolving Credit Facility of Trade Financing Facilitation Program amounting to \$8,500.

The accompanying notes are an integral part of these financial statements (OCR-8).

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

SUMMARY STATEMENT OF BORROWINGS

31 December 2009 and 2008

Expressed in Thousands of United States Dollars (Note B)

	Borrowings		Swap Arrangements ²	
	Principal Outstanding ¹		Payable (Receivable) ³	
	2009	2008	2009	2008
Australian dollar	\$ 6,019,137	\$ 6,010,372	\$ (6,152,966)	\$ (6,094,769)
Canadian dollar	1,447,118	1,327,790	(1,558,385)	(1,496,399)
Chinese yuan	266,650	145,574	52,083	28,805
			(40,454)	(31,718)
Euro	43,739	42,851	(46,781)	(45,899)
Hong Kong dollar	233,324	365,694	(232,868)	(367,466)
Indian rupee	105,902	100,867	25,330	26,779
			(23,452)	(27,398)
Japanese yen	3,507,204	3,639,786	3,771,793	4,472,977
			(2,964,851)	(3,285,653)
Kazakhstan tenge	24,260	39,727	-	-
Malaysian ringgit	328,627	472,027	(307,767)	(447,571)
Mexican peso	156,077	121,615	(157,117)	(123,482)
New Taiwan dollar	156,593	153,801	(157,400)	(154,063)
New Zealand dollar	69,340	402,099	(70,414)	(413,403)
Philippine peso	161,628	150,736	1,617	3,584
			(127,794)	(121,092)
Pound sterling	419,569	882,641	(432,377)	(767,883)
Singapore dollar	409,453	400,826	(410,050)	(404,681)
South African rand	3,027,625	2,469,917	(3,094,623)	(2,483,788)
Swiss franc	691,448	414,266	(248,609)	
Thai baht	334,859	327,484	(333,361)	(329,481)
Turkish lira	2,196,514	1,416,566	(2,351,017)	(1,334,657)
United States dollar	22,523,771	16,787,230	19,652,520	20,335,670
			(6,206,978)	(5,901,684)
Subtotal	42,122,838	35,671,869	\$ (1,413,921)	\$ 1,036,728
Unamortized discounts/premiums and transition adjustments	(33,423)	(31,372)		
ATA				
ASC 815 Adjustments				
Total	\$ 42,089,415	\$ 35,640,497		

MATURITY STRUCTURE OF BORROWINGS OUTSTANDING⁴

Twelve Months Ending 31 December		Five Years Ending 31 December	
	Amount		Amount
2010	10,359,634	2019	5,518,184
2011	7,384,856	2024	234,341
2012	6,593,427	2029	2,271,719
2013	3,889,539	2034	36,326
2014	5,801,389	over 2035	-
		Total	\$42,089,415

1 Reported at Fair Value upon adoption of ASC 820/825 effective 1 January 2008, except for unswapped borrowings which are reported at net of principal amount and unamortized discount/premium of zero coupon bonds. The aggregate face amounts and discounted values of zero coupon and deep discount borrowings (in United States dollar equivalents) are:

Currency	Aggregate Face Amount		Discounted Value	
	2009	2008	2009	2008
Australian dollar	\$1,188,525	\$1,188,688	\$1,042,833	\$1,040,308
Canadian dollar	758,042	657,516	665,320	554,656
Philippine peso	54,140	52,615	50,312	44,914
South African rand	492,184	386,809	421,250	305,381
Swiss franc	471,712	461,212	345,046	320,561
Turkish lira	1,448,688	712,080	1,098,943	552,518
United States dollar	2,542,802	1,898,326	1,886,080	1,445,211

2 Include currency and interest rate swaps. At 31 December 2009, the remaining maturity of swap agreements ranged from less than one year to 35 years. Approximately 85.64% of the swap receivables and 87.72% of the payables are due before 1 January 2015.

3 Adjusted by the cumulative effect of the adoption of ASC 815 effective 1 January 2001.

4 Bonds with put and call options are considered maturing on the first put or call date.

5 Represent average current floating rates, net of spread.

6 Swaps with early termination date are considered maturing on the first termination date.

Net Currency Obligation ³		Weighted Average Cost (%) After Swaps
2009	2008	
\$ (133,829)	\$ (84,397)	
(111,267)	(168,609)	
278,279	142,661	
(3,042)	(3,048)	
456	(1,772)	
107,780	100,248	
4,314,146	4,827,110	
24,260	39,727	
20,860	24,456	
(1,040)	(1,867)	
(807)	(262)	
(1,074)	(11,304)	
35,451	33,228	
(12,808)	114,758	
(597)	(3,855)	
(66,998)	(13,871)	
442,839	414,266	
1,498	(1,997)	
(154,503)	81,909	
35,969,313	31,221,216	
<u>\$ 40,708,917</u>	<u>\$ 36,708,597</u>	1.86
		(0.26)
		1.30
		<u>2.91</u>

INTEREST RATE SWAP ARRANGEMENTS

	Notional Amount	Average Rate (%)		Maturing Through ⁶
		Receive	Pay	
			Fixed	
Receive Fixed Swaps:				
Australian dollar ⁷	\$ 54,092	2.64	0.09	2027-2032
Chinese yuan	190,468	3.54	2.39	2015-2019
Euro ⁸	108,184	4.40	3.62	2010
Indian rupee	106,940	5.40	5.03	2014
Philippine peso	35,359		5.04	2010
United States dollar	17,383,157	3.07	0.42	2010-2043
United States dollar ⁹	54,092	2.14	0.26	2016-2027
Receive Floating Swaps:				
Japanese yen	54,092	2.44	0.19	2016-2032
United States dollar	2,000,000	0.28	0.65	2011-2012
Total	\$19,986,384			

⁷ Consists of dual currency swaps with interest receivable in Australian dollar and interest payable in Japanese yen.

⁸ Consists of a dual currency swap with interest receivable in Euro and interest payable in Japanese yen.

⁹ Consists of dual currency swaps with interest receivable in United States dollar and interest payable in Japanese yen.

The accompanying notes are an integral part of these financial statements (OCR-8).

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

STATEMENT OF SUBSCRIPTIONS TO CAPITAL STOCK AND VOTING POWER

31 December 2009

Expressed in Thousands of United States Dollars (Note B)

MEMBERS	SUBSCRIBED CAPITAL					VOTING POWER	
	Number of Shares	Percent of Total	Par Value Of Shares			Number of Votes	Percent of Total
			Total	Callable	Paid-in		
REGIONAL							
Afghanistan	1,195	0.031	\$ 18,666	\$ 12,699	\$ 5,967	15,707	0.323
Armenia	10,557	0.271	164,899	153,309	11,590	25,069	0.516
Australia	204,740	5.264	3,198,018	2,974,060	223,958	219,252	4.510
Azerbaijan	15,736	0.405	245,795	228,504	17,291	30,248	0.622
Bangladesh	108,384	2.787	1,692,947	1,608,287	84,660	122,896	2.528
Bhutan	220	0.006	3,436	3,077	359	14,732	0.303
Brunei Darussalam	12,462	0.320	194,655	180,972	13,683	26,974	0.555
Cambodia	1,750	0.045	27,335	22,680	4,655	16,262	0.334
People’s Republic of China	228,000	5.862	3,561,337	3,311,872	249,465	242,512	4.988
Cook Islands	94	0.002	1,468	1,375	94	14,606	0.300
Fiji Islands	2,406	0.062	37,581	34,942	2,640	16,918	0.348
Georgia	12,081	0.311	188,704	175,443	13,261	26,593	0.547
Hong Kong, China	19,270	0.495	300,995	279,909	21,087	33,782	0.695
India	224,010	5.760	3,499,014	3,253,984	245,029	238,522	4.906
Indonesia	192,700	4.955	3,009,955	2,799,180	210,775	207,212	4.262
Japan	552,210	14.198	8,625,465	8,021,412	604,053	566,722	11.657
Kazakhstan	28,536	0.734	445,729	414,505	31,224	43,048	0.885
Kiribati	142	0.004	2,218	2,062	156	14,654	0.301
Republic of Korea	178,246	4.583	2,784,185	2,589,233	194,952	192,758	3.965
Kyrgyz Republic	10,582	0.272	165,290	153,715	11,574	25,094	0.516
Lao People’s Democratic Republic	492	0.013	7,685	6,857	828	15,004	0.309
Malaysia	96,350	2.477	1,504,977	1,399,574	105,403	110,862	2.280
Maldives	142	0.004	2,218	2,062	156	14,654	0.301
Marshall Islands	94	0.002	1,468	1,375	94	14,606	0.300
Federated States of Micronesia	142	0.004	2,218	2,062	156	14,654	0.301
Mongolia	532	0.014	8,310	7,732	578	15,044	0.309
Myanmar	19,270	0.495	300,995	279,909	21,087	33,782	0.695
Nauru	142	0.004	2,218	2,062	156	14,654	0.301
Nepal	5,202	0.134	81,255	75,553	5,701	19,714	0.406
New Zealand	54,340	1.397	848,785	789,352	59,434	68,852	1.416
Pakistan	231,240	5.945	3,611,946	3,431,317	180,629	245,752	5.055
Palau	114	0.003	1,781	1,656	125	14,626	0.301
Papua New Guinea	3,320	0.085	51,858	48,250	3,608	17,832	0.367
Philippines	84,304	2.168	1,316,820	1,224,616	92,204	98,816	2.033
Samoa	116	0.003	1,812	1,624	187	14,628	0.301
Singapore	12,040	0.310	188,064	174,896	13,168	26,552	0.546
Solomon Islands	236	0.006	3,686	3,436	250	14,748	0.303
Sri Lanka	20,520	0.528	320,520	298,075	22,446	35,032	0.721
Taipei, China	38,540	0.991	601,991	559,848	42,142	53,052	1.091
Tajikistan	30,402	0.782	474,876	451,071	23,805	44,914	0.924
Thailand	144,522	3.716	2,257,419	2,144,519	112,901	159,034	3.271
Timor-Leste	350	0.009	5,467	5,076	390	14,862	0.306
Tonga	142	0.004	2,218	2,062	156	14,654	0.301
Turkmenistan	8,958	0.230	139,923	130,083	9,841	23,470	0.483
Tuvalu	50	0.001	781	719	62	14,562	0.300
Uzbekistan	23,834	0.613	372,285	346,215	26,070	38,346	0.789
Vanuatu	236	0.006	3,686	3,436	250	14,748	0.303
Viet Nam	12,076	0.310	188,626	166,992	21,634	26,588	0.547
Total Regional (Forward)	2,591,027	66.619	40,471,583	37,781,648	2,689,934	3,287,603	67.623

MEMBERS	SUBSCRIBED CAPITAL					VOTING POWER	
	Number of Shares	Percent of Total	Par Value Of Shares			Number of Votes	Percent of Total
			Total	Callable	Paid-in		
Total Regional (Forward)	2,591,027	66.619	40,471,583	37,781,648	2,689,934	3,287,603	67.623
NONREGIONAL							
Austria	12,040	0.310	188,064	174,896	13,168	26,552	0.546
Belgium	12,040	0.310	188,064	174,896	13,168	26,552	0.546
Canada	185,086	4.759	2,891,025	2,688,575	202,450	199,598	4.106
Denmark	12,040	0.310	188,064	174,896	13,168	26,552	0.546
Finland	12,040	0.310	188,064	174,896	13,168	26,552	0.546
France	82,356	2.117	1,286,392	1,196,297	90,096	96,868	1.992
Germany	153,068	3.936	2,390,907	2,223,462	167,445	167,580	3.447
Ireland	12,040	0.310	188,064	174,834	13,230	26,552	0.546
Italy	63,950	1.644	998,893	928,931	69,962	78,462	1.614
Luxembourg	12,040	0.310	188,064	174,834	13,230	26,552	0.546
Netherlands	36,294	0.933	566,909	527,218	39,690	50,806	1.045
Norway	12,040	0.310	188,064	174,896	13,168	26,552	0.546
Portugal	12,040	0.310	188,064	174,834	13,230	26,552	0.546
Spain	12,040	0.310	188,064	174,896	13,168	26,552	0.546
Sweden	12,040	0.310	188,064	174,896	13,168	26,552	0.546
Switzerland	20,650	0.531	322,551	299,949	22,602	35,162	0.723
Turkey	12,040	0.310	188,064	174,896	13,168	26,552	0.546
United Kingdom	72,262	1.858	1,128,725	1,049,689	79,037	86,774	1.785
United States	552,210	14.198	8,625,465	8,021,412	604,053	566,722	11.657
Total Nonregional	1,298,316	33.381	20,279,566	18,859,202	1,420,364	1,574,044	32.377
TOTAL	3,889,343	100.000	\$60,751,149	\$56,640,850	\$4,110,299	\$4,861,647	100.000

Note: Figures may not add due to rounding.

The accompanying notes are an integral part of these financial statements (OCR-8).

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

NOTE A—NATURE OF OPERATIONS AND LIMITATIONS ON LOANS, GUARANTEES AND EQUITY INVESTMENTS*Nature of Operations*

The Asian Development Bank (ADB), a multilateral development financial institution, was established in 1966 with its headquarters in Manila, Philippines. ADB and its operations are governed by the Agreement Establishing the Asian Development Bank (the Charter). Its purpose is to foster economic development and co-operation in the Asian and Pacific region and to contribute to the acceleration of the process of economic development of the developing member countries (DMCs) in the region, collectively and individually. With the adoption of its poverty reduction strategy at the end of 1999, ADB made reducing poverty in the region its main goal. ADB provides financial and technical assistance (TA) for projects and programs, which will contribute to achieving this purpose. These are financed through ordinary capital resources (OCR) and Special Funds (See Note R).

Mobilizing financial resources, including cofinancing, is an integral part of ADB's operational activities. In addition, ADB, alone or jointly, administers on behalf of donors, including members, their agencies and other development institutions, funds restricted for specific uses, which include TA grants as well as regional programs.

ADB's OCR operations comprise loans, equity investments, and guarantees. During the years 2001 and 2002, limited technical assistance to member countries to support high priority TA programs was included. ADB finances its ordinary operations through borrowings, paid-in capital, and reserves.

ADB is immune from taxation pursuant to Chapter VIII, Article 56, *Exemption from Taxation*, of the Charter.

Limitations on Loans, Guarantees, and Equity Investments

Article 12, paragraph 1 of the Charter provides that the total amount outstanding of loans, equity investments, and guarantees made by ADB shall not exceed the total of ADB's unimpaired subscribed capital, reserves, and surplus, exclusive of the special reserve. In December 2008, the Board of Directors approved the revised policy on ADB's lending limitations, which limits the total

amount of disbursed loans, approved equity investments, and the maximum amount that could be demanded from ADB under its guarantee portfolio, to the total amount of ADB's unimpaired subscribed capital, reserves and surplus. At 31 December 2009 and 2008, the total of such loans, equity investments, and guarantees aggregated approximately 59.1% and 55.7%, respectively, of the total subscribed capital, reserves, and surplus as defined, based on this new policy.

Article 12, paragraph 3 of the Charter provides that equity investments shall not exceed 10% of the unimpaired paid-in capital together with reserves and surplus, exclusive of the special reserve. At 31 December 2009, such equity investments represented approximately 6.8% (6.1% – 2008) of the paid-in capital, reserves, and surplus, as defined.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*Presentation of the Financial Statements*

The financial statements of the OCR are prepared in accordance with accounting principles generally accepted in the United States of America.

Functional Currencies and Reporting Currency

The currencies of members are all functional currencies of ADB as these are the currencies of the primary economic environment in which OCR generates and expends cash. The reporting currency is the United States dollar (USD).

Translation of Currencies

ADB adopts the use of daily exchange rates for accounting and financial reporting purposes. This allows transactions in currencies other than USD to be translated to the reporting currency using exchange rates applicable at the time of transactions. At the end of each accounting month, translations of assets, liabilities, capital, and reserves denominated in non-USD are adjusted using the applicable rates of exchange at the end of the reporting period. These translation adjustments, other than those relating to the non-functional currencies (Note M) and to the maintenance of Special Drawing Right (SDR) capital values (Notes K and L), are charged or credited to

CONTINUED

“Accumulated translation adjustments” and reported in “CAPITAL AND RESERVES” as part of “Accumulated other comprehensive income.”

Valuation of Capital Stock

The authorized capital stock of ADB is defined in Article 4, paragraph 1 of the Charter “in terms of United States dollars of the weight and fineness in effect on 31 January 1966” (the 1966 dollar) and the value of each share is defined as 10,000 1966 dollars. The capital stock had historically been translated into the current United States dollar (ADB’s unit of account) on the basis of its par value in terms of gold. From 1973 until 31 March 1978, the rate arrived at on this basis was \$1.20635 per 1966 dollar. Since 1 April 1978, at which time the Second Amendment to the Articles of Agreement of the International Monetary Fund (IMF) came into effect, currencies no longer have par values in terms of gold. Pending ADB’s selection of the appropriate successor to the 1966 dollar, the capital stock has been valued for purposes of these financial statements in terms of the SDR at the value in current United States dollars as determined by the IMF, with each share valued at SDR10,000.

As of 31 December 2009, the value of the SDR in terms of the current United States dollar was \$1.56199 (\$1.54781 – 2008) giving a value for each share of ADB’s capital equivalent to \$15,619.90 (\$15,478.10 – 2008). However, ADB could decide to fix the value of each share at \$12,063.50 based on the 31 March 1978 par value of the United States dollar in terms of gold.

Derivative Financial Instruments

ADB reports all derivative transactions in accordance with ASC 815, “Derivatives and Hedging.” ASC 815 requires that derivative instruments be recorded in the Balance Sheet as either assets or liabilities measured at fair value. The initial application of ASC 815 in January 2001 gave rise to a transition loss in other comprehensive income. The amount recorded in other comprehensive income as transition loss is being reclassified into earnings in the same period or periods in which the underlying transactions affect earnings.

In applying ASC 815 for purposes of financial statement reporting, ADB has elected not to define any qualifying hedging relationships. Rather, all derivative instruments, as defined by ASC 815, have been marked

to fair value, and all changes in fair value have been recognized in net income. ADB has elected not to define any qualifying hedging relationships, not because economic hedges do not exist, but rather because the application of ASC 815 hedging criteria does not make fully evident ADB’s risk management strategies.

In February 2006, the Financial Accounting Standards Board issued ASC 815-15, “Embedded Derivatives.” ADB elected to early adopt the provisions which allow hybrid financial instruments that contain embedded derivatives requiring bifurcation under ASC 815 to be measured at fair value, effective 1 January 2006. With this, ASC 815 as presented in ADB’s financial statements incorporates the provisions of ASC 815-15.

ADB issues hybrid instruments, i.e. structured debts, to lower its cost of borrowings, which are generally fully hedged through derivative transactions. ADB measures and reports any of its qualified bifurcable structured debts and their corresponding derivatives at fair value with changes in fair value recognized in net income. This consistent accounting treatment would fully capture the economic hedging relationship between the hybrid instruments and their derivatives.

Investments

All investment securities and negotiable certificate of deposits held by ADB other than derivative instruments are considered by management to be “Available for Sale” and are reported at estimated fair value, which represents their fair market value. Time deposits are reported at cost, which is a reasonable estimate of their fair value. Unrealized gains and losses are reported in “CAPITAL AND RESERVES” as part of “Accumulated other comprehensive income.” Realized gains and losses are included in revenue from investments and are measured by the difference between amortized cost and the net proceeds of sales. With respect to exchange traded futures, realized gains or losses are reported in the Statement of Income and Expenses under “NET REALIZED GAINS (LOSSES) FROM INVESTMENTS.”

Interest income on investment securities and time deposits is recognized as earned and reported, net of amortizations of premiums and discounts.

Unrealized losses on investment securities are assessed to determine whether the impairment is deemed to be other than temporary. If the impairment is deemed to be other than temporary, the investment is

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

written down to the impaired value, which becomes the new cost basis of the investments. Impairment losses are not reversed for subsequent recoveries in the value of the investments, until it is sold.

Securities Transferred Under Repurchase Agreement and Securities Purchased Under Resale Arrangement

ADB accounts for transfers of financial assets in accordance with ASC 860, "Transfers and Servicing." In general, transfers are accounted for as sales when control over the transferred assets has been relinquished. Otherwise the transfers are accounted for as repurchase/resale agreements and collateralized financing arrangements. Under repurchase agreements, securities transferred are recorded as assets and reported at estimated fair value and cash collateral received are recorded as liabilities. ADB monitors the fair value of the securities transferred under repurchase agreements and the collateral. Under resale arrangements, securities purchased are recorded as assets and are not re-pledged.

Loans

ADB's loans are made to or guaranteed by members, with the exception of nonsovereign loans, and have maturities ranging between 3 and 32 years. ADB requires its borrowers to absorb exchange risks attributable to fluctuations in the value of the currencies which it has disbursed by requiring borrowers to repay in the same currencies. Loan interest income and loan commitment fees are recognized on accrual basis. In line with ADB's principle of cost pass through pricing, any variation in the actual cost of borrowings is passed to LIBOR-based borrowers as surcharge or rebate.

It is the policy of ADB to place loans in non-accrual status for which principal, interest, or other charges are overdue by six months. Interest and other charges on non-accruing loans are included in income only to the extent that payments have been received by ADB. ADB maintains a position of not taking part in debt rescheduling agreements with respect to sovereign loans. In the case of nonsovereign loans, ADB may agree to debt rescheduling only after alternative courses of action have been exhausted.

ADB determines that a loan is impaired and therefore subject to provisioning when principal or interest is in arrears for one year for sovereign loans and six months for nonsovereign loans (unless there is clear

and convincing evidence warranting the deferment or acceleration of such provisioning). If the present value of expected future cash flows discounted at the loan's effective interest rate is less than the carrying value of the loan, a valuation allowance is established with a corresponding charge to provision for loan losses.

ADB's periodic evaluation of the adequacy of the provision for loan losses is based on its past loan loss experience, known and inherent risks in existing loans, and adverse situations that may affect a borrower's ability to repay.

In December 2004, the Board approved the application of the concept of expected loss for sovereign credit exposure to establish loss reserve to be used as a basis for capital adequacy against expected losses in loans and guarantees. In 2006, the Board approved the expansion of the same concept to nonsovereign credit exposure. The amount of expected loss pertaining to credit exposures that are impaired and rated substandard or worse is charged to the income statement, following the discounted cash flow method, while those that are better are recorded as loss reserve in the equity section of the balance sheet. Any adjustment to loan loss reserve following this new methodology is subject to the approval of the Board of Governors.

Effective 2000, ADB levies front-end fees on all new sovereign loans. These fees are deferred and amortized over the life of the loans after offsetting deferred direct loan origination costs. In 2004, ADB waived the entire front-end fee on all new sovereign loans approved during the year. Subsequently, the policy was extended to cover the period up to June 2009. In December 2007, the Board approved the elimination of front-end fees on sovereign LIBOR-based loans negotiated on and after 1 October 2007.

ADB levies a commitment charge on the undisbursed balance of effective loans. Unless otherwise provided by the loan agreement, the charges take effect commencing on the 60th day after the loan signing date and are credited to loan income.

Guarantees

ADB extends guarantees to sovereign and nonsovereign borrowers. Guarantees are regarded as outstanding when the underlying financial obligation of the borrower is incurred. ADB would be required to perform under its guarantees if the payments guaranteed were not made

CONTINUED

by the debtor, and the guaranteed party called the guarantee by demanding payments from ADB in accordance with the term of the guarantee.

Prior to 1 January 2003, guarantees in the absence of any call, were not reflected in the financial statements but disclosed as a note to the financial statements (Note F) in accordance with the provisions of ASC 450 "Contingencies." ASC 460 "Guarantees," which came into effect in 2003, requires the recognition of two types of liabilities that are associated with guarantees: (a) the stand-by ready obligation to perform, and (b) the contingent liability. ADB recognizes at the inception of a guarantee, a liability for the stand-by ready obligation to perform on guarantees issued and modified after 31 December 2002. Front-end fee income on guarantees received is deferred and amortized over the term of the guarantee contract. ADB records a contingent liability for the probable losses related to guarantees outstanding. This provision, as well as the unamortized balance of the deferred guarantee fee income, and the unamortized balance of the obligation to stand ready, are included in "Miscellaneous liabilities" on the Balance Sheet.

Collateral

ADB may require collateral from individual swap counterparties in the form of approved liquid securities or cash to mitigate its credit exposure to these counterparties. It is the policy of ADB to restrict the collateral received from swap counterparties for fulfilling its obligations under the collateral agreement. ADB records the restricted cash in "OTHER ASSETS" with a corresponding obligation to return the cash in "ACCOUNTS PAYABLE AND OTHER LIABILITIES." Collateral received in the form of liquid securities is disclosed in Note Q and not recorded on OCR's Balance Sheet.

Equity Investments

Equity investments other than those accounted under the equity method are considered "Available for Sale" and are reported at estimated fair value.

Investments in equity securities with readily determinable market price are reported at fair value, with unrealized gains and losses reported in "CAPITAL AND RESERVES" as part of "Accumulated other comprehensive income."

Investments in equity securities without readily

determinable fair values are reported at cost or at written down value, for investments where the impairment is deemed other than temporary. These investments are assessed each quarter to reflect the amount that can be realized using valuation techniques appropriate to the market and industry of each investment. When impairment is identified and is deemed to be other than temporary, the equity investment is written down to the impaired value, which becomes the new cost basis of the equity investments. Impairment losses are not reversed for subsequent recoveries in the value of the equity investments, until it is sold.

ADB applies the equity method of accounting to investments where it has the ability to exercise influence such as in limited liability partnerships (LLPs) and certain limited liability companies (LLCs) that maintain a specific ownership account for each investor in accordance with ASC 323-30 "Partnerships, Joint Ventures, and Limited Liability Entities" and direct equity investment that fall under purview of ASC 323 "Investments—Equity Method and Joint Ventures."

Variable Interest Entities

ADB complies with ASC 810, "Consolidated Financial Statements." ASC 810 requires an entity to consolidate and provide disclosures for any VIE for which it is the primary beneficiary. An entity that will absorb a majority of VIE's expected losses or receive a majority of expected residual return is deemed to be the primary beneficiary of the VIE. Variable interests can arise from equity investments, loans, and guarantees. ADB is required to disclose information about its involvement in VIE where ADB holds significant variable interest (see Note S).

Property, Furniture, and Equipment

Property, furniture, and equipment are stated at cost and, except for land, depreciated over estimated useful lives on a straight-line basis. Maintenance, repairs, and minor betterments are charged to expense. Land is stated at cost and is not amortized.

Borrowings

Borrowings are generally reported on the balance sheet at fair value. As part of its borrowing strategy, ADB issues structured debt, which includes embedded derivatives

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

in order to reduce its cost of borrowings. ADB simultaneously enters into currency and/or interest rate swaps to fully hedge the structured debt.

Upon the adoption of ASC 815-15 on 1 January 2006, ADB no longer bifurcates the embedded derivatives in the structured debt portfolio that meet the bifurcation criteria under ASC 815. Instead, ADB reports at fair value (FV) any structured debt that contains embedded derivatives that would otherwise be bifurcated under ASC 815. Consequent to the adoption of ASC 820 “Fair Value Measurements and Disclosures” and ASC 825 “Financial Instruments” on 1 January 2008, ADB reports all borrowings that have associated derivative instruments at FV, including ADB’s credit risk (as a credit spread) by currency. Changes in FV are reported in net income.

The initial application of ASC 820 and ASC 825 resulted to a favorable adjustment of \$227,500,000 which was reflected as an adjustment to Net Income After Appropriation as of 31 December 2008.

Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make reasonable estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the end of the year and the reported amounts of revenues and expenses during the year. The actual results could differ from those estimates.

Accounting and Reporting Developments

In March 2008, the Financial Accounting Standards Board (FASB) issued Statement No. 161 “Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133” (codified ASC 815-10-50), which will be applicable for fiscal years beginning after 15 November 2008 and interim periods within those fiscal years. This statement amends and expands the disclosure requirements of FAS 133 to provide users with better understanding of (i) how and why an entity uses derivatives; (ii) how derivative instruments and related hedged items are accounted for under FAS 133 and its related interpretations; and (iii) how derivative instruments and hedged items affect an entity’s financial position, performance, and cash flows.

Note H provides the required disclosures in compliance with this standard.

In December 2008, the FASB issued FASB Staff Position (FSP) FAS 132(R)-1 (codified ASC 715-20-65-2), which amends 132(R) to require more detailed disclosures about employers’ plan assets, including employers’ investment strategies, major categories of plan assets, concentration of risk within plan assets, and valuation techniques used to measure the fair value of plan assets. This aims to address financial statement users’ concerns “about the lack of transparency surrounding the types of assets and associated risks in an employer’s defined benefit pension or other postretirement plan and events in the economy and markets that could have a significant effect on the value of the plan assets.” An entity must provide the FSP’s disclosures in financial statements for fiscal years ending after 15 December 2009. Note O provides the required disclosures in compliance with this standard.

In April 2009, the FASB issued FSP FAS 157-4, “Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly” (codified ASC 820-10-65-4), FSP FAS 115-2 and FAS 124-2, “Recognition and Presentation of Other-Than-Temporary Impairments” (codified ASC 320-10-65-1), and FSP FAS 107-1 and APB 28-1, “Interim Disclosures about Fair Value of Financial Instruments” (codified ASC 825-10-65-1), which became effective for interim and annual periods ending after 15 June 2009, with early adoption permitted for periods ending after 15 March 2009. FSP FAS 157-4 provides guidance on how to determine the fair value of assets and liabilities under FAS 157 in the current economic environment and reemphasizes that the objective of a fair value measurement remains an exit price. If there has been a significant decrease in the volume and level of activity of the asset or liability in relation to normal market activities, quoted market values may not be representative of fair value and a change in valuation technique or the use of multiple valuation techniques may be appropriate. FSP FAS 115-2 and FAS 124-2 modify the requirements for recognizing other-than-temporarily impaired debt securities and revise the existing impairment model for such securities by modifying the current intent and ability indicator in determining whether a debt security is other-than-temporarily impaired. FSP FAS 107-1 and APB 28-1 enhance the disclosure of instruments

CONTINUED

under the scope of FAS 157 for both interim and annual periods. The application of these standards did not have a material impact on OCR's 31 December 2009 financial statements.

In May 2009, the FASB issued Statement No. 165, "Subsequent Events" (codified ASC 855). This standard establishes principles and requirements for evaluating and reporting subsequent events. In particular, it sets forth; the period after the balance sheet date during which management shall evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; the circumstances under which an entity shall recognize events or transactions occurring after the balance sheet date in its financial statements; and the disclosures related to events or transactions occurring after the balance sheet date. Note T provides the required disclosures in compliance with this standard.

In June 2009, the FASB issued Statement No. 166, "Accounting for Transfers of Financial Assets and Repurchase Financing Transactions" (codified ASC 860-10-65-3). This standard addresses the information that a reporting entity provides in its financial reports about transfers of financial assets including; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement in transferred assets. This standard is applicable at the start of an entity's first fiscal year beginning after 15 November 2009, or 1 January 2010 for entities reporting earnings on a calendar-year basis. ADB is currently assessing the impact of this standard on OCR's financial statements.

In June 2009, the FASB issued Statement No. 167, "Amendments to FASB Interpretation No. 46(R)" (codified ASC 810-10-30 and ASC 810-10-65). This standard amends certain requirements of FASB Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities" relating to enterprises involved with variable interest entities. This standard is applicable at the start of an entity's first fiscal year beginning after 15 November 2009, or 1 January 2010 for entities reporting earnings on a calendar-year basis. ADB is currently assessing the impact of this standard on OCR's financial statements.

In June 2009, the FASB issued Statement No. 168, "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162" (codified

ASC 105). Effective for financial statements issued for interim and annual periods ending after 15 September 2009, FASB Accounting Standards Codification™ (ASC) becomes the source of authoritative U.S. accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the Securities and Exchange Commission (SEC). ASC supersedes all existing, non-SEC accounting and reporting standards for nongovernmental entities. Concurrently, all other nongrandfathered, non-SEC accounting literature not included in ASC will become nonauthoritative.

In August 2009, the FASB issued Accounting Standards Update No. 2009-05, "Fair Value Measurements and Disclosures (ASC 820) - Measuring Liabilities at Fair Value." This update provides additional guidance clarifying the measurement of liabilities at fair value and addresses several key issues with respect to estimating the fair value liabilities in accordance with ASC 820. The application of this update did not have a material impact on OCR's 31 December 2009 financial statements.

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, ADB considers that its cash and cash equivalents are limited to "DUE FROM BANKS," which consist of cash on hand and current accounts in banks used for (i) operational disbursements, (ii) receipt of funds from encashment of member countries' promissory notes, and (iii) clearing accounts.

NOTE C—RESTRICTIONS ON USE OF CURRENCIES AND DEMAND OBLIGATIONS OF MEMBERS

In accordance with Article 24, paragraph 2(i) of the Charter, the use by ADB or by any recipient from ADB of certain currencies may be restricted by members to payments for goods or services produced and intended for use in their territories. With respect to the currencies of 42 DMCs for 2009 (42 – 2008), cash in banks (due from banks) and demand obligations totaling \$70,955,000 (\$70,095,000 – 2008) and \$142,181,000 (\$144,515,000 – 2008), respectively, may be, but are not currently so restricted.

In accordance with Article 24, paragraphs 2(i) and (ii) of the Charter, one member (one – 2008) has restricted the use by ADB or by any recipient from ADB

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

of its currency to payments for goods or services produced in its territory. As such, cash in banks (due from banks) and investments totaling \$7,000 (\$20,000 – 2008) and \$126,000 (\$3,182,000 – 2008), respectively, have been restricted. None of the demand obligations held by ADB in 2009 and in 2008 was restricted.

NOTE D—INVESTMENTS

The main investment management objective is to maintain security and liquidity. Subject to these parameters, ADB seeks the highest possible return on its investments. Investments are governed by the Investment Authority approved by the Board of Directors in 1999, and reviewed in 2006. The review endorsed a portfolio strategy that is largely consistent with the 1999 approach.

ADB may purchase and sell exchange traded financial futures and option contracts, and enter into currency and interest rate swaps, and forward rate agreements. Exposure to interest rate risk may be adjusted within defined bands to reflect changing market conditions. These adjustments are made through the purchase and sale of securities, and financial futures. Accordingly, financial futures are held for risk management purposes. At 31 December 2009, the notional amount of outstanding purchase and sales futures contracts were \$4,000,000 and \$5,200,000, respectively, (\$6,300,000 and \$7,000,000, respectively – 2008).

Included in “Other securities” as of 31 December 2009 were corporate bonds and other obligations of banks amounting to \$971,551,000 (\$6,688,083,000 – 2008) and asset/mortgage-backed securities of \$851,450,000 (\$758,066,000 – 2008).

The currency compositions of the investment portfolio as of 31 December 2009 and 2008 expressed in United States dollars are as follows:

Currency	2009	2008
Australian dollar	\$ 542,274,000	\$ 412,599,000
Canadian dollar	306,053,000	261,180,000
Euro	953,703,000	898,121,000
Japanese yen	1,122,375,000	1,277,485,000
New Zealand dollar	222,412,000	170,354,000
Swiss franc	486,922,000	463,590,000
United States dollar	10,104,630,000	11,407,590,000
Others	385,210,000	521,600,000
Total	\$14,123,579,000	\$15,412,519,000

The estimated fair value and amortized cost of the investments by contractual maturity at 31 December 2009 are as follows:

	Estimated Fair Value	Amortized Cost
Due in one year or less	\$ 4,361,349,000	\$ 4,344,009,000
Due after one year through five years	7,999,187,000	7,770,916,000
Due after five years through ten years	1,763,043,000	1,678,190,000
Total	\$14,123,579,000	\$13,793,115,000

Additional information relating to investments in government and government-guaranteed obligations and other securities are as follows:

	2009	2008
As of 31 December:		
Amortized cost	\$11,801,133,000	\$13,607,809,000
Estimated fair value	12,131,596,000	13,931,149,000
Gross unrealized gains	336,922,000	364,824,000
Gross unrealized losses	(6,459,000)	(41,484,000)
For the years ended 31 December:		
Change in net unrealized (losses) gains from prior year	7,123,000	288,346,000
Proceeds from sales	7,364,180,000	7,979,848,000
Gross gain on sales	52,746,000	53,508,000
Gross loss on sales	(22,205,000)	(81,408,000)

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No government and government-guaranteed obligation (one – 2008), one corporate obligation (five – 2008), and one mortgage/asset-backed security (11 – 2008) sustained unrealized losses for over one year, representing 0.04% (3.70% – 2008) of the total investments. Comparative details for 2009 and 2008 are as follows:

For the year 2009	One year or less		Over one year		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Government and government - guaranteed obligations	\$666,140,000	\$3,992,000	\$ -	\$ -	\$ 666,140,000	\$ 3,992,000
Corporate bonds	54,951,000	403,000	4,948,000	52,000	59,899,000	455,000
Mortgage/Asset-backed securities	210,608,000	1,993,000	226,000	19,000	210,834,000	2,012,000
Total	<u>\$931,699,000</u>	<u>\$6,388,000</u>	<u>\$ 5,174,000</u>	<u>\$ 71,000</u>	<u>\$ 936,873,000</u>	<u>\$ 6,459,000</u>

For the year 2008	One year or less		Over one year		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Government and government- guaranteed obligations	\$ 67,243,000	\$ 215,000	\$ 239,844,000	\$ 897,000	\$ 307,087,000	\$ 1,112,000
Corporate bonds	546,087,000	6,431,000	320,160,000	2,552,000	866,247,000	8,983,000
Mortgage/Asset-backed securities	255,292,000	23,525,000	10,241,000	7,864,000	265,533,000	31,389,000
Total	<u>\$868,622,000</u>	<u>\$30,171,000</u>	<u>\$ 570,245,000</u>	<u>\$11,313,000</u>	<u>\$1,438,867,000</u>	<u>\$41,484,000</u>

Asset/Mortgage-backed Securities: Asset/Mortgage-backed securities are instruments whose cash flow is based on the cash flows of a pool of underlying assets or mortgage loans managed by a trust.

Investment related receivables and payables included in “OTHER ASSETS” and “ACCOUNTS PAYABLE AND OTHER LIABILITIES” are related to unsettled trades.

NOTE E—LOANS

Loans

ADB does not sell its sovereign loans, nor does it believe there is a market for its sovereign loans. The estimated fair value of all loans is based on the estimated cash flows from principal repayments, interest and other charges

discounted at the applicable market yield curves for ADB's borrowing cost plus lending spread.

The carrying amount and estimated fair value of loans outstanding at 31 December 2009 and 2008 are as follows:

	2009		2008	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Fixed rate multicurrency loans	\$ 18,482,000	\$ 21,836,000	\$ 22,246,000	\$ 27,157,000
Pool-based single currency (JPY) loans	2,614,908,000	2,987,112,000	3,202,996,000	3,683,699,000
Pool-based single currency (US\$) loans	6,478,790,000	7,413,139,000	7,049,324,000	8,609,127,000
LIBOR-based loans	32,017,282,000	32,240,387,000	25,219,728,000	25,084,442,000
Fixed rate loans	7,207,000	7,795,000	11,470,000	12,806,000
Local currency loans	576,379,000	565,187,000	404,296,000	413,728,000
Total	<u>\$41,713,048,000</u>	<u>\$43,235,456,000</u>	<u>\$35,910,060,000</u>	<u>\$37,830,959,000</u>

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

Prior to 1 July 1986, the lending rate of ADB was based on a multicurrency fixed lending rate system under which loans carried interest rates fixed at the time of loan approval for the entire life of the loans. Effective 1 July 1986, ADB adopted a multicurrency pool-based variable lending rate system. In addition, in July 1992, ADB introduced a United States dollar pool-based variable lending rate system, and in November 1994, a market-based lending rate system was made available to financial intermediaries of sovereign and nonsovereign borrowers.

The outstanding balances of pool-based multicurrency loans were subsequently transformed into pool-based single currency loans in Japanese yen, effective 1 January 2004.

Commencing 1 July 2001, ADB offered LIBOR-based loans (LBLs) in the following currencies – Euro, Japanese yen, and United States dollar. The LBL lending facility offers borrowers the flexibility of (i) choice of currency and interest rate basis; (ii) change the original loan terms (currency and interest rate basis) at any time during the life of the loan; and (iii) options to cap or collar the floating lending rate at any time during the life of the loan. With the introduction of LBLs, all other loan windows are no longer offered to borrowers. In November 2002, ADB offered local currency loan (LCL) to nonsovereign borrowers. In August 2005, LCL was made available to sovereign borrowers. In November 2006, ADB introduced a series of enhancements to sovereign LBLs negotiated after 1 January 2007, offering additional major currencies that ADB can efficiently intermediate, and additional repayment options including (i) annuity method with various discount factors, (ii) straight-line repayment, (iii) bullet repayment, and (iv) custom-tailored repayment.

In June 2009, ADB established a Countercyclical Support Facility (CSF) in response to the global economic crisis that spread to Asia and the Pacific. ADB's average funding cost margin above or below LIBOR for borrowings funding the CSF are passed on to the borrower as a surcharge or rebate. Loans approved under the CSF carry a floating lending rate that consists of 6-month LIBOR and an effective contractual spread over the life of the loan. The lending rate is reset every 6 months on each interest reset date and can be converted to fixed rate at borrower's request. As of 31 December 2009, five sovereign loans totaling \$2,500,000,000 were approved and four totaling \$2,000,000,000 were made effective and fully disbursed in 2009.

During 2009, ADB received prepayments for two loans (11 loans – 2008) amounting to \$6,720,000 (\$277,053,000 – 2008) and collected prepayment premiums of \$74,000

(\$3,937,000 – 2008). 77% of the prepaid amounts in 2009 was pool-based single currency US dollar loan compared to 90% for pool-based single currency US dollar loans in 2008.

Loan Charges

Since 1988, ADB has charged front-end fees for nonsovereign loans. Effective 1 January 2000, ADB levied front-end fee of 1% for sovereign loans for which the loan negotiations are completed after that date. In addition, a flat commitment fee of 0.75% was charged for new program loans and a progressive commitment fee of 0.75% was maintained for project loans. Effective 1 January 2000, the lending spread applied to all outstanding pool-based sovereign loans and new sovereign market-based loans was increased from 0.4% to 0.6%.

In 2004, the Board approved the waiver of the entire 1% front-end fee on all new sovereign loans approved during 1 January 2004 to 30 June 2005 (waiver of 50 basis points on sovereign loans approved in 2003). Additionally, the Board approved the waiver of 20 basis points of the lending spread on sovereign loans outstanding from 1 July 2004 to 30 June 2005 for borrowers that do not have loans in arrears. Subsequently, the policy was extended to cover the period up to June 2010. In December 2007, the Board approved the revision of loan charges for sovereign LIBOR-based loans negotiated on and after 1 October 2007 by a) providing a credit of 0.4% for the duration of the loan, resulting to an effective contractual spread of 0.2%; b) reducing the commitment charge from 0.75% and 0.35% for sovereign program and project loans to 0.15% for both sovereign program and project loans; and c) eliminating front-end fees.

The front-end fees received on nonsovereign loans for the year ended 31 December 2009 were \$3,602,000 (\$10,987,000 – 2008). Administrative expenses relating to direct loan origination of \$22,397,000 for the year ended 31 December 2009 (\$35,540,000 – 2008) were deferred and amortized over the life of each loan.

In November 2006, the Board approved a change in the commitment charge policy for all sovereign project LIBOR-based loans negotiated after 1 January 2007, from 75 basis points on a progressive structure of undisbursed loan balances to a flat fee of 35 basis points on the full amount of undisbursed balances. Further to this, the Board also approved in April 2007, the waiver of 10 basis points of the commitment charge on the undisbursed balances

CONTINUED

of sovereign project loans negotiated after 1 January 2007 and 50 basis points of the commitment charge on the undisbursed balances of sovereign program loans.

Loans in Non-accrual Status

Three nonsovereign loans were in non-accrual status as of 31 December 2009 (one – 2008). The principal outstanding at that date was \$38,408,000 (\$1,674,000 – 2008) of which \$18,988,000 (\$1,315,000 – 2008) was overdue. Loans in non-accrual status resulted in \$1,139,000 (\$151,000 – 2008) not being recognized as income from nonsovereign loans for the year ended 31 December 2009. Cumulatively, a total of \$1,665,000 has not been recognized as of 31 December 2009 (\$525,000 – 2008).

There were no sovereign loans in non-accrual status in 2009 and 2008.

Undisbursed loan commitments and an analysis of loans by borrowers as of 31 December 2009 are shown in OCR-5. The carrying amounts of loan outstanding by loan products at 31 December 2009 and 2008 are as follows:

	2009	2008
Sovereign Loans		
Fixed rate multicurrency loans	\$ 18,482,000	\$ 22,246,000
Pool-based single currency (JPY) loans	2,614,908,000	3,202,996,000
Pool-based single currency (US\$) loans	6,482,126,000	7,054,332,000
LIBOR-based loans	30,637,857,000	23,901,052,000
	39,753,373,000	34,180,626,000
Provision for loan losses	(2,723,000)	(4,356,000)
Unamortized direct loan origination cost—net	92,935,000	76,114,000
	90,212,000	71,758,000
Subtotal	39,843,585,000	34,252,384,000
Nonsovereign Loans		
Fixed rate loans	7,207,000	11,488,000
LIBOR-based loans	1,393,050,000	1,253,775,000
Local currency loans	577,864,000	404,952,000
Others	190,000	131,000
	1,978,311,000	1,670,346,000
Provision for loan losses	(100,519,000)	(4,818,000)
Unamortized front-end fee—net	(8,329,000)	(7,852,000)
	(108,848,000)	(12,670,000)
Subtotal	1,869,463,000	1,657,676,000
Total	\$41,713,048,000	\$35,910,060,000

Loan Loss Provision

ADB has not suffered any losses of principal on sovereign loans. During the year, \$1,633,000 loan loss provision was written back on two loans (\$1,333,000 on two loans – 2008). Accumulated loan loss provision for sovereign loans as of 31 December 2009 was \$2,723,000 (\$4,356,000 – 2008).

Loan loss provisions for nonsovereign loans totaling \$95,931,000 were charged during the year (\$434,000 – 2008) mainly due to additional loan loss provision against three nonsovereign loans. Of these amounts, \$267,000 (\$2,568,000 – 2008) were written back, and nil in 2009 (\$2,400,000 – 2008) were written off. This increased the balance of accumulated loan loss provision for nonsovereign loans to \$100,519,000 as of 31 December 2009 (\$4,818,000 – 2008).

Information pertaining to loans which were subject to loan loss provisions at 31 December 2009 and 2008 are as follows:

	2009	2008
Loans not subject to loss provisions	\$41,601,928,000	\$35,841,044,000
Loans subject to loss provisions	129,756,000	9,928,000
Total	\$41,731,684,000	\$35,850,972,000
Average amount of loans subject to loss provisions	\$ 78,186,000	\$ 11,325,000
Related interest income on such loans recognized in the year	\$ 6,105,000	\$ 4,946,000
Cash received on related interest income on such loans	\$ 5,423,000	\$ 4,933,000

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

The changes in the provision for loan losses during 2009 and 2008 are as follows:

	2009			2008		
	Sovereign Loans	Nonsovereign Loans	Total	Sovereign Loans	Nonsovereign Loans	Total
Balance 1 January	\$4,356,000	\$ 4,818,000	\$ 9,174,000	\$5,689,000	\$9,354,000	\$15,043,000
Provision during the year	–	95,931,000	95,931,000	–	434,000	434,000
Provision written back/off	(1,633,000)	(267,000)	(1,900,000)	(1,333,000)	(4,968,000)	(6,301,000)
Translation adjustment	–	37,000	37,000	–	(2,000)	(2,000)
Balance 31 December	\$2,723,000	\$100,519,000	\$103,242,000	\$4,356,000	\$4,818,000	\$ 9,174,000

Cofinancing

ADB functions as lead lender in cofinancing arrangements with other participating financial institutions who also provide funds to ADB's sovereign and nonsovereign borrowers. In such capacity, ADB provides loan administration services, which include loan disbursements and loan collections. The participating financial institutions have no recourse to ADB for their outstanding loan balances. These loans are not recorded as part of OCR's Balance Sheet.

Loans administered by ADB on behalf of participating institutions as of 31 December 2009 and 2008 are as follows:

	2009	
	Amount	No. of Loans
Sovereign loans	\$603,885,000	34
Nonsovereign loans	386,129,000	11
Total	\$990,014,000	45

	2008	
	Amount	No. of Loans
Sovereign loans	\$503,017,000	36
Nonsovereign loans	403,517,000	10
Total	\$906,534,000	46

During the year ended 31 December 2009, a total of \$105,000 (\$115,000 - 2008) was received as compensation for arranging and administering such loans. This amount has been included in "Revenue from other sources."

NOTE F—GUARANTEES

ADB extends guarantees to sovereign and nonsovereign borrowers. Such guarantees include (i) partial credit guarantees where only certain principal and/or interest payments are covered; and (ii) political risk guarantees, which provide coverage against well-defined sovereign risks. While counter guarantees from the host government are required for all public sector guarantees, guarantees for private sector projects may be provided with or without a host government counter guarantee. A counter guarantee takes the form of a member government agreement to indemnify ADB for any payments it makes under the guarantee. In the event that a guarantee is called, ADB has the contractual right to require payment from the government, on demand, or as ADB may otherwise direct.

Guaranteed payments under partial credit guarantees are generally due 10 or more years from the loan inception date. ADB's political risk guarantee is callable when a guaranteed event has occurred and such an event has resulted in debt service default to the guaranteed lender.

In May 2009, ADB paid an amount of PKR5,536,000 (\$69,000 equivalent) for a guarantee call under a partial credit agreement which was recorded as a loan arising from a guarantee call. As of 31 December 2009, total loan recorded as a result of this facility was \$190,000 with corresponding 100% provision for losses. A partial credit guarantee to a bank in Kazakhstan totaling \$21,816,000 (nil - 2008) were provisioned as a probable loss during the year as ADB determined that there is a high likelihood that they will be called.

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The committed and outstanding amounts of these guarantee obligations as of 31 December 2009 and 2008 covered:

	2009		2008	
	Committed Amount	Outstanding Amount	Committed Amount	Outstanding Amount
Partial Credit Guarantees				
with counter guarantee	\$1,137,599,000	\$1,055,097,000	\$1,164,044,000	\$1,097,258,000
without counter guarantee	642,760,000	395,932,000	432,363,000	363,075,000
	<u>1,780,359,000</u>	<u>1,451,029,000</u>	<u>1,596,407,000</u>	<u>1,460,333,000</u>
Political Risk Guarantees				
with counter guarantee	143,539,000	120,607,000	145,156,000	129,419,000
without counter guarantee	46,715,000	26,255,000	30,070,000	24,899,000
	<u>190,254,000</u>	<u>146,862,000</u>	<u>175,226,000</u>	<u>154,318,000</u>
Others	<u>950,000</u>	<u>950,000</u>	<u>950,000</u>	<u>950,000</u>
Total	<u>\$1,971,563,000</u>	<u>\$1,598,841,000</u>	<u>\$1,772,583,000</u>	<u>\$1,615,601,000</u>

The committed amount represents the maximum potential amount of undiscounted future payment that ADB could be required to make, inclusive of standby portion for which ADB is committed but not currently at risk. The outstanding amount represents the guaranteed amount utilized under the related loans, which have been disbursed as of the end of the year, exclusive of the standby portion. ADB estimates that the present value of guarantees outstanding at 31 December 2009 was \$1,236,042,000 (\$1,130,777,000 – 2008).

As of 31 December 2009, a total liability of \$38,710,000 (\$23,257,000 – 2008) relating to stand-by ready obligation for four partial credit risk guarantees (seven – 2008) and three political risk guarantees (two – 2008) has been included in “Miscellaneous liabilities” on the balance sheet for all guarantees issued after 31 December 2002.

NOTE G—EQUITY INVESTMENTS

ADB’s investments in equity securities issued by private enterprises located in DMCs include \$226,255,000 (\$208,071,000 – 2008) investments in limited liability partnership and limited liability companies which are accounted for under the equity method.

As of 31 December 2009, there were six (six – 2008) equity investments which were reported at fair value totaling \$461,552,000 (\$238,497,000 – 2008). No investment (two – 2008) sustained unrealized losses as of year end of 2009 (\$2,282,000 – 2008).

Accumulated net unrealized gains on equity investments reported at market value were \$332,044,000 at 31 December 2009 (\$116,895,000 – 2008) and were reported in “CAPITAL AND RESERVES” as part of “Accumulated other comprehensive income.”

Approved equity investment facility that has not been disbursed was \$433,365,000 at 31 December 2009 (\$275,740,000 – 2008).

NOTE H—DERIVATIVE INSTRUMENTS

ADB uses derivative instruments for asset/liability management of individual positions and portfolios, as well as for the reduction of transaction costs. In applying ASC 815 for the purpose of financial statement reporting, ADB has elected not to define any qualifying hedging relationships. Rather, all derivative instruments, as defined by ASC 815, have been marked to fair value (FV), and all changes in the FV have been recognized in net income. ADB has elected not to define any qualifying

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

hedging relationships, not because economic hedges do not exist, but rather because the application of ASC 815 hedging criteria does not make fully evident ADB's risk management strategies.

The initial application of ASC 815 gave rise to a transition adjustment in 2001, which was reported in other comprehensive income and earnings. The allocation between net income and other comprehensive income was based upon the economic hedging relationships that existed before the initial application of this statement.

The fair value of outstanding currency and interest rate swap agreements is determined at the estimated amount that ADB would receive or pay to terminate the agreements using market-based valuation models. The basis of valuation is the present value of expected cash flows based on observable market data.

Interest rate swaps: Under a typical interest rate swap agreement, one party agrees to make periodic payments based on a notional principal amount and an interest rate that is fixed at the outset of the agreement. The counterparty agrees to make floating rate payments based on the same notional principal amount. The terms of ADB's interest rate swap agreements usually match the terms of particular borrowings.

Currency swaps: Under a typical currency swap agreement, one party agrees to make periodic payments in one currency while the counterparty agrees to make periodic payments in another currency. The payments may be fixed at the outset of the agreement or vary

based on interest rates. A receivable is created for the currency swapped out, and a payable is created for the currency swapped in. The terms of ADB's currency swap agreements usually match the terms of particular borrowings.

FX swaps: Under a typical foreign exchange swap, ADB agrees to make payment in one currency while the counterparty agrees to make payment in another currency, on the basis of agreed spot and forward rates. The terms of ADB's FX swaps agreement usually match the terms of particular investments.

Exchange Traded Futures: Futures are contracts for delayed delivery of securities or money market instruments in which the seller agrees to make delivery at a specified future date of a specified instrument at a specified price or yield. Initial margin requirements are met with cash or securities, and changes in the market prices are generally settled daily in cash. ADB generally closes out open positions prior to maturity. Therefore, cash receipts or payments are limited to the change in market value of the future contracts. As of 31 December 2009, net payments on future contracts amounted to \$83,000 (\$1,082,000 net receipts – 2008).

Included in Receivable/Payable from Swaps-Others are interest rate and currency swaps that ADB has entered into for the purpose of hedging specific investments and loans. The loan related swaps were executed to better align the composition of certain outstanding loans with funding sources.

CONTINUED

Fair Value of Derivative Instruments

The fair value of ADB's derivative instruments as of 31 December 2009 and 2008 are summarized below.

	Asset Derivatives			Liability Derivatives		
	Balance Sheet Location	Fair Value		Balance Sheet Location	Fair Value	
		2009	2008		2009	2008
Derivatives not designated as hedging instruments under ASC Subtopic 815-20 "Hedging—General"						
Futures	Investments - Other securities					
Futures		\$ 1,105,000	\$ 412,000			
Futures - offset		(1,105,000)	(412,000)			
Total		—	—			
Borrowings related swaps	Receivable from Swaps - Borrowings			Payable for Swaps - Borrowings		
Currency swaps		21,333,525,000	20,980,754,000		\$ 20,553,527,000	\$ 23,127,668,000
Interest rate swaps		3,583,739,000	2,850,333,000		2,949,816,000	1,740,147,000
Total		24,917,264,000	23,831,087,000		23,503,343,000	24,867,815,000
Investment related swaps	Receivable from Swaps - Others			Payable for Swaps - Others		
Currency swaps		539,530,000	544,796,000		666,997,000	660,157,000
Interest rate swaps		121,735,000	—		159,256,000	85,132,000
Total		661,265,000	544,796,000		826,253,000	745,289,000
Loans related swaps	Receivable from Swaps - Others			Payable for Swaps - Others		
Currency swaps		265,357,000	207,305,000		263,000,000	197,068,000
Interest rate swaps		118,232,000	130,692,000		204,907,000	256,424,000
Total		383,589,000	337,997,000		467,907,000	453,492,000
Total derivatives not designated as hedging instruments under ASC Subtopic 815-20		\$25,962,118,000	\$24,713,880,000		\$ 24,797,503,000	\$26,066,596,000

Effect of Derivative Instruments on the Statement of Income and Expenses

ADB reports changes in the fair value of its derivative instruments as part of net unrealized gains and losses in its Statement of Income and Expenses while all interest

income, expenses, and related amortization of discounts, premiums, and fees are reported as part of revenue and expenses. These are summarized on the table next page.

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

		Amount of Gain (Loss) recognized in income on Derivatives	
		2009	2008
Derivatives not designated as hedging instruments under ASC Subtopic 815-20 "Hedging—General"			
Investment related swaps			
Currency swaps	Net Unrealized (Losses) Gains	\$ (15,508,000)	\$ (29,008,000)
	Revenue from Investments	(694,000)	7,751,000
Interest rate swaps	Net Unrealized Gains (Losses)	25,374,000	(59,271,000)
	Gains Revenue from Investments	(5,429,000)	(5,636,000)
	Net Realized Gains from Investments	—	1,981,000
FX swaps	Net Unrealized Gains	262,000	—
	Revenue from Investments	2,849,000	—
		6,854,000	(84,183,000)
Loans related swaps			
Currency swaps	Net Unrealized Losses	(1,810,000)	(6,184,000)
	Revenue from Loans	(12,478,000)	(4,696,000)
Interest rate swaps	Net Unrealized Gains (Losses)	45,176,000	(92,441,000)
	Gains Revenue from Loans	(36,351,000)	(14,353,000)
		(5,463,000)	(117,674,000)
Borrowings related swaps			
Currency swaps	Net Unrealized (Losses) Gains	(617,651,000)	694,734,000
	Borrowings and related expenses	882,431,000	543,433,000
Interest rate swaps	Net Unrealized (Losses) Gains	(553,970,000)	933,622,000
	Borrowings and related expenses	318,248,000	111,339,000
FX forward	Net Unrealized Gains	16,000	263,000
	Borrowings and related expenses	618,000	10,012,000
		29,692,000	2,293,403,000
Total		\$ 31,083,000	\$2,091,546,000

Contingent Features in Derivative Instruments

ADB has entered into several agreements with its derivative counterparties under the Master Agreement of the International Swaps and Derivatives Association (ISDA) and the Master Agreement of the National Association of Financial Market Institutional Investors (NAFMII). The agreements provide for the right of a party to terminate if any of the various events of default and termination events specified occur. Events of default include failure to pay and cross default. Termination events include the situation where the long term unsecured and unsubordinated indebtedness of ADB or the counterparty ceases to be rated at least Baa3 by Moody's Investor Service, Inc. or BBB- by Standard and Poor's Ratings Group, or such

indebtedness ceases to be rated by Moody's or S&P. If ADB's counterparties are entitled under the agreements to terminate their derivative transactions with ADB, ADB will be required to pay an amount equal to its net liability position with each counterparty (in the case of counterparties who have entered into the ISDA Master Agreement) and an amount equal to its gross liability position with each counterparty (in the case of counterparties who have entered into the NAFMII Master Agreement). The aggregate fair value of all derivative instruments that ADB has under the ISDA Master Agreement that are in a net liability (negative marked-to-market) position as of 31 December 2009 is \$645,001,000. The aggregate fair value of all derivative instruments that ADB has under the NAFMII Master Agreement that are in a gross liabil-

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ity position is CNY21,390,000 or its US dollar equivalent of \$3,134,000.

NOTE I—PROPERTY, FURNITURE, AND EQUIPMENT

In 1991, under the terms of an agreement with the Philippines (Government), ADB returned the former headquarters premises, which had been provided by the Government. In accordance with the agreement as supplemented by a memorandum of understanding, ADB was compensated \$22,657,000 for the return of these premises. The compensation is in lieu of being provided premises under the agreement and accordingly, is deferred and amortized over the estimated life of the new headquarters building as a reduction of occupancy expense. The amortization for the year ended 31 December 2009 amounted to \$372,000 (\$386,000 – 2008) reducing depreciation expense for the new headquarters building from \$4,342,000 (\$4,427,000 – 2008) to \$3,970,000 (\$4,041,000 – 2008). At 31 December 2009, the unamortized deferred compensation balance (included in “ACCOUNTS PAYABLE AND OTHER LIABILITIES – Miscellaneous”) was \$8,009,000 (\$8,218,000 – 2008). At 31 December 2009 accumulated depreciation for property, furniture, and equipment was \$169,883,000 (\$158,259,000 – 2008).

In December 2009, the Board of Directors approved the Special Capital Budget totaling \$42,478,000 for the expansion of the headquarters building over the next three years and \$5,000,000 for the expansion and/or relocation of selected resident missions.

NOTE J—BORROWINGS

The key objective of ADB’s borrowing strategy is to raise funds at the lowest possible cost for the benefit of its borrowers. ADB uses financial derivative instruments in connection with its borrowing activities to increase cost efficiency, while achieving risk management objectives. Currency swaps enable ADB to raise operationally needed currencies in a cost-efficient way and to maintain its borrowing presence in the major capital markets. Interest rate swaps are used generally to reduce interest rate mismatches arising from lending operations.

Refer to OCR-6 for Summary Statement of Borrowings.

NOTE K—CAPITAL STOCK, CAPITAL TRANSFERRED TO ASIAN DEVELOPMENT FUND, MAINTENANCE OF VALUE OF CURRENCY HOLDINGS, AND MEMBERSHIP

Capital Stock

On 29 April 2009, the Board of Governors of ADB adopted Resolution No. 336 increasing ADB’s authorized capital stock by 7,092,622 shares (200%), and the corresponding subscriptions for such increase by its members. Each member is entitled to subscribe for that number of additional shares equivalent to 200% of its allocated shares immediately prior to the effective date of the Resolution. Each member may subscribe for the additional shares at any time up to 31 December 2010 (or such later date as the Board of Directors may determine).

The authorized capital stock of ADB as of 31 December 2009 consists of 10,638,933 shares (3,546,311 – 2008), of which 3,889,343 shares (3,546,311 – 2008) have been subscribed by members. Of the subscribed shares, 3,626,198 (3,296,887 – 2008) are “callable” and 263,145 (249,424 – 2008) are “paid-in”. The “callable” share capital is subject to call by ADB only as and when required to meet ADB’s obligations incurred on borrowings of funds for inclusion in its Ordinary Capital Resources (OCR) or on guarantees chargeable to such resources. The “paid-in” share capital has been paid or is payable in installments, partly in convertible currencies and partly in the currency of the subscribing member which may be convertible. In accordance with Article 6, paragraph 3 of the Charter, ADB accepts non-negotiable, non-interest-bearing demand obligations in satisfaction of the portion payable in the currency of the member, provided such currency is not required by ADB for the conduct of its operations. The settlement of such amounts is not determinable and, accordingly, it is not practicable to determine a fair value for these receivables.

As of 31 December 2009, four members had subscribed to the additional 343,032 shares (13,721 paid-in shares and 329,311 callable shares) to which they were entitled.

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

As of 31 December 2009, all matured installments amounting to \$3,892,663,000 (\$3,850,762,000 – 2008) were received. Installments not due aggregating \$217,636,000 (\$9,848,000 – 2008) are as follows:

For the Year ending 31 December:

2010	\$ 46,180,000
2011	42,864,000
2012	42,864,000
2013	42,864,000
2014	42,864,000
	<u>\$217,636,000</u>

Capital Transferred to Asian Development Fund

Pursuant to the provisions of Article 19, paragraph 1(i) of the Charter, the Board of Governors has authorized the setting aside of 10% of the unimpaired “paid-in” capital paid by members pursuant to Article 6, paragraph 2(a) of the Charter and of the convertible currency portion paid by members pursuant to Article 6, paragraph 2(b) of the Charter as of 28 April 1973 to be used as a part of the Special Funds of ADB. The resources so set aside amounting to \$74,366,000 as of 31 December 2009 (\$73,691,000 – 2008) expressed in terms of the SDR on the basis of \$1.56199 (\$1.54781 – 2008) per SDR (\$57,434,000 in terms of \$1.20635 per 1966 dollar—*Note B*), were allocated and transferred to the Asian Development Fund.

Maintenance of Value of Currency Holdings

Prior to 1 April 1978, the effective date of the Second Amendment to the IMF Articles, ADB implemented maintenance of value (MOV) in respect of holdings of member currencies in terms of 1966 dollars, in accordance with the provisions of Article 25 of the Charter and relevant resolutions of the Board of Directors. Since then, settlement of MOV has been put in abeyance.

In as much as the valuation of ADB’s capital stock and the basis of determining possible MOV obligations are still under consideration, notional amounts have been calculated provisionally in terms of the SDR as receivable from or payable to members in order to maintain the value of members’ currency holdings. The notional MOV amounts of receivables and payables are offset against one another and shown as net notional amounts required to maintain value of currency holdings in the “CAPITAL AND RESERVES” portion of the Balance

Sheet. The carrying book value for such receivables and payables approximates its fair value.

The net notional amounts as of 31 December 2009 consisted of (a) the increase of \$773,682,000 (\$740,985,000 – 2008) in amounts required to maintain the value of currency holdings to the extent of matured and paid-in capital subscriptions due to the increase in the value of the SDR in relation to the United States dollar during the period from 1 April 1978 to 31 December 2009 and (b) the net increase of \$250,462,000 (\$176,602,000 – 2008) in the value of such currency holdings in relation to the United States dollar during the same period. In terms of receivable from and payable to members, they are as follows:

	2009	2008
Notional MOV Receivables	\$889,143,000	\$957,549,000
Notional MOV Payables	<u>365,923,000</u>	<u>393,166,000</u>
Total	<u>\$523,220,000</u>	<u>\$564,383,000</u>

Membership

As of 31 December 2009 and 2008, ADB’s shareholders consist of 67 member countries, 48 countries from the region and 19 countries from outside the region (*OCR-7*).

NOTE L—RESERVES*Ordinary Reserve and Net Income*

Under the provisions of Article 40 of the Charter, the Board of Governors shall determine annually what part of the net income shall be allocated, after making provision for reserves, to surplus and what part, if any, shall be distributed to the members.

In May 2009, the Board of Governors approved the allocation of 2008 net income of \$1,129,473,000, including \$10,000,000 previously recorded as technical assistance for commitment related to Java Reconstruction Fund and after appropriation of guarantee fees to special reserve, as follows: a) \$426,965,000 representing unrealized gains from ASC 815 and ASC 825 adjustments and equity investments accounted for under the equity method, to Cumulative Revaluation Adjustments account; b) \$298,100,000 to Loan Loss Reserve; c) \$261,408,000 to Ordinary Reserve; d) \$120,000,000 to Asian Development Fund (ADF); and e) \$23,000,000 to Technical Assistance Special Fund.

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In 2008, the 2007 net income of \$760,174,000 were allocated to Cumulative Revaluation Adjustments account for \$87,623,000, to Loan Loss Reserve for \$12,962,000, to Surplus and Ordinary Reserve for \$278,294,000 each, and to ADF and Climate Change Fund for \$23,000,000 each.

The restatement of the capital stock for purposes of these financial statements on the basis of the SDR instead of the 1966 dollar (*Note B*) resulted in a net charge of \$4,088,000 to the Ordinary Reserve during the year ended 31 December 2009 (net credit of \$8,860,000 – 2008). That credit is the decrease in the value of the matured and paid-in capital subscriptions caused by the change during the year in the value of the SDR in relation to the United States dollar not allocated to members as notional maintenance of value adjustments in accordance with resolutions of the Board of Directors.

Cumulative Revaluation Adjustments Account

In May 2002, the Board of Governors approved the allocation of net income representing the cumulative net unrealized gains (losses) on derivatives, as required by ASC 815 to a separate category of Reserves – “Cumulative Revaluation Adjustments Account.” Beginning 2008, the unrealized portion of net income from equity investments accounted under equity method is also transferred to this account. During 2009, the net gain on the adoption of ASC 820 and ASC 825 of \$227,500,000, the 2008 net unrealized gains on derivatives of \$451,020,000 and net losses from equity investments accounted under equity method of \$24,055,000 resulted to the credit balance of the Cumulative Revaluation Adjustments account at 31 December 2009 to \$631,129,000 (debit balance of \$23,336,000 – 2008).

Special Reserve

The Special Reserve includes commissions on loans and guarantee fees received which are required to be set aside pursuant to Article 17 of the Charter to meet liabilities on guarantees. For the year ended 31 December 2009, guarantee fees amounting to \$9,180,000 (\$6,876,000 – 2008) were appropriated to Special Reserve.

Loan Loss Reserve

In 2004, the Board of Directors approved the creation of Loan Loss Reserve. The Loan Loss Reserve forms part of Capital and Reserves to be used as a basis for capital adequacy against the estimated expected loss in ADB's

sovereign loans and guarantees portfolio. In December 2006, the Board of Directors approved the adoption of this policy to nonsovereign credit exposures.

In 2009, the estimated loan loss reserve requirement was \$493,162,000 resulting to an increase of \$298,100,000. The estimated expected loss is determined using ADB's credit risk model net of loan loss provisions taken up in accordance with generally accepted accounting principles.

Surplus

Surplus represents funds for future use to be determined by the Board of Governors. In the first half of 2009, the Board of Governors approved the utilization of \$10,000,000 previously allocated to surplus to meet a technical assistance related to Java Reconstruction Fund.

Comprehensive Income

Comprehensive income has two major components: net income and other comprehensive income comprising gains and losses affecting equity that, under accounting principles generally accepted in the United States of America, are excluded from net income. Other comprehensive income includes such items as the effects of the implementation of ASC 815, unrealized gains and losses on available-for-sale securities and listed equity investments, currency translation adjustments, and pension and post-retirement liability adjustment.

NOTE M—INCOME AND EXPENSES

Total income from loans for the year ended 31 December 2009 was \$959,833,000 (\$1,358,506,000 – 2008). The average yield on the loan portfolio during the year was 2.67% (3.84% – 2008), excluding premium received on prepayment and other loan income. Premium on prepaid loans during 2009 amounted to \$74,000 (\$3,915,000 – 2008).

Total income from investments including net realized losses on sales, net unrealized losses on derivatives, and interest earned for securities transferred under repurchase agreements and resale arrangements for the year ended 31 December 2009 was \$499,955,000 (\$564,059,000 – 2008). The annualized rate of return on the average investments held during the year, based on the portfolio held at the beginning and end of each month, was 2.93% (3.20% – 2008) excluding unrealized gains and losses on investments and 2.98% (4.63% – 2008) including unrealized gains and losses on investments.

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

Including net realized losses, equity investment operations resulted to a net income of \$14,297,000 (\$147,000 net loss – 2008) for the year ended 31 December 2009. This included a total of \$5,521,000 share in the net gains of investee companies accounted under equity method, and dividend income, gains on disposals, and other income of \$18,691,000, \$831,000, and \$314,000, respectively, offset by \$11,060,000 impairment losses mostly associated with restructured accounts.

Income from other sources primarily included income received as executing agency amounting to \$11,503,000 (\$9,979,000 – 2008), interests earned on bank accounts and on staff accounts totaling \$536,000 (\$1,369,000 – 2008) and \$933,000 (\$1,682,000 – 2008), respectively, and reversals of expenses charged to prior years of \$4,142,000 (\$4,335,000 – 2008).

Total interest expense incurred for the year ended 31 December 2009 amounted to \$718,367,000 (\$1,181,410,000 – 2008). Other borrowings and related expenses consisted of amortization of borrowings' issuance costs and other expenses of \$23,298,000 (\$26,981,000 – 2008).

Administrative expenses (other than those pertaining directly to ordinary operations and special operations) for the year ended 31 December 2009 were apportioned between OCR and ADF in proportion of the relative volume of operational activities of each fund. Of the total administrative expenses of \$416,599,000 (\$363,724,000 – 2008), \$200,564,000 (\$187,138,000 – 2008) was accordingly charged to ADF. The balance of administrative expenses after allocation charged to OCR was reduced by the deferral of direct loan origination costs of \$22,397,000 (\$35,539,000 – 2008) related to new loans that became effective for the year ended 31 December 2009 (Notes B and E).

Following the approval by the Board of Directors in June 2003 of the resumption of direct net income allocation to TASF to finance technical assistance (TA) operations, no new TA commitments were charged to OCR current income as "TECHNICAL ASSISTANCE TO MEMBER COUNTRIES." The write back in the amount of \$27,000 (\$1,643,000 – 2008) for the year represented cancellations of the undisbursed amounts of completed TA projects committed in prior periods.

As of 31 December 2009, the net cumulative amount of TA commitments that had been charged to OCR net income amounted to \$76,177,000 (\$76,205,000 – 31

December 2008) out of which \$65,823,000 (\$65,716,000 – 2008) had been disbursed.

For the year ended 31 December 2009, provision for losses totaling \$130,184,000 (\$434,000 – 2008) was recognized for three nonsovereign loans and two nonsovereign guarantee obligations. These were offset by \$14,405,000 (\$6,301,000 write back/off – 2008) write back following collections of overdue loan service payments from two sovereign loans and one nonsovereign loan, and a reduction in the guaranteed amount of a nonsovereign guaranteed obligation.

Other expenses of \$5,101,000 (\$6,271,000 – 2008) included non-borrowings related financial expenses such as fees paid to external asset managers and bank charges.

Net unrealized losses incorporated \$2,340,000 net losses (\$429,000 – 2008) from the translation adjustments of financial instruments denominated in non-functional currencies (South African Rand and Mexican Peso) and net unrealized losses on derivatives of \$463,875,000 (\$451,020,000 unrealized gains – 2008), which were made up of:

	2009	2008
Unrealized gains (losses) on:		
Hybrid financial instruments and related swaps	\$(288,706,000)	\$387,136,000
Non-hybrid financial instruments and related swaps	(229,254,000)	249,942,000
Investments related swaps	9,866,000	(88,279,000)
Loan related swaps	43,366,000	(98,625,000)
FX forward	16,000	263,000
FX swaps	262,000	–
Amortization of the ASC 815 transition adjustment	575,000	583,000
Total	\$(463,875,000)	\$451,020,000

NOTE N—OTHER ASSETS AND LIABILITIES—MISCELLANEOUS

At 31 December 2009 and 2008, ADB had the following receivables from/payables to special funds and externally funded trust funds under ADB administration (Agency Trust Funds) resulting from administrative arrangements and operating activities:

CONTINUED

	2009	2008
Amounts receivable from:		
Asian Development Fund (Note M)	\$43,142,000	\$31,743,000
Technical Assistance Special Fund	231,000	—
Japan Special Fund	115,000	145,000
Asian Development Bank Institute Special Fund	198,000	847,000
Asian Tsunami Fund	590,000	669,000
Pakistan Earthquake Fund	45,000	4,000
Regional Cooperation and Integration Fund	40,000	15,000
Climate Change Fund	95,000	6,000
Agency Trust Funds—net	1,893,000	842,000
Total	\$46,350,000	\$34,271,000
Amounts payable to:		
Technical Assistance Special Fund	\$ —	\$ 12,000
Staff Retirement Plan	8,455,000	14,205,000
Total	\$ 8,455,000	\$14,217,000

Note: Figures may not add to total due to rounding.

NOTE O—STAFF RETIREMENT PLAN AND POSTRETIREMENT MEDICAL BENEFITS

Staff Retirement Plan

ADB has a contributory defined benefit Staff Retirement Plan (the Plan). Every employee, as defined under the Plan, shall, as a condition of service, become a participant from the first day of service, provided that at such a date, the employee has not reached the normal retirement age of 60. The Plan applies also to members of the Board of Directors who elect to join the Plan. Retirement benefits are based on length of service and highest average two years remuneration during eligible service. The Plan assets are segregated and are not included in the accompanying Balance Sheet. The costs of administering the Plan are absorbed by ADB, except for fees paid to the investment managers and related charges, including custodian fees, which are borne by the Plan.

Participants hired on or before 30 September 2006 are required to contribute 9 1/3% of their salary to the Plan while those hired after that date are not required to contribute to the plan. Participants may also make discretionary contributions. ADB's contribution

is determined at a rate sufficient to cover that part of the costs of the Plan not covered by the participants' contributions.

Expected Contributions

The expected amount of contributions to the Plan for 2010 amounts to \$63,874,000 (\$51,499,000 – 2008) representing ADB's contributions of \$35,373,000 (\$29,394,000 – 2008), based on budgeted contribution rate of 21% (19% – 2008), participants' mandatory contributions of \$11,402,000 (\$11,605,000 – 2008) and discretionary contributions of \$17,100,000 (\$10,500,000 – 2008).

Investment Strategy

Contributions in excess of current benefits payments are invested in international financial markets and in a variety of investment vehicles. The Plan employs nine external asset managers and one global custodian who function within the guidelines established by the Plan's Investment Committee. The investment of these assets, over the long term, is expected to produce higher returns than short-term investments. The investment policy incorporates the Plan's package of desired investment return and tolerance for risk, taking into account the nature and duration of the Plan's liabilities. The Plan's assets are diversified among different markets and different asset classes. The use of derivatives for speculation, leverage or taking risks is prohibited. Selected derivatives are used for hedging and transactional efficiency purposes.

The Plan's investment policy is periodically reviewed and revised to reflect the best interest of the Plan's participants and beneficiaries. The current policy, adopted in January 2003, specifies an asset-mix structure of 70% of assets in equities and 30% in fixed income securities. At present, investments of the Plan's assets are divided into three categories: US equity, Non-US equity, and US fixed income.

All investments excluding time deposits are valued using market prices. Time deposits are reported at cost which is a reasonable estimate of fair value. Fixed income securities include US government and government guaranteed obligations, corporate bonds and time deposits. Other assets include forward exchange contracts in various foreign currencies transacted to hedge currency exposure in the investment portfolio, which are reported at fair value.

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

For the year ended 31 December 2009 the net return on the Plan assets was 21.3% (-29.5% – 2008). ADB expects the long-term rate of return on the assets to be 8%.

Assumptions

The assumed overall rate of return takes into account long-term return expectations of the underlying asset classes within the investment portfolio mix, and the expected duration of the Plan's liabilities. Return

expectations are forward looking and, in general, not much weight is given to short-term experience. Unless there is a drastic change in investment policy or market environment, the assumed investment return of 8% on the Plan's assets is expected to remain broadly the same, year to year.

Postretirement Medical Benefits Plan

In 1993, ADB adopted a cost-sharing plan for retirees' medical insurance premiums. Under the plan, ADB is

	Pension Benefits		Postretirement Medical Benefits	
	2009	2008	2009	2008
Change in projected benefit obligation:				
Projected benefit obligation				
at beginning of year	\$ 1,396,799,000	\$ 1,476,832,000	\$ 153,131,000	\$ 193,008,000
Service cost	29,774,000	38,077,000	5,168,000	8,432,000
Interest cost	101,707,000	89,682,000	11,325,000	11,969,000
Plan participants' contributions	39,457,000	30,831,000	–	–
Actuarial (gain) loss	328,109,000	(163,591,000)	26,802,000	(57,563,000)
Benefits paid	(72,559,000)	(75,032,000)	(2,708,000)	(2,715,000)
Projected benefit obligation at end of year	<u>\$ 1,823,287,000</u>	<u>\$ 1,396,799,000</u>	<u>\$ 193,718,000</u>	<u>\$ 153,131,000</u>
Change in plan assets:				
Fair value of plan assets at beginning of year	\$ 914,630,000	\$ 1,301,555,000	\$ –	\$ –
Actual return on plan assets	192,263,000	(381,940,000)	–	–
Employer's contribution	39,748,000	39,216,000	2,708,000	2,715,000
Plan participants' contributions	39,457,000	30,831,000	–	–
Benefits paid	(72,559,000)	(75,032,000)	(2,708,000)	(2,715,000)
Fair value of plan assets at end of year	<u>\$ 1,113,539,000</u>	<u>\$ 914,630,000</u>	<u>\$ –</u>	<u>\$ –</u>
Funded status	\$ (709,748,000)	\$ (482,169,000)	\$ (193,718,000)	\$ (153,131,000)
Amounts recognized in the Balance sheet consist of:				
Current liabilities	–	–	(4,339,000)	(4,183,000)
Noncurrent liabilities	(709,748,000)	(482,169,000)	(189,379,000)	(148,948,000)
Net amount recognized	<u>\$ (709,748,000)</u>	<u>\$ (482,169,000)</u>	<u>\$ (193,718,000)</u>	<u>\$ (153,131,000)</u>
Amounts recognized in the Accumulated other comprehensive income consist of:				
Net actuarial loss (gain)	\$ 638,847,000	\$ 425,385,000	\$ 11,169,000	\$ (15,660,000)
Prior service cost (credit)	7,754,000	11,833,000	(11,356,000)	(20,002,000)
Total amount recognized	<u>\$ 646,601,000</u>	<u>\$ 437,218,000</u>	<u>\$ (187,000)</u>	<u>\$ (35,662,000)</u>
Weighted-average assumptions as of 31 December				
Discount rate	6.00%	7.25%	6.00%	7.25%
Expected return on plan assets	8.00%	8.00%	N/A	N/A
Rate of compensation increase varies with age and averages	6.50%	5.05%	6.50%	5.05%

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obligated to pay 75% of the Group Medical Insurance Plan premiums for retirees, including retired members of the Board of Directors, and their eligible dependents who elected to participate. The cost-sharing plan is currently unfunded.

Generally accepted accounting principles require an actuarially determined assessment of the periodic cost of postretirement medical benefits.

The table in page 74 sets forth the pension and postretirement medical benefits at 31 December 2009 and 2008.

For measurement purposes, an 8.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for the valuation as of 31 December 2009. The rate was assumed to decrease gradually to 5.0% for 2013 and remain at the level thereafter.

	Pension Benefits		Postretirement Medical Benefits	
	2009	2008	2009	2008
Components of net periodic benefit cost:				
Service cost	\$ 29,774,000	\$ 38,077,000	\$ 5,168,000	\$ 8,432,000
Interest cost	101,707,000	89,682,000	11,325,000	11,969,000
Expected return on plan assets	(86,556,000)	(98,293,000)	—	—
Amortization of prior service cost	4,079,000	4,079,000	(8,646,000)	(8,646,000)
Recognized actuarial loss	8,940,000	1,862,000	(27,000)	1,950,000
Net periodic benefit cost	<u>\$ 57,944,000</u>	<u>\$ 35,407,000</u>	<u>\$ 7,820,000</u>	<u>\$ 13,705,000</u>

The accumulated benefit obligation of the pension plan as of 31 December 2009 was \$1,644,821,000 (\$1,306,323,000 – 2008).

The estimated net loss and prior service cost for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are \$20,390,000 and \$4,079,000, respectively. The estimated net loss and prior service credit for the other postretirement benefits plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year is nil and \$(8,646,000), respectively.

A one-percentage-point change in assumed health care trend rates would have the following effects:

Estimated Future Benefits Payments

The following table shows the benefit payments expected to be paid in each of the next five years and subsequent five years. The expected benefit payments are based on the same assumptions used to measure the benefit obligation at 31 December 2009:

	Pension Benefits	Postretirement Medical Benefits
2010	\$188,122,000	\$ 4,339,000
2011	110,258,000	4,955,000
2012	117,062,000	5,546,000
2013	115,776,000	6,132,000
2014	117,934,000	6,725,000
2015–2019	679,549,000	43,470,000

	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on total service and interest cost components	\$ 3,772,000	\$ (2,899,000)
Effect on postretirement benefit obligation	38,572,000	(30,355,000)

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

Fair Value Hierarchy

ASC 820 establishes a fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), next priority to observable market inputs or market corroborated data (Level 2), and the lowest priority to unobservable inputs

without market corroborated data (Level 3). ASC 820 requires the fair value measurement to maximize the use of market observable inputs.

The fair value of the plan assets of ADB's pension plan as of 31 December 2009 were reported based on the following:

	Total	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 29,085,000	\$ 29,085,000	\$ —	\$ —
Corporate equity securities	690,118,000	690,118,000	—	—
Government and government-guaranteed securities	120,123,000	110,533,000	9,590,000	—
Corporate debt securities	108,935,000	—	108,935,000	—
Mortgage/Asset-backed securities	79,019,000	—	79,019,000	—
Temporary investments and time deposits	9,515,000	—	9,515,000	—
Forward exchange contracts—net	243,000	—	243,000	—
Interest rate swaps—net	2,467,000	—	2,467,000	—
Accrued interest and dividends	3,775,000	—	3,775,000	—
Other receivables	97,095,000	—	97,095,000	—
Other asset	656,000	—	656,000	—
Total assets at fair value	<u>\$ 1,141,031,000</u>	<u>\$ 829,736,000</u>	<u>\$ 311,295,000</u>	<u>\$ —</u>
Liabilities				
Other liabilities	<u>\$ 27,492,000</u>	<u>\$ —</u>	<u>\$ 27,492,000</u>	<u>\$ —</u>

NOTE P—FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of ADB's significant financial instruments as of 31 December 2009 and 2008 are summarized in the table next page.

The Fair Value Option

Effective 1 January 2008, ADB elected the Fair Value Option on all borrowings with associated derivative instruments. This election allows ADB to mitigate the earnings volatility in its statutory reporting that is caused by the different accounting treatment of the borrowing and its related derivative without having to apply the complex hedge accounting requirements of ASC 815.

Fair Value Measurement

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability at

measurement date (exit price) in an orderly transaction among willing participants with an assumption that the transaction takes place in the entity's principal market, the most advantageous market for the asset or liability. The most advantageous market is the market where the sale of the asset or transfer of liability would maximize the amount received for the asset or minimize the amount paid to transfer the liability. The fair value measurement is not adjusted for transaction cost.

ADB determines fair values using inputs based on quoted or observable market prices and cash flow models. Inputs for the models are based on observable market data such as yield curves, interest rates, volatilities, and foreign exchange rates. Parameters and models used for valuation are subject to internal review and periodic external validation.

Following guidelines are applied in determining the fair values of financial instruments:

Borrowings and associated derivative instruments.

Structured borrowings issued by ADB are valued by using the discounted cash flow models based on embedded

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	2009		2008	
	Carrying Amount ^a	Estimated Fair Value	Carrying Amount ^a	Estimated Fair Value
On-balance sheet financial instruments:				
ASSETS:				
Due from banks	\$ 129,843,000	\$ 129,843,000	\$ 142,238,000	\$ 142,238,000
Investments (Note D)	14,123,579,000	14,123,579,000	15,412,519,000	15,412,519,000
Securities transferred under repurchase agreement	551,386,000	551,386,000	309,358,000	309,358,000
Securities purchased under resale arrangement	335,240,000	335,240,000	511,756,000	511,756,000
Loans outstanding (Note E)	41,713,048,000	43,235,456,000	35,910,060,000	37,830,959,000
Equity investments (Note G)	884,440,000	884,440,000	641,427,000	641,427,000
Other assets				
Non-negotiable, non-interest-bearing demand obligations	142,181,000	142,181,000	144,514,000	93,724,000
Receivable from swaps - borrowings (Note H)	24,917,264,000	24,917,264,000	23,831,087,000	23,831,087,000
Receivable from swaps - others (Note H)	1,044,854,000	1,044,854,000	882,793,000	882,793,000
Swap related collateral	735,050,000	735,050,000	—	—
Future guarantee receivable	16,962,000	16,962,000	23,257,000	23,257,000
LIABILITIES:				
Borrowings (Note J)	42,498,198,000	43,121,355,000	36,026,446,000	37,848,839,000
Other liabilities				
Payable for swaps - borrowings (Note H)	23,503,343,000	23,503,343,000	24,867,815,000	24,867,815,000
Payable for swaps - others (Note H)	1,294,160,000	1,294,160,000	1,198,781,000	1,198,781,000
Payable for swap related collateral	735,050,000	735,050,000	—	—
Guarantee liability	38,710,000	38,710,000	23,257,000	23,257,000
	2009		2008	
	Outstanding Amount	Present Value	Outstanding Amount	Present Value
Off-balance sheet financial instruments:				
Guarantees (Note F)	\$ 1,139,356,000	\$ 809,857,000	\$ 1,189,851,000	\$ 769,204,000

a The carrying amount for borrowings and swaps are inclusive of accrued interest.

options such as caps, floors, calls, and credit spread. These models use pay-off profiles within the realm of accepted market practices such as Hull-White, Black and Scholes, Libor Market Model as applicable. Non-structured swapped borrowings, forward foreign exchange, interest rate, and cross currency swap contracts are fair valued with observable market inputs using discounted cash flow models. Market observable inputs, such as yield curves, foreign exchange rates, basis spreads, credit spreads, cross

currency rates, and volatilities are applied to the models to determine fair value of borrowings. Classified under Level 2 are swapped borrowings and the related derivatives for which ADB can obtain observable market inputs in the form of primary broker quotes for similar debt instruments. Included in Level 3 category are swapped borrowings fair-valued using significant unobservable inputs.

Investments, asset swaps, repurchase agreements and resale arrangements. Readily marketable investments are fair

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

valued using active market quotes in Level 1 category. Level 2 category includes investments and repurchase agreements fair valued with significant market observable inputs. Included in Level 3 category are insignificant portfolio of investments fair valued using significant unobservable inputs including prices provided by third parties such as the custodians and asset managers. Forward foreign exchange, interest rate, and cross currency swap contracts are fair valued with observable market inputs using discounted cash flow models. Market observable inputs, such as yield curves, foreign exchange rates, basis spreads, credit spreads, cross currency rates, and volatilities are applied to the models to determine fair value of investments.

Equity Investments. Readily marketable equity investments are fair valued using quoted prices in active markets.

Fair Value Hierarchy

ASC 820 establishes a fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), next priority to observable market inputs or market corroborated data (Level 2), and the lowest priority to unobservable inputs without market corroborated data (Level 3). ASC 820 requires the fair value measurement to maximize the use of market observable inputs.

Assets and liabilities measured at fair value on a recurring basis:

The fair value of the following financial assets and liabilities as of 31 December 2009 and 2008 were reported based on the following:

	31 December 2009	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Government or gov't. guaranteed obligations	\$ 10,308,595,000	\$ 9,661,283,000	\$ 647,312,000	\$ —
Time deposits and other obligations of banks	1,991,982,000	—	1,991,982,000	—
Corporate obligations	971,552,000	476,951,000	494,601,000	—
Asset-backed/mortgage-backed securities	851,450,000	—	851,450,000	—
Securities transferred under repurchase agreement	551,386,000	551,386,000	—	—
Securities purchased under resale arrangement	335,240,000	—	335,240,000	—
Borrowings related swaps	24,917,264,000	—	17,610,947,000	7,306,317,000
Investments related swaps	661,265,000	—	661,265,000	—
Loans related swaps	383,589,000	—	355,316,000	28,273,000
Equity investments	461,552,000	461,552,000	—	—
Total assets at fair value	\$ 41,433,875,000	\$11,151,172,000	\$ 22,948,113,000	\$ 7,334,590,000
Liabilities				
Borrowings				
Hybrid financial instruments	\$ 2,634,794,000	\$ —	\$ 2,478,202,000	\$ 156,592,000
Non-hybrid financial instruments	35,678,408,000	—	28,431,322,000	7,247,086,000
Borrowings related swaps	23,503,343,000	—	23,424,313,000	79,030,000
Investments related swaps	826,253,000	—	826,253,000	—
Loans related swaps	467,907,000	—	171,668,000	296,239,000
Total liabilities at fair value	\$ 63,110,705,000	\$ —	\$ 55,331,758,000	\$ 7,778,947,000

CONTINUED

	31 December 2008	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Government or gov't. guaranteed obligations	\$ 6,485,000,000	\$ 5,148,339,000	\$ 1,336,661,000	\$ –
Time deposits and other obligations of banks	1,481,370,000	–	1,481,370,000	–
Corporate obligations	6,688,083,000	1,261,777,000	5,424,841,000	1,465,000
Asset-backed/mortgage- backed securities	758,066,000	–	735,132,000	22,934,000
Securities transferred under repurchase agreement	309,358,000	309,358,000	–	–
Securities purchased under resale arrangement	511,756,000	–	511,756,000	–
Borrowings related swaps	23,831,087,000	–	23,831,087,000	–
Investments related swaps	544,796,000	–	544,796,000	–
Loans related swaps	337,997,000	–	337,997,000	–
Equity investments	238,497,000	238,497,000	–	–
Total assets at fair value	\$ 41,186,010,000	\$ 6,957,971,000	\$ 34,203,640,000	\$ 24,399,000
Liabilities				
Borrowings				
Hybrid financial instruments	\$ 2,656,228,000	\$ –	\$ 2,502,427,000	\$ 153,801,000
Non-hybrid financial instruments	28,356,748,000	–	22,026,454,000	6,330,294,000
Borrowings related swaps	24,867,815,000	–	24,867,815,000	–
Investments related swaps	745,289,000	–	745,289,000	–
Loans related swaps	453,492,000	–	453,492,000	–
Total liabilities at fair value	\$ 57,079,572,000	\$ –	\$ 50,595,477,000	\$ 6,484,095,000

Assets (liabilities) measured at fair value on a recurring basis using significant unobservable inputs (level 3):

	Investments		Borrowings	
	Corporate obligations	Asset-backed / mortgage-backed securities	Hybrid financial instruments	Non-hybrid financial instruments
Balance, 1 January 2009	\$ 1,465,000	\$ 22,934,000	\$ (153,801,000)	\$ (6,330,294,000)
Total gains (losses) - (realized/unrealized)				
Included in earnings	–	(7,144,000)	(119,000)	(751,657,000)
Included in other comprehensive income	–	7,413,000	(2,672,000)	(107,345,000)
Purchases, sales, and paydowns	–	(10,331,000)	–	–
Issuances, redemptions, and maturities	–	–	–	(57,790,000)
Transfers out of Level 3	(1,465,000)	(12,872,000)	–	–
Balance, 31 December 2009	\$ –	\$ –	\$ (156,592,000)	\$ (7,247,086,000)
The amount of total gains (losses) for the period included in earnings attributable to the change in net unrealized gains or losses relating to assets/liabilities still held at the reporting date	\$ –	\$ –	\$ (98,000)	\$ 78,601,000

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

	Swaps receivables		Swaps payable
	Hybrid financial instruments	Non-hybrid financial instruments	Non-hybrid financial instruments
Balance, 1 January 2009	\$ 154,063,000	\$ 6,084,739,000	\$ (59,168,000)
Total gains (losses) - (realized/unrealized)			
Included in earnings	655,000	1,054,092,000	(19,063,000)
Included in other comprehensive income	2,682,000	98,419,000	(799,000)
Issuances, redemptions, and maturities	—	(88,333,000)	—
Balance, 31 December 2009	\$ 157,400,000	\$ 7,148,917,000	\$ (79,030,000)
The amount of total gains (losses) for the period included in earnings attributable to the change in net unrealized gains or losses relating to assets/liabilities still held at the reporting date	\$ (214,000)	\$ 210,940,000	\$ (20,348,000)

	Loans related swaps	
	Swaps receivable	Swaps payable
Balance, 1 January 2009	\$ 29,828,000	\$ (227,495,000)
Total gains (losses) - (realized/unrealized)		
Included in earnings	(2,987,000)	51,345,000
Included in other comprehensive income	1,432,000	(7,439,000)
Issuances, redemptions, and maturities	—	(112,650,000)
Balance, 31 December 2009	\$ 28,273,000	\$ (296,239,000)
The amount of total gains (losses) for the period included in earnings attributable to the change in net unrealized gains or losses relating to assets/liabilities still held at the reporting date	\$ (2,109,000)	\$ 51,717,000

NOTE Q—CREDIT RISK

ADB is exposed to risk if the borrowers fall in arrears on payments. ADB manages country risk for lending operations through continuous monitoring of creditworthiness of the borrowers and rigorous capital adequacy framework. Guarantees involve elements of credit risk which are also not reflected on the balance sheet. Credit risk represents the potential loss due to possible nonperformance by obligors and counterparties under the terms of the contract.

As of 31 December 2009, ADB has a significant concentration of credit risk to Asian and the Pacific region associated with loan and guarantee products with credit exposure determined based on fair value of loans and outstanding guarantees amounting to \$44,834,297,000 (\$39,446,560,000 – 2008).

ADB undertakes derivative transactions with its eligible counterparties and transacts in various financial instruments as part of liquidity and asset/liability

management purposes that may involve credit risks. For all investment securities and their derivatives, ADB manages credit risks by following the guidelines set forth in the Investment Authority (*Note D*).

ADB has a potential risk of loss if the swap counterparty fails to perform its obligations. In order to reduce such credit risk, ADB only enters into long-term swap transactions with counterparties eligible under ADB's swap guidelines which include a requirement that the counterparties have a credit rating of A-/A3 or higher and requires certain counterparties to provide collateral in form of cash or other approved liquid securities based on mark-to-market exposure. ADB has also entered into master swap agreements which contain legally enforceable close-out netting provisions for all counterparties with outstanding swap transactions. These agreements may further reduce the gross credit risk exposure related to the swaps. Credit risk with financial assets subject to a master derivatives arrangement is further reduced under these agreements

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to the extent that payments and receipts with the counterparty are netted at settlement. The reduction in exposure as a result of these netting provisions can vary as additional transactions are entered into under these agreements. The extent of the reduction in exposure may therefore change substantially within a short period of time following the balance sheet date.

As of 31 December 2009, ADB had received collateral of \$911,185,000 (\$418,995,000 – 2008) in connection with the swap agreements. Of this amount, \$735,050,000 (nil – 2008) were recorded as swap related collateral (restricted cash).

NOTE R—SPECIAL AND TRUST FUNDS

ADB's operations include special operations, which are financed from special fund resources, consisting of the Asian Development Fund, the Technical Assistance Special Fund, the Japan Special Fund, the Asian Development Bank Institute Special Fund, the Asian Tsunami Fund, the Pakistan Earthquake Fund, the Regional Cooperation and Integration Fund, the Climate Change Fund, and the Asia Pacific Disaster Response Fund.

The OCR and special fund resources are at all times used, committed, and invested entirely separate from each other. The Board of Governors may approve allocation of the net income of OCR to special funds, based on the funding and operational requirements for the funds. The administrative and operational expenses pertaining to the OCR and special funds are charged to the respective special funds. The administrative expenses of ADB are allocated amongst OCR and special funds and are settled on a regular basis between the OCR and the special funds.

In addition, ADB, alone or jointly with donors, administers on behalf of the donors, including members of ADB, their agencies and other development institutions, projects/programs supplementing ADB's operations. Such projects/programs are funded with external funds administered by ADB and with external funds not under ADB's administration. ADB charges administrative fees for external funds administered by ADB. The funds are restricted for specific uses including technical assistance to borrowers and technical assistance for regional programs. The responsibilities of ADB under these arrangements range from project processing to

	2009		2008	
	Total Net Assets	No. of Funds	Total Net Assets	No. of Funds
Special Funds				
Asian Development Fund	\$34,159,017,000	1	\$33,479,348,000	1
Technical Assistance Special Fund	322,708,000	1	102,707,000	1
Japan Special Fund	104,404,000	1	142,116,000	1
Asian Development Bank Institute Special Fund	7,262,000	1	15,723,000	1
Asian Tsunami Fund	4,531,000	1	46,387,000	1
Pakistan Earthquake Fund	3,314,000	1	2,203,000	1
Regional Cooperation and Integration Fund	12,537,000	1	24,588,000	1
Climate Change Fund	26,702,000	1	37,427,000	1
Asia Pacific Disaster Response Fund	33,052,000	1	–	–
Subtotal	34,673,527,000	9	33,850,499,000	8
Trust Funds				
Funds administered by ADB	952,189,000	78	953,075,000	66
Funds not administered by ADB	15,000	2	7,660,000	2
Subtotal	952,204,000	80	960,735,000	68
Total	\$35,625,731,000	89	\$34,811,234,000	76

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

project implementation including the facilitation of procurement of goods and services. These funds are held in trust with ADB, and are held in a separate investment portfolio, which is not commingled with ADB's funds, nor are they included in the assets of ADB.

Special funds and funds administered by ADB on behalf of the donors are not included in the assets of OCR. The breakdown of the total of such funds together with the funds of the special operations as of 31 December 2009 and 2008 is in page 81.

During the year ended 31 December 2009, a total of \$11,278,000 (\$9,573,000 – 2008) was recorded as compensation for administering projects/programs under Trust Funds. The amount has been included in “Revenue from other sources—net.”

NOTE S—VARIABLE INTEREST ENTITIES

As of 31 December 2009, ADB did not identify any VIE in which ADB is the primary beneficiary, requiring consolidation in OCR financial statements. ADB may hold significant variable interests in VIE, which requires disclosures.

The review of ADB's loan, equity investments, and guarantee portfolio, has identified two (two – 2008) investments in VIEs in which ADB is not the primary beneficiary, but in which it is reasonably possible that ADB could be deemed to hold significant variable interest. ADB's total committed investment in these entities, comprising disbursed and undisbursed balances, corresponded to the maximum exposure to loss totaling \$131,900,000 as of 31 December 2009 (\$143,700,000 – 2008). Based on the most recent available information from these VIEs, the assets of these VIEs totaled \$407,240,000 (\$422,912,000 – 2008).

NOTE T—SUBSEQUENT EVENTS

ADB has evaluated subsequent events after 31 December 2009 through 5 March 2010, the date these Financial Statements are available for issuance. In February 2010, ADB issued \$2.5 billion 5-year global benchmark bond with maturity date of 9 February 2015.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Asian Development Bank ("ADB") is responsible for establishing and maintaining adequate internal control over financial reporting. ADB's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of special purpose financial statements in accordance with generally accepted accounting principles in the United States of America except for loan loss provisioning.

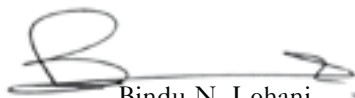
ADB's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America except for loan loss provisioning, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of ADB's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

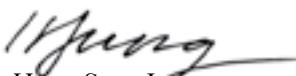
ADB's management assessed the effectiveness of ADB's internal control over financial reporting as of 31 December 2009. In making this assessment, ADB's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework*. Based on that assessment, management believes that as of 31 December 2009, ADB's internal control over financial reporting is effective based upon the criteria established in *Internal Control – Integrated Framework*.



Haruhiko Kuroda
President



Bindu N. Lohani
Vice President (Finance and Administration)



Hong-Sang Jung
Controller

5 March 2010



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited management's assertion, included in the accompanying Management's Report on Internal Control over Financial Reporting, that Asian Development Bank ("ADB") maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. ADB's management is responsible for maintaining effective internal control over financial reporting and for its assertion of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on management's assertion based on our audit.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

ADB's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of special purpose financial statements in accordance with accounting principles generally accepted in the United States of America except for loan loss provisioning. ADB's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America except for loan loss provisioning, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (3) provide reasonable assurance regarding prevention or timely detection and correction of unauthorized acquisition, use, or disposition of ADB's assets that could have a material effect on the financial statements.

Deloitte & Touche LLP (Unique Entity No. T08LL0721A) is an accounting limited liability partnership registered in Singapore under the limited Liability Partnerships Act (Chapter 163A).

Member of Deloitte Touche Tohmatsu



Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected and corrected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, is fairly stated, in all material respects, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the special purpose financial statements as of and for the year ended December 31, 2009 of ADB – Asian Development Fund and our report dated March 5, 2010 expressed an unqualified opinion on those special purpose financial statements.

A handwritten signature in black ink that reads "Deloitte & Touche LLP".

Public Accountants and
Certified Public Accountants

Singapore
March 5, 2010



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited the accompanying special purpose statement of assets, liabilities, and fund balances of Asian Development Bank ("ADB") – Asian Development Fund as of December 31, 2009, and the related special purpose statements of revenue and expenses, cash flows and changes in fund balances for the year then ended. These financial statements are the responsibility of ADB's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of ADB – Asian Development Fund for the year ended December 31, 2008 were audited by other auditors whose report, dated March 5, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special purpose financial statements were prepared in conformity with accounting principles generally accepted in the United States of America, with the exception of loan loss provisioning as discussed in Note B to the special purpose financial statements, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, such special purpose financial statements present fairly, in all material respects, the assets, liabilities, and fund balances of ADB – Asian Development Fund as of December 31, 2009, and its revenue and expenses and cash flows for the year then ended, on the basis of accounting discussed in Note B to the special purpose financial statements.

Our audit was conducted for the purpose of forming an opinion on the 2009 special purpose financial statements taken as a whole. The special purpose summary statement of loans and special purpose statement of resources as of December 31, 2009, are presented for the purpose of additional analysis and are not a required part of the special purpose financial statements. These schedules are the responsibility of ADB's management. Such 2009 schedules have been subjected to the auditing procedures applied in our audit of the special purpose financial statements and, in our opinion are fairly stated in all material respects when considered in relation to the special purpose financial statements taken as a whole.



The 2008 schedules were subjected to auditing procedures by other auditors whose report, dated March 5, 2009, referred to above, stated that such information is fairly stated in all material respects when considered in relation to the 2008 special purpose financial statements taken as a whole.

We have also audited, in accordance with attestation standards established by the American Institute of Certified Public Accountants, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2010 expressed an unqualified opinion on management's assertion that ADB maintained effective internal control over financial reporting.

A handwritten signature in black ink that reads "Deloitte & Touche LLP".

Public Accountants and
Certified Public Accountants

Singapore
March 5, 2010

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT FUND

SPECIAL PURPOSE STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES**31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009		2008	
ASSETS				
DUE FROM BANKS (Note B)	\$	3,022	\$	7,974
INVESTMENTS (Notes B, C, and M)				
Government and government-guaranteed obligations	\$	3,728,364	\$	2,912,159
Time deposits		1,749,561		687,147
Corporate bonds		—		2,401,231
		5,477,925		6,000,537
SECURITIES PURCHASED UNDER RESALE ARRANGEMENT (Notes B, C, and M)		185,395		322,361
LOANS OUTSTANDING (ADF-5) (Notes B, D, M, and N)				
Sovereign		27,959,348		26,427,289
Less—provision for HIPC Debt Relief		80,033		87,471
		27,879,315		26,339,818
ACCRUED REVENUE				
On investments		55,326		56,659
On loans		68,117		56,045
		123,443		112,704
DUE FROM CONTRIBUTORS (Notes B, F, and M)		2,294,560		1,928,941
RECEIVABLE FROM FORWARD CONTRACTS (Note E)		—		307,811
OTHER ASSETS		58,146		41,270
TOTAL		\$36,021,806		\$35,061,416
LIABILITIES AND FUND BALANCES				
PAYABLE TO RELATED FUNDS (Notes G and I)	\$	48,470	\$	31,743
ADVANCE PAYMENTS ON CONTRIBUTIONS (ADF-6) (Note B)		137,185		124,473
UNDISBURSED COMMITMENTS (Notes B, L, and M)		1,676,642		1,052,333
PAYABLE FOR FORWARD CONTRACTS (Note E)		—		373,041
OTHER LIABILITIES (Note H)		492		478
TOTAL LIABILITIES		1,862,789		1,582,068
FUND BALANCES				
Amounts available for operational commitments (ADF-6)				
Contributed Resources (Notes B and H)		\$32,740,247		\$31,089,051
Unamortized Discount (ADF-6) (Note B)		(85,798)		(44,645)
		32,654,449		31,044,406
Set-Aside Resources (Note J)		74,366		73,691
Transfers from Ordinary Capital Resources and Technical Assistance Special Fund		863,892		743,823
		33,592,707		31,861,920
Accumulated surplus (ADF-4)		3,295,846		3,719,782
Accumulated other comprehensive income (ADF-4) (Notes B and K)		(2,729,536)		(2,102,354)
		34,159,017		33,479,348
TOTAL		\$36,021,806		\$35,061,416

The accompanying notes are an integral part of these special purpose financial statements (ADF-7).

ADF-2

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT FUND

SPECIAL PURPOSE STATEMENT OF REVENUE AND EXPENSES**For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009		2008	
REVENUE				
From loans (Notes B and D)	\$271,732		\$ 250,568	
From investments (Notes B and C)	136,762		258,880	
From other sources	79	\$ 408,573	1,066	\$ 510,514
EXPENSES				
Grants (Notes B and L)	952,499		539,800	
Administrative expenses (Note I)	200,564		187,138	
Amortization of discounts on contributions (Notes B and H)	8,206		6,547	
Provision for HIPC Debt Relief (Notes D and N)	(6,579)		89,788	
Other expenses	15	1,154,705	17	823,290
NET REALIZED GAINS				
From loans (Note B)	169,308		2,088,211	
From investments	—	169,308	362	2,088,573
NET UNREALIZED GAINS (LOSSES) (Note B)		152,888		(299,423)
REVENUE (LESS THAN) IN EXCESS OF EXPENSES		\$ (423,936)		\$1,476,374

The accompanying notes are an integral part of these special purpose financial statements (ADF-7).

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT FUND

SPECIAL PURPOSE STATEMENT OF CASH FLOWS**For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest charges on loans received	\$ 234,146	\$ 228,544
Interest on investments received	144,234	201,334
Interest received for securities purchased under resale arrangement	296	939
Cash received from other sources	79	1,066
Administrative expenses paid	(189,001)	(184,109)
Grants disbursed	(345,965)	(177,466)
Financial expenses paid	(15)	(16)
Net Cash (Used in) Provided by Operating Activities	<u>(156,226)</u>	<u>70,292</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments	—	362
Maturities of investments	100,797,278	132,364,873
Purchases of investments	(100,164,589)	(131,564,370)
Net receipts from (payments for) securities purchased under resale arrangement	130,174	(247,866)
Net payments for forward contracts	(57,996)	(12,644)
Principal collected on loans	845,273	676,889
Loans disbursed	(2,174,256)	(2,015,224)
Net Cash Used in Investing Activities	<u>(624,116)</u>	<u>(797,980)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions received and encashed ¹	650,092	698,028
Cash received from Ordinary Capital Resources	<u>120,000</u>	<u>40,000</u>
Net Cash Provided by Financing Activities	<u>770,092</u>	<u>738,028</u>
Effect of Exchange Rate Changes on Due from Banks	<u>5,298</u>	<u>(5,311)</u>
Net (Decrease) Increase in Due from Banks	(4,952)	5,029
Due from Banks at Beginning of Year	<u>7,974</u>	<u>2,945</u>
Due from Banks at End of Year	<u>\$ 3,022</u>	<u>\$ 7,974</u>
RECONCILIATION OF REVENUE (LESS THAN) IN EXCESS OF EXPENSES TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:		
Revenue (less than) in excess of expenses (ADF-2)	\$ (423,936)	\$ 1,476,374
Adjustments to reconcile revenue (less than) in excess of expenses to net cash (used in) provided by operating activities:		
Amortization of discounts/premiums on investments	4,483	(26,222)
Amortization of discounts/premiums on forward contracts	(740)	(3,089)
Amortization of discount under ANE	8,206	6,547
Grants approved and effective	952,499	539,800
Capitalized charges on loans	(26,511)	(27,421)
Net loss on sales of investments	0	(362)
Provision for possible losses charged	(6,579)	89,788
Change in disbursed grants	(328,306)	(170,098)
Change in advances under TA grants	(18,639)	(7,333)
Change in accrued revenue on investments and loans	(7,050)	(21,898)
Change in accrued expenses	12,543	2,993
Change in other assets	0	(0)
Translation adjustments	<u>(322,196)</u>	<u>(1,788,787)</u>
Net Cash (Used in) Provided by Operating Activities	<u>\$ (156,226)</u>	<u>\$ 70,292</u>

0 – Less than \$500.

¹ Supplementary disclosure on noncash financing activities:

Nonnegotiable, noninterest-bearing demand promissory notes amounting to \$914,962 (\$823,323 - 2008) were received from contributing members. The accompanying notes are an integral part of these special purpose financial statements (ADF-7).

ADF-4

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT FUND

SPECIAL PURPOSE STATEMENT OF CHANGES IN FUND BALANCES

For the Years Ended 31 December 2009 and 2008

Expressed in Thousands of United States Dollars (Note B)

	Contributed Resources	Set-Aside Resources	Transfers from OCR & TASF	Accumulated Surplus	Accumulated Other Comprehensive Income	Total
Balance – 1 January 2008	\$28,678,385	\$75,151	\$703,986	\$2,243,408	\$ 248,674	\$31,949,604
Comprehensive income for the year 2008 (Note K)				1,476,374	(2,351,028)	(874,654)
Change in amounts available for operational commitments						
Contributed Resources	2,363,955					2,363,955
Unamortized Discount	2,066					2,066
Transfer from ordinary capital resources			40,000			40,000
Change in SDR value of set-aside resources		(1,460)				(1,460)
Change in value of transfers from Technical Assistance Special Fund			(163)			(163)
Balance – 31 December 2008	\$31,044,406	\$73,691	\$743,823	\$3,719,782	\$(2,102,354)	\$33,479,348
Comprehensive income for the year 2009 (Note K)				(423,936)	(627,182)	(1,051,118)
Change in amounts available for operational commitments						
Contributed Resources	1,651,196					1,651,196
Unamortized Discount	(41,153)					(41,153)
Transfer from ordinary capital resources			120,000			120,000
Change in SDR value of set-aside resources		675				675
Change in value of transfers from Technical Assistance Special Fund			69			69
Balance – 31 December 2009	\$32,654,449	\$74,366	\$863,892	\$3,295,846	\$(2,729,536)	\$34,159,017

Accumulated Other Comprehensive Income (Note K)

For the Years Ended 31 December 2009 and 2008

Expressed in Thousands of United States Dollars (Note B)

	Accumulated Translation Adjustments		Unrealized Investment Holding Gains (Losses)		Accumulated Other Comprehensive Income	
	2009	2008	2009	2008	2009	2008
Balance, 1 January	\$(2,210,003)	\$ 241,638	\$ 107,649	\$ 7,036	\$(2,102,354)	\$ 248,674
Other comprehensive income for the year	(637,591)	(2,451,641)	10,409	100,613	(627,182)	(2,351,028)
Balance, 31 December	<u>\$(2,847,594)</u>	<u>\$(2,210,003)</u>	<u>\$ 118,058</u>	<u>\$ 107,649</u>	<u>\$(2,729,536)</u>	<u>\$(2,102,354)</u>

The accompanying notes are an integral part of these special purpose financial statements (ADF-7).

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT FUND

SPECIAL PURPOSE SUMMARY STATEMENT OF LOANS**31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

Borrowers/Guarantors ¹	Loans Outstanding	Undisbursed Balances of Effective Loans ²	Loans Not Yet Effective ²	Total Loans	Percent of Total Loans
Afghanistan	\$ 540,924	\$ 252,359	\$ –	\$ 793,283	2.31
Armenia	126,083	39,725	60,048	225,856	0.66
Azerbaijan	42,024	16,639	–	58,663	0.17
Bangladesh	5,944,165	1,045,637	283,870	7,273,672	21.21
Bhutan	135,704	64,004	–	199,708	0.58
Cambodia	867,910	153,300	54,398	1,075,608	3.14
Cook Islands	26,004	7,453	–	33,457	0.10
Georgia	184,827	155,944	–	340,771	0.99
Indonesia	1,230,305	405,709	–	1,636,014	4.77
Kazakhstan	7,142	–	–	7,142	0.02
Kiribati	14,295	–	–	14,295	0.04
Kyrgyz Republic	587,443	43,480	16,504	647,427	1.89
Lao People's Democratic Republic	1,145,889	38,596	–	1,184,485	3.45
Maldives	71,540	25,969	35,693	133,202	0.39
Marshall Islands	65,032	–	–	65,032	0.19
Federated States of Micronesia	49,006	14,310	–	63,316	0.19
Mongolia	623,825	76,968	–	700,793	2.04
Myanmar	560,183	–	–	560,183	1.63
Nepal	1,594,779	272,685	146,435	2,013,899	5.87
Pakistan	6,619,002	496,823	77,679	7,193,504	20.98
Papua New Guinea	295,161	167,553	93,432	556,146	1.62
Philippines	880,810	–	–	880,810	2.57
Samoa	88,123	37,520	–	125,643	0.37
Solomon Islands	55,101	–	–	55,101	0.16
Sri Lanka	2,699,855	388,647	46,239	3,134,741	9.14
Tajikistan	302,480	79,168	–	381,648	1.11
Tonga	43,550	–	–	43,550	0.13
Tuvalu	7,202	566	–	7,768	0.02
Uzbekistan	45,350	141,120	59,884	246,354	0.72
Vanuatu	52,945	–	–	52,945	0.15
Viet Nam	3,051,234	1,432,886	102,618	4,586,738	13.38
Regional	1,455	154	–	1,609	0.01
TOTAL – 31 December 2009	27,959,348	5,357,215	976,800	34,293,363	100.00
Provision for HIPC Debt Relief	(80,033)	–	–	(80,033)	
NET BALANCE –					
31 December 2009	\$ 27,879,315	\$ 5,357,215	\$ 976,800	\$ 34,213,330	
NET BALANCE –					
31 December 2008	\$ 26,339,818	\$ 5,581,777	\$ 1,001,145	\$ 32,922,740	

¹ Loans other than those made directly to a member or to its central bank are guaranteed by the member.

² Loans negotiated before 1 January 1983 were denominated in current United States dollars. Loans negotiated after that date are denominated in Special Drawing Rights (SDR) for the purpose of commitment. The undisbursed portions of such SDR loans are translated into United States dollars at the applicable exchange rates as of the end of a reporting period. Of the undisbursed balances, ADB has entered into irrevocable commitments to disburse various amounts totaling \$48,370 (\$27,601 - 2008).

MATURITY OF EFFECTIVE LOANS

Twelve Months Ending 31 December	Amount	Five Years Ending 31 December	Amount
2010	\$1,258,795	2019	\$ 7,584,997
2011	1,055,297	2024	7,624,404
2012	1,131,182	2029	5,914,029
2013	1,207,618	2034	4,040,385
2014	1,272,783	2039	1,694,874
		2044	434,449
		2049	97,750
		Total	<u>\$33,316,563</u>

SUMMARY OF CURRENCIES RECEIVABLE ON LOANS OUTSTANDING

Currency	2009	2008	Currency	2009	2008
Australian dollar	\$ 72,967	\$ 59,046	Norwegian krone	127,308	112,091
Canadian dollar	293,339	278,119	Pound sterling	220,861	189,337
Danish krone	34,544	36,809	Singapore dollar	86	86
Euro	2,268,320	2,235,000	Swedish krona	96,915	98,374
Japanese yen	5,434,363	6,262,394	Swiss franc	116,827	128,826
Korean won	25,005	24,536	Thai baht	880	863
Malaysian ringgit	868	875	United States dollar	2,080,871	2,101,757
New Zealand dollar	1,559	1,279	Special Drawing Rights ³	17,184,635	14,897,897
			Total	<u>\$27,959,348</u>	<u>\$26,427,289</u>

3 Basket of currencies defined by the International Monetary Fund consisting of the Euro, Japanese yen, Pound sterling and US dollar.

The accompanying notes are an integral part of these special purpose financial statements (ADF-7).

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT FUND

SPECIAL PURPOSE STATEMENT OF RESOURCES

31 December 2009

Expressed in Thousands of United States Dollars (Note B)

	Effective Amounts Committed During 2009	Effective Amounts Committed At Exchange Rates Per Resolutions	Effective Amounts Committed At 31 December 2009 Exchange Rates	Amounts Not Yet Available For Operational Commitments	Amounts Available For Operational Commitments	Amounts Received	Amounts Receivable
CONTRIBUTED RESOURCES							
Australia	\$ 273,662	\$ 1,803,702	\$ 1,977,539	\$ 205,246	\$ 1,772,293	\$ 1,772,293	\$ –
Austria	37,657	235,570	314,109	30,090	284,019	284,019	–
Belgium	29,689	212,239	269,165	24,569	244,595	244,595	–
Brunei Darussalam	5,233	14,637	14,733	4,057	10,677	10,677	–
Canada	168,655	1,760,752	2,058,080	145,023	1,913,057	1,913,057	–
People's Republic of China	32,184	60,188	60,188	24,138	36,050	36,050	–
Denmark	17,595	229,819	291,502	20,916	270,587	270,587	–
Finland	29,912	163,235	181,452	31,566	149,886	149,886	–
France	147,353	1,243,671	1,534,067	113,293	1,420,774	1,420,774	–
Germany	198,847	1,682,447	2,275,245	242,211	2,033,035	2,033,035	–
Hong Kong, China	24,138	78,597	78,597	18,104	60,494	60,494	–
Indonesia	–	14,960	14,960	–	14,960	14,960	–
Ireland	40,545	69,686	73,669	31,324	42,345	42,345	–
Italy	–	916,215	934,054	–	934,054	934,054	–
Japan	1,750,913	10,084,526	17,152,756	1,313,185	15,839,571	15,839,571	–
Republic of Korea	120,231	414,967	369,892	93,830	276,062	276,062	–
Luxembourg	4,123	42,563	52,903	3,093	49,811	49,811	–
Malaysia	5,336	20,209	17,972	4,002	13,970	13,970	–
Nauru	–	1,933	1,933	–	1,933	1,433	500
Netherlands	96,387	686,458	910,801	72,290	838,510	838,510	–
New Zealand	1,350	114,385	127,328	1,879	125,449	125,449	–
Norway	38,000	241,483	264,952	32,910	232,042	232,042	–
Portugal	25,053	91,723	120,647	18,790	101,858	101,858	–
Singapore	–	7,734	9,340	–	9,340	9,340	–
Spain	115,456	413,956	507,275	92,959	414,315	414,315	–
Sweden	51,394	397,012	359,851	43,342	316,509	316,509	–
Switzerland	47,013	332,714	501,693	35,260	466,433	466,433	–
Taipei, China	20,834	84,405	81,825	16,135	65,690	65,690	–
Thailand	3,309	12,795	12,716	2,482	10,234	10,234	–
Turkey	4,692	116,431	115,212	5,690	109,523	109,523	–
United Kingdom	162,402	1,254,401	1,130,967	121,802	1,009,166	1,009,166	–
United States	–	3,767,249	3,767,249	180,042	3,587,208	3,587,208	–
Total	3,451,963 ¹	26,570,663	35,582,675 ²	2,928,226 ³	32,654,449 ⁴	32,653,949 ⁵	500
SET-ASIDE RESOURCES	–	–	74,366	–	74,366	74,366	–
TRANSFERS FROM ORDINARY CAPITAL RESOURCES	120,000	–	860,000	–	860,000	860,000	–
TRANSFERS FROM TECHNICAL ASSISTANCE SPECIAL FUND ⁶	–	–	3,892	–	3,892	3,892	–
TOTAL	\$3,571,963	\$26,570,663	\$36,520,933	\$2,928,226	\$33,592,707	\$33,592,207	\$500

Note: Figures may not add up due to rounding.

1 Represents amounts committed during the year including the discounted amount of \$44,824 on donor's contributions due to accelerated note encashment (ANE) for ADF IX and X based on donor's encashment profile.

2 Represents amounts committed per Instrument of Contribution including the discounted amount of \$107,852 on donor's contributions due to ANE for ADF IX and X.

3 Includes the balance of unamortized discount of \$85,798 on donor's contributions due to ANE for ADF IX and X.

4 Includes the amortized discount of \$22,054 on donor's contributions due to ANE for ADF IX and X and forgone interests.

5 Excludes advance payments received from donors totaling \$137,185, which have not been made available for operational commitments as of 31 December 2009.

6 Includes translation adjustments of \$421 as of 31 December 2009.

The accompanying notes are an integral part of these special purpose financial statements (ADF-7).

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT FUND

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

31 December 2009 and 2008

NOTE A—NATURE OF OPERATIONS

The Asian Development Bank (ADB), a multilateral development financial institution, was established in 1966 with its headquarters in Manila, Philippines. ADB and its operations are governed by the Agreement Establishing the Asian Development Bank (the Charter). Its purpose is to foster economic development and co-operation in the Asian and Pacific region and to contribute to the acceleration of the process of economic development of the developing member countries (DMCs) in the region, collectively and individually. With the adoption of its poverty reduction strategy at the end of 1999, ADB made reducing poverty in the region its main goal. ADB provides financial and technical assistance for projects and programs, which will contribute to achieving this purpose. These are financed through ordinary capital resources (OCR) and Special Funds.¹

The ADF was established on 28 June 1974 to more effectively carry out the special operations of the ADB by providing resources on concessional terms which are made available almost exclusively to the least developed borrowing countries.

The resources of ADF have been subsequently augmented by nine replenishments, the most recent (ADF X and the fourth regularized replenishment of the TASF) of which was approved by the Board of Governors in August 2008 and became effective on 16 June 2009. The new replenishment provides substantial resources to the ADF to finance ADB's concessional program for the four-year period from January 2009, and for a replenishment of the TASF in conjunction with the ADF replenishment, to finance technical assistance operations under the new fund. Total replenishment size is SDR7,419,094,000, of which SDR2,657,960,000 will come from new donor contributions. The donors agreed to allocate 3% of the total replenishment size (equivalent to 8% of total donor contributions) to TASF. As of 31 December 2009, ADB has received instruments of contributions from 26 donors with a total amount equivalent to SDR2,256,520,000, including qualified contributions amounting to SDR211,891,000.

ADB is immune from taxation pursuant to Chapter VIII, Article 56, *Exemption from Taxation*, of the Charter.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In May 2001, the Board of Directors approved the adoption of the special purpose financial statements for ADF. Due to the nature and organization of ADF, these financial statements have been prepared for the specific purpose of reflecting the sources and applications of member contributions and are presented in US dollar equivalents at the reporting dates. With the adoption of the special purpose financial statements, loan loss provisioning, other than those for the debt relief loan write-off resulting from the implementation of the Heavily Indebted Poor Countries (HIPC) initiatives discussed in Note N, has been eliminated. With the exceptions of the aforementioned, the ADF financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

In November 2005, to improve ADF currency management practices, the Board of Governors accepted a resolution to adopt a full-fledged special drawing rights (SDR) approach to facilitate resource administration and operational planning for the benefit of borrowers. The currency management framework was implemented on 1 January 2006 whereby ADB is authorized to convert ADF resources held in various currencies into the currencies which constitute the SDR, to value disbursements, repayments and loan charges in terms of SDR, and to determine the value of contributors' paid-in contributions and all other resources of the Fund in terms of SDR, in case of withdrawal of a Contributor or termination of ADF.

In July 2007, as an application of the Board-approved currency management exercise, ADB decided to offer a full-fledged SDR approach to ADF legacy loans by providing ADF borrowers the option to convert their existing liability (i.e., disbursed and outstanding loan balance) in various currencies into SDR, while the undisbursed portions will be treated as new loans. The conversion was made available beginning 1 January 2008, and as of 31 December 2009, 17 out of 30 ADF borrowing countries have opted to convert their loans, which were carried out on the nearest loan service payment dates from their concurrence. The conversion resulted in a realized gain of \$169,308,000 with a corresponding reduction in other comprehensive income in the current year.

¹ Asian Development Fund (ADF), Technical Assistance Special Fund (TASF), Japan Special Fund (JSF), ADB Institute Special Fund (ADBISF), Asian Tsunami Fund (ATF), Pakistan Earthquake Fund (PEF), Regional Cooperation and Integration Fund (RCIF), Climate Change Fund (CCF), and Asia Pacific Disaster Response Fund (APDRF).

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT FUND

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

31 December 2009 and 2008

Functional Currencies and Reporting Currency

The implementation of the full-fledged SDR framework is expected to change the primary economic environment of ADF. Until this process is completed, the currencies of contributing member countries are functional currencies as these represent the currencies of the primary economic environment in which ADF generates and expends cash. The United States dollar is the reporting currency of the ADF.

Translation of Currencies

ADB adopts the use of daily exchange rates for accounting and financial reporting purposes. This allows transactions in currencies other than USD to be translated to the reporting currency using exchange rates applicable at the time of transactions. At the end of each accounting month, translations of assets, liabilities, and amounts available for operational commitments denominated in non-USD are adjusted using the applicable rates of exchange at the end of the reporting period. Translation adjustments relating to set-aside resources (Note J) are recorded as notional amounts receivable from or payable to OCR. Translation adjustments relating to the maintenance of SDR loans are charged or credited to “NET UNREALIZED GAINS (LOSSES)” and reported in the Special Purpose Statement of Revenue and Expenses. All other translation adjustments are charged or credited to “Accumulated Translation Adjustments” and reported in “FUND BALANCES” as part of “Accumulated other comprehensive income.”

Investments

Investment securities and negotiable certificates of deposit are classified as “Available for Sale” and are reported at estimated fair value, which represents their fair market value. Unrealized gains and losses are reported in “FUND BALANCES” as part of “Accumulated other comprehensive income.” Realized gains and losses are measured by the difference between amortized cost and the net proceeds of sales. Time deposits are reported at cost, which is a reasonable estimate of fair value.

Interest income on investment securities and time deposits is recognized as realized and reported, net of amortizations of premiums and discounts.

Securities Transferred Under Repurchase Agreement and Securities Purchased Under Resale Arrangement

ADF accounts for transfers of financial assets in accordance with ASC 860, “Transfers and Servicing.” In general, transfers are accounted for as sales when control over the transferred assets has been relinquished. Otherwise the transfers are accounted for as repurchase/resale agreements and collateralized financing arrangements. Under repurchase agreements, securities transferred are recorded as assets and reported at estimated fair value and cash collateral received are recorded as liabilities. ADB monitors the fair value of the securities transferred under repurchase agreements and the collateral. Under resale arrangements, securities purchased are recorded as assets and are not re-pledged.

There were no outstanding securities transferred under repurchase agreement as of 31 December 2009 and 2008.

Loans

Loan interest income is recognized on accrual basis. It is the policy of ADF to place in non-accrual status loans made to eligible borrowing member countries if the principal or interest with respect to any such loans is overdue by six months. Interest on non-accruing loans is included in revenue only to the extent that payments have actually been received by ADF. ADB maintains a position of not taking part in debt rescheduling agreements with respect to sovereign loans. When ADB decides that a particular loan is no longer collectible, the entire amount is expensed during the period.

Contributed Resources

Contributions by donors are included in the special purpose financial statements as amounts committed and are reported in “Contributed Resources” as part of “FUND BALANCES” from the date Instruments of Contribution are deposited and related formalities are completed and made available for operational commitments.

Contributions are generally received in the currency of the contributor either in cash or notes.

Under ADF IX and X, contributors have the option to pay their contributions under the accelerated note encashment program and receive a discount. ADF invests the cash generated from this program and the investment

CONTINUED

income is used to finance operations. The related contributions are recorded at the full undiscounted amount, and the discount is amortized over the standard encashment period of 10 years.

Advanced Payments on Contributions

Payments received in advance or as qualified contributions that cannot be made available for operational commitment are recorded as advance payments and included under “LIABILITIES.”

Grants and Undisbursed Commitments

Grants are recognized in the special purpose financial statements when the grant is approved and becomes effective. Upon completion of a project or cancellation of a grant, any undisbursed amount is written back as a reduction in the grants for the year and the corresponding undisbursed commitment is eliminated accordingly.

Accounting Estimates

The preparation of special purpose financial statements in conformity with generally accepted accounting principles, with the exception of loan loss provisioning, requires management to make reasonable estimates and assumptions that affect the reported amounts of assets, liabilities, and fund balances as of the end of the year and the reported amounts of revenue and expenses during the year. The actual results could differ from those estimates.

Accounting and Reporting Developments

In March 2008, the Financial Accounting Standards Board (FASB) issued Statement No. 161 “Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133” (codified ASC 815-10-50), which will be applicable for fiscal years beginning after 15 November 2008 and interim periods within those fiscal years. This statement amends and expands the disclosure requirements of FAS 133 to provide users with better understanding of (i) how and why an entity uses derivatives; (ii) how derivative instruments and related hedged items are accounted for under FAS 133 and its related interpretations; and (iii) how derivative instruments and hedged items affect an

entity’s financial position, performance, and cash flows. Note E provides the required disclosures in compliance with this standard.

In April 2009, the FASB issued FASB Staff Position (FSP) FAS 157-4, “Determining Fair Value When the Volume and Level of Activity for the Asset or Liability have Significantly Decreased and Identifying Transactions That Are Not Orderly” (codified ASC 820-10-65-4), FSP FAS 115-2 and FAS 124-2, “Recognition and Presentation of Other-Than-Temporary Impairments” (codified ASC 320-10-65-1), and FSP FAS 107-1 and APB 28-1, “Interim Disclosures about Fair Value of Financial Instruments” (codified ASC 825-10-65-1), which became effective for interim and annual periods ending after 15 June 2009, with early adoption permitted for periods ending after 15 March 2009. FSP FAS 157-4 provides guidance on how to determine the fair value of assets and liabilities under FAS 157 in the current economic environment and reemphasizes that the objective of a fair value measurement remains an exit price. If there has been a significant decrease in the volume and level of activity of the asset or liability in relation to normal market activities, quoted market values may not be representative of fair value and a change in valuation technique or the use of multiple valuation techniques may be appropriate. FSP FAS 115-2 and FAS 124-2 modify the requirements for recognizing other-than-temporarily impaired debt securities and revise the existing impairment model for such securities by modifying the current intent and ability indicator in determining whether a debt security is other-than-temporarily impaired. FSP FAS 107-1 and APB 28-1 enhance the disclosure of instruments under the scope of FAS 157 for both interim and annual periods. The application of these standards did not have a material impact on ADF’s 31 December 2009 special purpose financial statements.

In May 2009, the FASB issued Statement No. 165, “Subsequent Events” (codified ASC 855). This standard establishes principles and requirements for evaluating and reporting subsequent events. In particular, it sets forth; the period after the balance sheet date during which management shall evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; the circumstances under which an entity shall recognize events or transactions occurring after the balance sheet date in its financial statements; and the disclosures related to events or transactions occurring after the balance sheet date. Note

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT FUND

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

31 December 2009 and 2008

O provides the required disclosures in compliance with this standard.

In June 2009, the FASB issued Statement No. 166, “Accounting for Transfers of Financial Assets and Repurchase Financing Transactions” (codified ASC 860-10-65-3). This standard addresses the information that a reporting entity provides in its financial reports about transfers of financial assets including; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor’s continuing involvement in transferred assets. This standard is applicable at the start of an entity’s first fiscal year beginning after 15 November 2009, or 1 January 2010 for entities reporting earnings on a calendar-year basis. ADB is currently assessing the impact of this standard on ADF’s special purpose financial statements.

In June 2009, the FASB issued Statement No. 168, “The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162” (codified ASC 105). Effective for financial statements issued for interim and annual periods ending after 15 September 2009, FASB Accounting Standards Codification™ (ASC) becomes the source of authoritative U.S. accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the Securities and Exchange Commission (SEC). ASC supersedes all existing, non-SEC accounting and reporting standards for nongovernmental entities. Concurrently, all other nongrandfathered, non-SEC accounting literature not included in ASC will become nonauthoritative.

Special Purpose Statement of Cash Flows

For the purposes of the Special Purpose Statement of Cash Flows, ADF considers that its cash and cash equivalents are limited to “DUE FROM BANKS,” which consists of cash on hand and current accounts in banks used for (i) operational disbursements, (ii) receipt of funds from encashment of donor countries’ promissory notes, and (iii) clearing accounts.

NOTE C—INVESTMENTS

The main investment management objective is to maintain security and liquidity. Subject to these parameters, ADB seeks the highest possible return on its investments. Investments are governed by the Investment Authority approved by the Board of Directors in 1999, and reviewed in 2006. The review endorsed a portfolio strategy that is largely consistent with the 1999 approach.

The net unrealized gains on the outstanding accelerated note encashment portfolio amounted to \$15,830,000 (\$19,069,000 – 2008).

The currency composition of the investment portfolio as of 31 December 2009 and 2008 expressed in United States dollars are as follows:

Currency	2009	2008
Brunei dollar	\$ 343,000	\$ –
Euro	2,060,338,000	2,581,916,000
Japanese yen	307,299,000	583,470,000
Pound sterling	655,213,000	604,228,000
United States dollar	2,454,732,000	2,230,923,000
Total	<u>\$5,477,925,000</u>	<u>\$6,000,537,000</u>

The estimated fair value and amortized cost of the investments as of 31 December 2009 are as follows:

	Estimated Fair Value	Amortized Cost
Due in one year or less	\$2,765,978,000	\$2,759,975,000
Due after one year through five years	2,657,986,000	2,547,602,000
Due after five years through ten years	53,961,000	52,289,000
Total	<u>\$5,477,925,000</u>	<u>\$5,359,866,000</u>

Additional information relating to investments in government and government-guaranteed obligations and corporate bonds is as follows:

ADF-7

CONTINUED

	2009	2008
As of 31 December:		
Amortized cost	\$ 3,610,306,000	\$5,205,740,000
Estimated fair value	3,728,364,000	5,313,389,000
Gross unrealized gains	118,115,000	110,118,000
Gross unrealized losses	(56,000)	(2,469,000)
For the years ended 31 December:		
Change in net unrealized gains (losses) from prior year	10,409,000	100,613,000
Proceeds from sales	–	14,350,000
Gross gain on sales	–	365,000

The rate of return on the average investments held during the year, including securities purchased under resale arrangement, based on the portfolio held at the beginning and end of each month, was 2.21% (3.72% – 2008) excluding unrealized gains and losses on investment securities, and 2.36% (5.17% – 2008) including unrealized gains and losses on investments.

As of 31 December 2009, gross unrealized losses resulting from market movements amounted to \$56,000 (\$4,000 – 2008) for government and government-guaranteed obligations and nil (\$2,465,000 – 2008) for corporate bonds. There are no positions in 2009 (nil – 2008) that sustained unrealized losses for over one year. Comparative details for 2009 and 2008 are as follows:

	One year or less		Over one year		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
For the year 2009						
Government and government-guaranteed obligations	\$293,973,000	\$ 56,000	\$ –	\$ –	\$293,973,000	\$ 56,000
For the year 2008						
Government and government-guaranteed obligations	\$ 28,416,000	\$ 4,000	\$ –	\$ –	\$ 28,416,000	\$ 4,000
Corporate bonds	205,417,000	2,465,000	–	–	205,417,000	2,465,000
Total	\$233,833,000	\$2,469,000	\$ –	\$ –	\$233,833,000	\$ 2,469,000

NOTE D—LOANS AND HIPC DEBT RELIEF

Prior to 1 January 1999, loans of ADF were extended to eligible borrowing member countries, which bore a service charge of 1% and required repayment over periods ranging from 35 to 40 years. On 14 December 1998, the Board of Directors approved an amendment to ADF loan terms, as follows: (i) for loans to finance specific projects, the maturity was shortened to 32 years including an 8-year grace period; (ii) for program loans to support sector development, the maturity was shortened to 24 years including an 8-year grace period; and (iii) all new loans bear a 1% interest charge during the grace period, and 1.5% during the amortization period, with equal amortization. The revised ADF lending terms

took effect on 1 January 1999 for loans for which formal loan negotiations were completed on or after 1 January 1999. ADF requires borrowers to absorb exchange risks attributable to fluctuations in the value of the currencies disbursed.

In September 2007, the Board of Directors approved a new hard-term ADF lending facility. The facility will have a fixed interest rate of 150 basis points below the weighted average of the ten-year fixed swap rates of the special drawing rights component currencies plus the OCR lending spread, or the current ADF rate, whichever is higher. Other terms are similar to those of regular ADF loans. The interest rate will be reset every January and will apply to all hard-term loans approved that year and will be fixed for the life of the loan. For hard-term ADF

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT FUND

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

31 December 2009 and 2008

loans approved in 2009, the interest rate was set at 1.60% (3.15% – 2008). Five loans were approved under this facility in 2009 (three – 2008).

ADB believes that there is no comparable market for ADF loans and does not intend to sell them. The use of market data to arrive at the loan at fair value will give meaningless results. As such, the fair value of loans is determined based on the terms at which a similar loan would currently be made by ADB to a similar borrower. For such loans, fair value approximates the carrying amount. The estimated fair value of loans is not affected by credit risks because the amount of any such adjustment is considered not to have a material effect based on ADB's experience with its borrowers.

Undisbursed loan commitments and an analysis of loans by country as of 31 December 2009 are shown in ADF-5.

As of 31 December 2009 and 2008, loans to borrowers were as follows:

	2009	2008
Pakistan	\$ 6,619,002,000	\$ 6,403,379,000
Bangladesh	5,944,165,000	5,743,777,000
Viet Nam	3,051,234,000	2,630,421,000
Sri Lanka	2,699,855,000	2,614,832,000
Nepal	1,594,779,000	1,564,986,000
Others (individually less than 5% of total loans)	8,050,313,000	7,469,894,000
Total Outstanding Loans	27,959,348,000	26,427,289,000
Provision for HIPC Debt Relief	(80,033,000)	(87,471,000)
Net Outstanding Loans	\$27,879,315,000	\$26,339,818,000

As of 31 December 2009, there were 28 loans to Myanmar in non-accrual status representing 2.0% of the total outstanding loans (28 loans to Myanmar – 2008). The total principal amount outstanding of such loans was \$560,183,000 (\$565,751,000 – 2008) of which \$292,050,000 (\$263,444,000 – 2008) was overdue. Loans

in non-accrual status resulted in \$5,527,000 (\$5,176,000 – 2008) not being recognized as income from loans for the year ended 31 December 2009. The accumulated interest on these loans that was not recognized as income as of 31 December 2009 totaled \$68,779,000 (\$63,802,000 – 2008).

Provision for HIPC Debt Relief amounting to \$81,486,000 relating to the Afghanistan debt relief under the HIPC initiative was recognized and charged to income. Of this amount, a total of \$1,453,000 was written-off as the loan service payments of affected loans fell due. This brought the balance of Provision for HIPC debt relief as of 31 December 2009 to \$80,033,000 (See Note N).

NOTE E—DERIVATIVE INSTRUMENTS

ADB uses derivative instruments for asset/liability management of individual positions and portfolios, as well as for the reduction of transaction costs. In applying ASC 815 "Derivatives and Hedging" for the purpose of financial statement reporting, ADB has elected not to define any qualifying hedging relationships. Rather, all derivative instruments, as defined by ASC 815, have been marked to fair value (FV), and all changes in the FV have been recognized in net income. ADB has elected not to define any qualifying hedging relationships, not because economic hedges do not exist, but rather the application of ASC 815 hedging criteria does not make fully evident ADB's risk management strategies.

ADB engages in derivative instruments for overall liquidity management. From time to time, ADB enters into forward contracts to protect itself from the currency exchange risk.

Fair Value of Derivative Instruments

The fair value of derivative instruments as of 31 December 2009 and 2008 are summarized as follows:

ADF-7

CONTINUED

	Asset Derivatives			Liability Derivatives		
	Balance Sheet Location	Fair Value		Balance Sheet Location	Fair Value	
		2009	2008		2009	2008
Derivatives not designated as hedging instruments under Subtopic 815-20						
Investment related swaps						
Foreign exchange forward contracts	Receivable from forward contracts	\$ –	\$307,811,000	Payable for forward contracts	\$ –	\$373,041,000
Total derivatives not designated as hedging instruments		\$ –	\$307,811,000		\$ –	\$373,041,000

Effect of Derivative Instruments on the Special Purpose Statement of Revenue and Expenses

ADB reports changes in the fair value of its derivative instruments as part of net unrealized gains and losses in its Special Purpose Statement of Revenue and Expenses while all interest income, expenses, and related amortization of discounts, premiums, and fees are reported as part of revenue and expenses. These are summarized below:

		Amount of Gain (Loss) recognized in income on Derivatives	
Location of Gain (Loss) recognized in Income on Derivatives		2009	2008
Derivatives not designated as hedging instruments under Subtopic 815-20			
Investment related swaps			
Foreign exchange forward contracts	Net Unrealized Losses	\$ (692,000)	\$ –
	Revenue from Investments	740,000	–
Total		\$ 48,000	\$ –

NOTE F—DUE FROM CONTRIBUTORS

Included in “DUE FROM CONTRIBUTORS” are notes of contributors and contributions receivable. Notes of contributors are non-negotiable, non-interest-bearing, and subject to certain restrictions imposed by applicable

Board of Governors’ resolutions, encashable by ADB at par upon demand.

ADB currently expects that the notes outstanding as of 31 December 2009 will be encashed in varying amounts over a five-year period ending 31 December 2014.

The fair value of notes of contributors is determined based on the terms at which notes are currently being accepted from contributors. On this basis, the fair value of outstanding notes of contributors approximates their carrying amount.

NOTE G—RELATED PARTY TRANSACTIONS

The OCR and special fund resources are at all times used, committed, and invested entirely separate from each other. The administrative and operational expenses pertaining to the OCR and ADF are allocated based on operational activities and are settled regularly. Under ADF X and the fourth regularized replenishment of Technical Assistance Special Fund (TASF), a specific portion of the total contributions is to be allocated to TASF. ADF receives contributions from members and subsequently transfers the specified portion to TASF.

As of 31 December 2009, ADF’s outstanding payables comprised a payable to OCR of \$43,142,000 (\$31,743,000 – 2008) representing administration charges, a payable to TASF of \$4,349,000 (nil – 2008) representing contribution from Germany incorporated in ADF X for the fourth regularized replenishment of TASF, and a payable to trust funds administered by ADB of \$979,000 (nil – 2008) representing refund from grants.

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT FUND

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

31 December 2009 and 2008

NOTE H—CONTRIBUTED RESOURCES/OTHER LIABILITIES

As of 31 December 2009, contributions from 26 donors totaling \$3,444,709,000 were committed for ADF X. Of these, \$840,859,000 including amortized discount of \$860,000, were received and made available for operational commitment. These were recorded in “Contributed Resources.”

In May 2009, the Board of Governors approved the allocation of \$120,000,000 from OCR’s 2008 net income to ADF.

As of 31 December 2009, Italy’s promissory note received under ADF VI has a remaining balance of €342,000 (\$491,000 equivalent). This was recorded in Deferred Credits and included in “OTHER LIABILITIES.”

NOTE I—ADMINISTRATIVE EXPENSES

Administrative expenses represent administration charge from OCR which is an apportionment of all administrative expenses of ADB (other than those pertaining directly to ordinary operations and special operations), in the proportion of the relative volume of operational activities of each fund.

NOTE J—SET-ASIDE RESOURCES

Pursuant to the provisions of Article 19, paragraph 1(i) of the Charter, the Board of Governors has authorized the setting aside of 10% of the unimpaired “paid-in” capital paid by member countries pursuant to Article 6, paragraph 2(a) of the Charter and of the convertible currency portion paid by member countries pursuant to Article 6, paragraph 2(b) of the Charter as of 28 April 1973, to be used as a part of the Special Funds of ADB. The capital so set aside was allocated and transferred from the OCR to ADF as Set-Aside Resources.

The capital stock of ADB is defined in Article 4, paragraph 1 of the Charter, “in terms of United States dollars of the weight and fineness in effect on 31 January 1966” (the 1966 dollar). Therefore, Set-Aside Resources had historically been translated into the current United States dollar (ADB’s unit of account), on the basis of its par value in terms of gold. From 1973 until 31 March 1978, the rate arrived at on this basis was \$1.20635 per 1966 dollar. Since 1 April 1978, at which time the

Second Amendment to the Articles of Agreement of the International Monetary Fund (IMF) came into effect, currencies no longer had par values in terms of gold.

Pending ADB’s selection of the appropriate successor to the 1966 dollar, the Set-Aside Resources have been valued for purposes of the accompanying financial statements in terms of the SDR, at the value in current United States dollars as denominated by the IMF. As of 31 December 2009, the value of the SDR in terms of the current United States dollar was \$1.56199 (\$1.54781 – 2008). On this basis, Set-Aside Resources amounted to \$74,366,000 (\$73,691,000 – 2008). If the capital stock of ADB as of 31 December 2009 had been valued in terms of \$12,063.50 per share, Set-Aside Resources would have been \$57,434,000.

NOTE K—COMPREHENSIVE INCOME

Comprehensive Income has two major components: revenue in excess of (less than) expenses (ADF-2) and other comprehensive income (ADF-4). Other Comprehensive Income includes unrealized gains and losses on “Available for Sale” securities and translation adjustments of assets and liabilities denominated in functional currencies into the reporting currency.

NOTE L—GRANTS AND UNDISBURSED COMMITMENTS

The ADF IX introduced financing in the form of grants for the first time. During 2009, 27 grants (27 – 2008) totaling \$911,310,000 (\$707,360,000 – 2008) were approved, while \$952,499,000 (\$539,800,000 – 2008), net of \$4,951,000 write back of undisbursed commitments for completed grants, became effective.

The fair value of undisbursed commitments approximates the amount outstanding, because ADB expects that disbursements will substantially be made for all the projects/programs covered by the commitments.

NOTE M—FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability at measurement date (exit price) in an orderly transaction among willing participants with an assumption that the transaction takes place in the entity’s principal market, the most advantageous market for the asset or liability.

ADF-7

CONTINUED

The most advantageous market is where the sale of the asset or transfer of liability would maximize the amount received for the asset or minimize the amount paid to transfer the liability. The fair value measurement is not adjusted for transaction cost.

ASC 820 also establishes a fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), next priority to observable market inputs or market corroborated data (Level 2), and the lowest priority to unobservable inputs without market corroborated data (Level 3). ASC 820 requires the fair value measurement to maximize the use of market observable inputs.

The following guidelines are applied in determining the fair values of financial instruments:

Investments, securities purchased under resale arrangements, and forward contracts

Readily marketable investments are fair valued using active market quotes in Level 1 category. Level 2 category includes investments, securities purchased under resale arrangements, and forward contracts which are fair valued with significant market observable inputs. Forward foreign exchange contracts are fair valued using discounted cash flow models.

The fair values of the following financial assets of ADF as of 31 December 2009 and 2008 were reported based on the following:

		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	31 December 2009			
Assets				
Investments				
Government or gov't. guaranteed obligations	\$ 3,728,364,000	\$ 3,315,132,000	\$ 413,232,000	\$ –
Time deposits	1,749,561,000	–	1,749,561,000	–
Securities purchased under resale arrangement	185,395,000	–	185,395,000	–
Total assets for fair value	\$5,663,320,000	\$3,315,132,000	\$2,348,188,000	\$ –
		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	31 December 2008			
Assets				
Investments				
Government or gov't. guaranteed obligations	\$ 2,912,159,000	\$ 2,912,159,000	\$ –	\$ –
Time deposits	687,147,000	–	687,147,000	–
Corporate bonds	2,401,230,000	1,038,848,000	1,362,382,000	–
Securities purchased under resale arrangement	322,361,000	–	322,361,000	–
Receivable - forward contracts	307,811,000	–	307,811,000	–
Total assets at fair value	\$6,630,708,000	\$3,951,007,000	\$2,679,701,000	\$ –
Liabilities				
Payable - forward contracts	\$ 373,041,000	\$ –	\$ 373,041,000	\$ –

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT FUND

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

31 December 2009 and 2008

See Notes C, D, F, and L for discussions relating to investments, loans, due from contributors and undisbursed commitments. In all other cases, the carrying amounts of ADF's assets, liabilities, and fund balances are considered to approximate fair values for all significant financial instruments.

NOTE N—HEAVILY INDEBTED POOR COUNTRIES (HIPC) INITIATIVE

In April 2008, the Board of Governors adopted the resolution on Providing Heavily Indebted Poor Countries (HIPC) Relief from Asian Development Fund Debt and for ADB to participate in the HIPC debt relief initiative.

The HIPC debt relief initiative was launched in 1996 by the International Development Association (IDA) and International Monetary Fund (IMF) to address the debt problems of heavily indebted poor

countries to ensure that reform efforts in these countries are not put at risk due to their high external debt burden. Under the HIPC debt relief initiative, all bilateral and multilateral creditors provide debt relief for countries that demonstrated good policy performance over an extended period to bring their debt service burden to sustainable level. As of 31 December 2009, Afghanistan is the only borrower that has requested and qualified for the HIPC debt relief.

NOTE O—SUBSEQUENT EVENTS

ADB has evaluated subsequent events after 31 December 2009 through 5 March 2010, the date these Special Purpose Financial Statements are available for issuance. As a result of this evaluation, there are no subsequent events, as defined, that require recognition or disclosure in the ADF's Special Purpose Financial Statements as of 31 December 2009.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Asian Development Bank (“ADB”) is responsible for establishing and maintaining adequate internal control over financial reporting. ADB’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America.

ADB’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of ADB’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ADB’s management assessed the effectiveness of ADB’s internal control over financial reporting as of 31 December 2009. In making this assessment, ADB’s management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework*. Based on that assessment, management believes that as of 31 December 2009, ADB’s internal control over financial reporting is effective based upon the criteria established in *Internal Control – Integrated Framework*.



Haruhiko Kuroda
President



Bindu N. Lohani
Vice President (Finance and Administration)



Hong-Sang Jung
Controller

5 March 2010



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited management's assertion, included in the accompanying Management's Report on Internal Control over Financial Reporting, that Asian Development Bank ("ADB") maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. ADB's management is responsible for maintaining effective internal control over financial reporting and for its assertion of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on management's assertion based on our audit.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

ADB's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. ADB's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (3) provide reasonable assurance regarding prevention or timely detection and correction of unauthorized acquisition, use, or disposition of ADB's assets that could have a material effect on the financial statements.



Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected and corrected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, is fairly stated, in all material respects, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements as of and for the year ended December 31, 2009 of ADB – Technical Assistance Special Fund and our report dated March 5, 2010 expressed an unqualified opinion on those financial statements.

A handwritten signature in black ink that reads "Deloitte & Touche US".

Public Accountants and
Certified Public Accountants

Singapore
March 5, 2010



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited the accompanying statement of financial position of Asian Development Bank ("ADB") – Technical Assistance Special Fund as of December 31, 2009 and the related statements of activities and changes in net assets, and cash flows, for the year then ended. These financial statements are the responsibility of ADB's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of ADB - Technical Assistance Special Fund for the year ended December 31, 2008 were audited by other auditors whose report, dated March 5, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of ADB – Technical Assistance Special Fund as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic 2009 financial statements taken as a whole. The statement of resources as of December 31, 2009 and summary statement of technical assistance approved and effective for the year then ended, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of ADB's management. Such 2009 schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole. The 2008 schedules were subjected to auditing procedures by other auditors whose report, dated March 5, 2009, referred to above, stated that such information is fairly stated in all material respects when considered in relation to the basic 2008 financial statements taken as a whole.



We have also audited, in accordance with attestation standards established by the American Institute of Certified Public Accountants, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2010 expressed an unqualified opinion on management's assertion that ADB maintained effective internal control over financial reporting.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

Public Accountants and
Certified Public Accountants

Singapore
March 5, 2010

ASIAN DEVELOPMENT BANK—TECHNICAL ASSISTANCE SPECIAL FUND**STATEMENT OF FINANCIAL POSITION****31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
ASSETS		
DUE FROM BANKS (Note B)	\$ 2,327	\$ 1,692
INVESTMENTS (Notes B, C, and G)		
Time deposits	\$320,069	\$156,114
Corporate bonds	— 320,069	139,429 295,543
SECURITIES PURCHASED UNDER RESALE ARRANGEMENT (Notes B and G)	8,005	111
ACCRUED REVENUE	27	124
DUE FROM CONTRIBUTORS (Notes B and F)	236,091	17,304
ADVANCES FOR GRANTS AND OTHER ASSETS (Notes B and D)	15,869	10,674
TOTAL	\$582,388	\$325,448
LIABILITIES AND UNCOMMITTED BALANCES		
ACCOUNTS PAYABLE AND OTHER LIABILITIES (Note D)	\$ 835	\$ 19
UNDISBURSED COMMITMENTS (Notes B, E, and G)	258,845	222,722
UNCOMMITTED BALANCES (TASF-2 and TASF-4) (Notes B and F), represented by: Unrestricted net assets	322,708	102,707
TOTAL	\$582,388	\$325,448

The accompanying notes are an integral part of these financial statements (TASF-6).

ASIAN DEVELOPMENT BANK—TECHNICAL ASSISTANCE SPECIAL FUND**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS****For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
CHANGES IN UNRESTRICTED NET ASSETS		
CONTRIBUTIONS (TASF-4) (Notes B and F)	\$ 311,227	\$ 30,269
REVENUE		
From investments (Notes B and C)	2,463	10,880
From other sources—net (Note E)	8	138
Total	313,698	41,287
EXPENSES		
Technical assistance—net (TASF-5) (Notes B and E)	117,249	108,159
Financial expenses	15	8
Total	117,264	108,167
CONTRIBUTIONS AND REVENUE IN EXCESS OF (LESS THAN) EXPENSES	196,434	(66,880)
EXCHANGE GAINS (LOSSES)—net (Note B)	23,567	(23,532)
INCREASE (DECREASE) IN NET ASSETS	220,001	(90,412)
NET ASSETS AT BEGINNING OF YEAR	102,707	193,119
NET ASSETS AT END OF YEAR	\$ 322,708	\$ 102,707

The accompanying notes are an integral part of these financial statements (TASF-6).

ASIAN DEVELOPMENT BANK—TECHNICAL ASSISTANCE SPECIAL FUND**STATEMENT OF CASH FLOWS****For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions received	\$ 100,002	\$ 85,526
Interest on investments received	2,262	9,972
Cash received from other sources	17	172
Technical assistance disbursed	(81,107)	(70,044)
Financial expenses paid	(15)	(9)
Net Cash Provided by Operating Activities	21,159	25,617
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturities of investments	9,847,822	11,780,926
Purchases of investments	(9,861,876)	(11,804,622)
Net payments for securities purchased under resale arrangement	(6,323)	(290)
Net Cash Used in Investing Activities	(20,377)	(23,986)
Effect of Exchange Rate Changes on Due from Banks	(147)	(1,245)
Net Increase in Due from Banks	635	386
Due from Banks at Beginning of Year	1,692	1,306
Due from Banks at End of Year	\$ 2,327	\$ 1,692
RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Increase (Decrease) in net assets (TASF-2)	\$ 220,001	\$ (90,412)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Amortization of discounts/premiums on investments	(300)	(1,529)
Change in accrued revenue	98	622
Change in due from contributors	(208,518)	47,187
Change in other assets	(4,437)	(826)
Change in miscellaneous liabilities	831	(64)
Change in undisbursed commitments	36,123	39,004
Translation adjustments	(22,639)	31,635
Net Cash Provided by Operating Activities	\$ 21,159	\$ 25,617

The accompanying notes are an integral part of these financial statements (TASF-6).

ASIAN DEVELOPMENT BANK—TECHNICAL ASSISTANCE SPECIAL FUND

STATEMENT OF RESOURCES

31 December 2009

Expressed in Thousands of United States Dollars (Note B)

	Contributions Committed During 2009	Direct Voluntary Contributions	Regularized Replenishment ¹	Total Contributions
Australia	\$ 24,046	\$ 2,484	\$ 53,414	\$ 55,898
Austria	3,384	159	7,177	7,336
Bangladesh	-	47	-	47
Belgium	2,668	1,394	5,875	7,269
Brunei Darussalam	449	-	450	450
Canada	16,673	3,346	43,311	46,657
People's Republic of China	2,816	1,600	4,812	6,412
Denmark	1,716	1,963	5,750	7,713
Finland	2,670	237	4,728	4,965
France	12,893	1,697	33,862	35,559
Germany	17,868	3,315	44,509	47,824
Hong Kong, China	2,112	100	3,509	3,609
India	201	3,511	-	3,511
Indonesia	-	250	40	290
Ireland	3,643	-	3,643	3,643
Italy	-	774	16,320	17,094
Japan	129,680	47,710	287,286	334,996
Republic of Korea	12,412	1,900	20,516	22,416
Luxembourg	371	-	609	609
Malaysia	485	909	818	1,727
Nauru	-	-	67	67
Netherlands	8,661	1,338	20,484	21,822
New Zealand	-	1,096	2,234	3,330
Norway	3,588	3,279	7,896	11,175
Pakistan	-	1,736	-	1,736
Portugal	2,251	-	3,595	3,595
Singapore	-	1,100	266	1,366
Spain	10,374	190	16,564	16,754
Sri Lanka	-	6	-	6
Sweden	5,076	862	11,931	12,793
Switzerland	3,851	1,035	9,314	10,349
Taipei, China	1,746	200	3,455	3,655
Thailand	291	-	493	493
Turkey	517	-	3,237	3,237
United Kingdom	17,785	5,617	39,447	45,064
United States	-	1,500	65,031	66,531
Total	\$ 288,227	\$ 89,355	\$ 720,643	\$ 809,998
Transfers to Asian Development Fund				(3,471)
Allocation from OCR Net Income	23,000			729,000
Other Resources ²				180,727
TOTAL	\$311,227			\$1,716,254

1 Represents TASF portion of contributions to the replenishment of the Asian Development Fund and the Technical Assistance Special Fund authorized by Governors' Resolution Nos. 182, 214, 300 and 333 at historical values.

2 Represents income, repayments, and reimbursements accruing to TASF since 1980, including unrealized investment holding gains (losses).

The accompanying notes are an integral part of these financial statements (TASF-6).

ASIAN DEVELOPMENT BANK—TECHNICAL ASSISTANCE SPECIAL FUND**SUMMARY STATEMENT OF TECHNICAL ASSISTANCE APPROVED AND EFFECTIVE****For the Year Ended 31 December 2009**

Expressed in Thousands of United States Dollars (Note B)

Recipient	Project Preparation	Advisory	Research and Development	Policy and Advisory	Capacity Development	Total
Afghanistan	\$ (407)	\$ (1,809)	\$ -	\$ 1,200	\$ -	\$ (1,016)
Armenia	1,100	(77)	-	-	75	1,098
Azerbaijan	1,000	(275)	-	-	-	725
Bangladesh	777	1,800	-	-	1,050	3,627
Bhutan	-	(1)	-	-	-	(1)
Cambodia	(265)	1,074	-	225	900	1,934
People's Republic of China	5,529	2,561	-	5,950	1,175	15,215
Cook Islands	(125)	-	-	-	-	(125)
Fiji Islands	(182)	(111)	-	-	-	(293)
Georgia	1,380	(104)	-	-	-	1,276
India	1,910	1,650	-	500	225	4,285
Indonesia	-	3,188	-	-	-	3,188
Kazakhstan	559	(68)	-	-	225	716
Kyrgyz Republic	(187)	-	-	225	-	38
Lao People's Democratic Republic	-	1,096	-	225	-	1,321
Maldives	-	(50)	-	-	-	(50)
Marshall Islands	225	-	-	-	-	225
Federated States of Micronesia	-	(200)	-	-	-	(200)
Mongolia	1,600	345	-	200	700	2,845
Nepal	800	311	-	-	2,075	3,186
Pakistan	967	2,409	-	225	-	3,601
Papua New Guinea	99	(60)	-	-	-	39
Philippines	203	2,201	-	1,050	-	3,454
Samoa	569	-	-	-	-	569
Solomon Islands	400	988	-	-	-	1,388
Sri Lanka	(47)	700	-	-	2,450	3,103
Tajikistan	634	(132)	-	-	-	502
Thailand	-	(112)	-	-	-	(112)
Timor-Leste	-	(25)	-	-	-	(25)
Tonga	-	(85)	-	500	-	415
Uzbekistan	2,512	(65)	-	-	-	2,447
Vanuatu	1,100	(104)	-	-	-	996
Viet Nam	3,629	(158)	-	1,500	225	5,196
Regional	725	-	17,609	8,990	25,660	52,984
Total	<u>\$24,505</u>	<u>\$14,887</u>	<u>\$17,609</u>	<u>\$20,790</u>	<u>\$34,760</u>	<u>112,552</u>
Regional Activities						4,697
TOTAL						\$117,249

Note: Figures may not add to total due to rounding.

Negative amounts represent net undisbursed commitments written back to balances available for future commitments (Notes B and E).

The accompanying notes are an integral part of these financial statements (TASF-6).

ASIAN DEVELOPMENT BANK—TECHNICAL ASSISTANCE SPECIAL FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

NOTE A—NATURE OF OPERATIONS

The Asian Development Bank (ADB), a multilateral development financial institution, was established in 1966 with its headquarters in Manila, Philippines. ADB and its operations are governed by the Agreement Establishing the Asian Development Bank (the Charter). Its purpose is to foster economic development and co-operation in the Asian and Pacific region and to contribute to the acceleration of the process of economic development of the developing member countries (DMCs) in the region, collectively and individually. With the adoption of its poverty reduction strategy at the end of 1999, ADB made reducing poverty in the region its main goal. ADB provides financial and technical assistance for projects and programs, which will contribute to achieving this purpose. These are financed through ordinary capital resources (OCR) and Special Funds.¹

The TASF was established to provide technical assistance on a grant basis to DMCs of the ADB and for regional technical assistance. TASF resources consist of regularized replenishments and direct voluntary contributions by members, allocations from the net income of OCR, and revenue from investments and other sources.

The eighth replenishment of the Asian Development Fund (ADF IX) and the third regularized replenishment of the TASF became effective in April 2005. Under the resolution, a specific portion of the contribution is to be allocated to TASF.

In August 2008, the Board of Governors adopted the resolution providing for the ninth replenishment of the Asian Development Fund (ADF X) and the fourth regularized replenishment of the TASF. In conjunction with the ADF replenishment, the resolution provides for a replenishment of the TASF to finance technical assistance operations under the fund. Total replenishment size is SDR7,419,094,000, of which SDR2,657,960,000 will come from new donor contributions. Donors agreed to allocate 3% of the total replenishment size (equivalent to 8% of total donor contributions) to TASF. The replenishment became effective on 16 June 2009. As of 31 December 2009, ADB received instruments of contributions from 26 donors with a total amount equivalent to SDR2,256,520,000, including qualified contribution amounting to about SDR211,891,000.

ADB is immune from taxation pursuant to Chapter VIII, Article 56, *Exemption from Taxation*, of the Charter.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation of the Financial Statements

The financial statements of the TASF are prepared in accordance with accounting principles generally accepted in the United States of America, and are presented on the basis of those for not-for-profit organizations.

TASF reports donors' contributions of cash and other assets as unrestricted assets as these are made available to TASF without conditions other than for the purpose of pursuing its objectives.

Functional and Reporting Currency

The United States dollar is the functional and reporting currency, representing the currency of the primary economic operating environment of TASF.

Translation of Currencies

ADB adopts the use of daily exchange rates for accounting and financial reporting purposes. This allows transactions denominated in non-US dollar to be translated to the reporting currency using exchange rates applicable at the time of transactions. Contributions included in the financial statements during the year are recognized at applicable exchange rates as of the respective dates of commitment. At the end of each accounting month, translations of assets, liabilities, and uncommitted balances which are denominated in non-US dollar are adjusted using the applicable rates of exchange at the end of the reporting period. These translation adjustments are accounted for as exchange gains or losses and are credited or charged to operations.

Investments

All investment securities held by TASF are reported at estimated fair value, which represents their fair market value. Realized and unrealized gains and losses are included in "Revenue from investments." Time deposits

¹ Asian Development Fund (ADF), Technical Assistance Special Fund (TASF), Japan Special Fund (JSF), ADB Institute Special Fund (ADBISF), Asian Tsunami Fund (ATF), Pakistan Earthquake Fund (PEF), Regional Cooperation and Integration Fund (RCIF), Climate Change Fund (CCF), and Asia Pacific Disaster Response Fund (APDRF).

ASIAN DEVELOPMENT BANK—TECHNICAL ASSISTANCE SPECIAL FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

are reported at cost which is a reasonable estimate of fair value.

Interest income on investment securities and time deposits are recognized as realized and reported net of amortizations of premiums and discounts in revenue from investments.

Securities Purchased Under Resale Arrangement

TASF accounts for the transfer of financial assets in accordance with ASC 860, “Transfers and Servicing.” In general, transfers are accounted for as sales under ASC 860 when control over the transferred assets has been relinquished. Otherwise, the transfers are accounted for as repurchase/resale arrangements and collateralized financing arrangements. Securities purchased under resale arrangement are recorded as assets and are not re-pledged.

Contributions

The contributions from donors and the allocations from OCR net income are included in the financial statements from the date of effectivity of the contribution agreement, and the Board of Governors’ approval, respectively.

Technical Assistance to Member Countries and Undisbursed Commitments

Technical assistance (TA) and grants are recognized in the financial statements when the project is approved and becomes effective. Upon completion or cancellation of a TA project, any undisbursed amount is written back as a reduction in technical assistance for the year and the corresponding undisbursed commitment is eliminated accordingly.

Advances are provided from TA and grants to the executing agency or co-operating institution, for the purpose of making payments for eligible expenses. The advances are subject to liquidation and charged against undisbursed commitment. Any unutilized portion is required to be returned to the fund. These are included in “ADVANCES FOR GRANTS AND OTHER ASSETS.”

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires

management to make reasonable estimates and assumptions that affect the reported amounts of assets and liabilities and uncommitted balances as of the end of the year and the reported amounts of revenue and expenses during the year. The actual results could differ from those estimates.

Accounting and Reporting Developments

In April 2009, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) FAS 157-4, “Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly” (codified ASC 820-10-65-4), FSP FAS 115-2 and FAS 124-2, “Recognition and Presentation of Other-Than-Temporary Impairments” (codified ASC 320-10-65-1), and FSP FAS 107-1 and APB 28-1, “Interim Disclosures about Fair Value of Financial Instruments” (codified ASC 825-10-65-1), which became effective for interim and annual periods ending after 15 June 2009, with early adoption permitted for periods ending after 15 March 2009. FSP FAS 157-4 provides guidance on how to determine the fair value of assets and liabilities under FAS 157 in the current economic environment and reemphasizes that the objective of a fair value measurement remains an exit price. If there has been a significant decrease in the volume and level of activity of the asset or liability in relation to normal market activities, quoted market values may not be representative of fair value and a change in valuation technique or the use of multiple valuation techniques may be appropriate. FSP FAS 115-2 and FAS 124-2 modify the requirements for recognizing other-than-temporarily impaired debt securities and revise the existing impairment model for such securities by modifying the current intent and ability indicator in determining whether a debt security is other-than-temporarily impaired. FSP FAS 107-1 and APB 28-1 enhance the disclosure of instruments under the scope of FAS 157 for both interim and annual periods. The application of these standards did not have a material impact on TASF’s 31 December 2009 financial statements.

In May 2009, the FASB issued Statement No. 165, “Subsequent Events” (codified ASC 855). This standard establishes principles and requirements for evaluating and reporting subsequent events. In particular, it sets forth; the period after the balance sheet date during

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which management shall evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; the circumstances under which an entity shall recognize events or transactions occurring after the balance sheet date in its financial statements; and the disclosures related to events or transactions occurring after the balance sheet date. Note H provides the required disclosures in compliance with this standard.

In June 2009, the FASB issued Statement No. 166, "Accounting for Transfers of Financial Assets and Repurchase Financing Transactions" (codified ASC 860-10-65-3). This standard addresses the information that a reporting entity provides in its financial reports about transfers of financial assets including; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement in transferred assets. This standard is applicable at the start of an entity's first fiscal year beginning after 15 November 2009, or 1 January 2010 for entities reporting earnings on a calendar-year basis. ADB is currently assessing the impact of this standard on TASF's financial statements.

In June 2009, the FASB issued Statement No. 168, "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162" (codified ASC 105). Effective for financial statements issued for interim and annual periods ending after 15 September 2009, FASB Accounting Standards Codification™ (ASC) becomes the source of authoritative U.S. accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the Securities and Exchange Commission (SEC). ASC supersedes all existing, non-SEC accounting and reporting standards for nongovernmental entities. Concurrently, all other non-grandfathered, non-SEC accounting literature not included in ASC will become nonauthoritative.

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the TASF considers that its cash and cash equivalents are limited to "DUE FROM BANKS," which consists of cash on hand and current accounts in banks used for (i) operational disbursements, (ii) receipt of funds from encashment of donor countries' promissory notes, and (iii) clearing accounts.

NOTE C—INVESTMENTS

The main investment management objective is to maintain security and liquidity. Subject to these parameters, ADB seeks the highest possible return on its investments. Investments are governed by the Investment Authority approved by the Board of Directors in 1999, and reviewed in 2006. The review endorsed a portfolio strategy that is largely consistent with the 1999 approach.

Investment securities and negotiable certificates of deposit held as of 31 December 2009 are considered "Available for Sale" and are reported at fair value, which represents their fair market value. Unrealized gains and losses are included in "Revenue from investments."

The currency composition of the investment portfolio as of 31 December 2009 and 2008 expressed in United States dollars are as follows:

Currency	2009	2008
Australian dollar	\$ 30,484,000	\$ 25,642,000
Canadian dollar	13,711,000	42,759,000
Euro	24,248,000	16,327,000
Pound sterling	15,847,000	11,224,000
United States dollar	235,779,000	199,591,000
Total	<u>\$320,069,000</u>	<u>\$295,543,000</u>

The annualized rate of return on the average investments held during the year, based on the portfolio held at the beginning and end of each month was 0.80% (3.60% - 2008).

NOTE D—RELATED PARTY TRANSACTIONS

The OCR and special fund resources are at all times used, committed, and invested entirely separate from each other. Under ADF IX and ADF X, a specific portion of the total contributions under each is to be allocated to TASF as third and fourth regularized replenishments, respectively. ADF receives the contributions from members and subsequently transfers the specified portion to TASF. Regional technical assistance projects and programs activities may be cofinanced by ADB's other special funds and trust funds administered by ADB (Agency Trust Funds). Interfund accounts are settled on a regular basis between TASF and the other funds.

ASIAN DEVELOPMENT BANK—TECHNICAL ASSISTANCE SPECIAL FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

The interfund account balances included in “ADVANCES FOR GRANTS AND OTHER ASSETS” and “ACCOUNTS PAYABLE AND OTHER LIABILITIES” are as follows:

	2009	2008
Receivable from:		
Ordinary capital resources	\$ -	\$ 12,000
Asian Development Fund	4,349,000	-
Japan Special Fund	-	21,000
Regional Cooperation and Integration Fund	-	22,000
Agency Trust Funds—net	177,000	73,000
Total	<u>\$4,526,000</u>	<u>\$128,000</u>
Payable to:		
Ordinary capital resources	\$ 231,000	\$ -
Japan Special Fund	1,000	-
Regional Cooperation and Integration Fund	47,000	-
Total	<u>\$ 279,000</u>	<u>\$ -</u>

Note: Receivable from agency trust funds is net of payable accounts totaling \$556,000 (\$20,000 - 2008).

The receivable from ADF represents the fourth regularized replenishment of TASF out of the ADF X contribution from Germany.

NOTE E—UNDISBURSED COMMITMENTS

Undisbursed commitments are denominated in United States dollars and represent effective ongoing grant-financed TA projects/programs which are not yet disbursed as of the end of the year. During 2009, \$13,270,000 (\$15,646,000 - 2008) representing completed and canceled TA projects was written back as a reduction in technical assistance of the period and the corresponding undisbursed commitment was eliminated. The fair value of undisbursed commitments approximates the amounts undisbursed, because ADB expects that disbursements will be made for all projects/programs covered by the commitments.

NOTE F—CONTRIBUTIONS AND UNCOMMITTED BALANCES

Since inception in 1967, direct contributions have been made by 29 member countries. In 2009, India made

a direct and voluntary contribution of Rs10,000,000 (\$201,000 equivalent).

In 1986, 1992, 2005 and 2009, the Board of Governors of ADB, in authorizing replenishments of the ADF, provided for allocations to the TASF in aggregate amounts equivalent to \$72,000,000, \$141,000,000, \$220,000,000 and \$288,000,000, respectively, to be used for technical assistance to ADF borrowing DMCs and for regional technical assistance. The total amount received for the third regularized replenishment for the years ended 31 December 2009 and 2008 amounted to \$6,988,000 and \$52,434,000, respectively, leaving a total of \$8,248,000 as due from contributors (\$17,304,000 - 2008). With the effectivity of ADF X and the fourth regularized replenishment of TASF, \$70,910,000 was already received leaving a total of \$227,843,000 as “DUE FROM CONTRIBUTORS.”

In 2009, \$23,000,000 was allocated out of OCR net income to TASF bringing the accumulated allocation out of OCR net income to \$729,000,000.

Some of the direct contributions received can be subject to restricted procurement sources, while some are given on condition that the technical assistance be made on a reimbursable basis. The total contributions received for the years ended 31 December 2009 and 2008 were without any restrictions.

Uncommitted balances comprise amounts which have not been committed by ADB as of 31 December 2009 and 2008. These balances include approved TA projects/programs that are not yet effective.

NOTE G—FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability at measurement date (exit price) in an orderly transaction among willing participants with an assumption that the transaction takes place in the entity’s principal market, the most advantageous market for the asset or liability. The most advantageous market is where the sale of the asset or transfer of liability would maximize the amount received for the asset or minimize the amount paid to transfer the liability. The fair value measurement is not adjusted for transaction cost.

ASC 820 also establishes a fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities

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(Level 1), next priority to observable market inputs or market corroborated data (Level 2), and the lowest priority to unobservable inputs without market corroborated data (Level 3). ASC 820 requires the fair value measurement to maximize the use of market observable inputs.

The following guidelines are applied in determining the fair values of financial instruments:

Investments and securities purchased under resale arrangements

Readily marketable investments are fair valued using active market quotes in Level 1 category. Level 2 category includes investments and securities purchased under resale arrangements which are fair valued with significant market observable inputs.

The fair value of the following financial assets of TASF as of 31 December 2009 and 2008 were reported based on the following:

	Fair Value Measurements			
	31 December 2009	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Time deposits	\$ 320,069,000	\$ -	\$ 320,069,000	\$ -
Securities purchased under resale arrangement	8,005,000	-	8,005,000	-
Total assets at fair value	\$ 328,074,000	\$ -	\$328,074,000	\$ -

	Fair Value Measurements			
	31 December 2008	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Time deposits	\$ 156,114,000	\$ -	\$ 156,114,000	\$ -
Corporate bonds	139,429,000	-	139,429,000	-
Securities purchased under resale arrangement	111,000	-	111,000	-
Total assets at fair value	\$ 295,654,000	\$ -	\$295,654,000	\$ -

See Notes C and E for discussions relating to investments and undisbursed commitments. In all other cases, the carrying amounts of TASF's assets, liabilities, and uncommitted balances are considered to approximate fair values for all significant financial instruments.

NOTE H—SUBSEQUENT EVENTS

ADB has evaluated subsequent events after 31 December 2009 through 5 March 2010, the date these Financial Statements are available for issuance. As a result of this evaluation, there are no subsequent events, as defined, that require recognition or disclosure in the TASF's Financial Statements as of 31 December 2009.

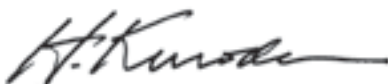
MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Asian Development Bank (“ADB”) is responsible for establishing and maintaining adequate internal control over financial reporting. ADB’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America.

ADB’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of ADB’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ADB’s management assessed the effectiveness of ADB’s internal control over financial reporting as of 31 December 2009. In making this assessment, ADB’s management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework*. Based on that assessment, management believes that as of 31 December 2009, ADB’s internal control over financial reporting is effective based upon the criteria established in *Internal Control – Integrated Framework*.



Haruhiko Kuroda
President



Bindu N. Lohani
Vice President (Finance and Administration)



Hong-Sang Jung
Controller

5 March 2010



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited management's assertion, included in the accompanying Management's Report on Internal Control over Financial Reporting, that Asian Development Bank ("ADB") maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. ADB's management is responsible for maintaining effective internal control over financial reporting and for its assertion of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on management's assertion based on our audit.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

ADB's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. ADB's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (3) provide reasonable assurance regarding prevention or timely detection and correction of unauthorized acquisition, use, or disposition of ADB's assets that could have a material effect on the financial statements.



Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected and corrected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, is fairly stated, in all material respects, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements as of and for the year ended December 31, 2009 of ADB – Japan Special Fund and our report dated March 5, 2010 expressed an unqualified opinion on those financial statements.

A handwritten signature in black ink that reads "Deloitte & Touche LLP".

Public Accountants and
Certified Public Accountants

Singapore
March 5, 2010



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited the accompanying statement of financial position of Asian Development Bank ("ADB") – Japan Special Fund as of December 31, 2009 and the related statements of activities and changes in net assets, and cash flows, for the year then ended. These financial statements are the responsibility of ADB's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of ADB – Japan Special Fund for the year ended December 31, 2008 were audited by other auditors whose report, dated March 5, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of ADB – Japan Special Fund as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with attestation standards established by the American Institute of Certified Public Accountants, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2010 expressed an unqualified opinion on management's assertion that ADB maintained effective internal control over financial reporting.

Public Accountants and
 Certified Public Accountants

Singapore
 March 5, 2010

Deloitte & Touche LLP (Unique Entity No. T08LL0721A) is an accounting limited liability partnership registered in Singapore under the limited Liability Partnerships Act (Chapter 163A).

Member of Deloitte Touche Tohmatsu

ASIAN DEVELOPMENT BANK—JAPAN SPECIAL FUND

STATEMENT OF FINANCIAL POSITION

31 December 2009 and 2008

Expressed in Thousands of United States Dollars (Note B)

	2009			2008		
	ACCSF	JSF Regular & Supplementary	Total	ACCSF	JSF Regular & Supplementary	Total
ASSETS						
DUE FROM BANKS (Note B)	\$ 77	\$ 315	\$ 392	\$ 224	\$ 489	\$ 713
INVESTMENTS (Notes A, B, C, and G)						
Time deposits	36,492	158,488	194,980	16,133	60,908	77,041
Corporate obligations	—	—	—	20,009	137,943	157,952
	<u>36,492</u>	<u>158,488</u>	<u>194,980</u>	<u>36,142</u>	<u>198,851</u>	<u>234,993</u>
ACCRUED REVENUE	1	9	10	85	378	463
ADVANCES FOR GRANTS AND OTHER ASSETS (Notes B and D) ¹	—	3,321	3,314	—	2,273	2,231
TOTAL¹	\$36,570	\$162,133	\$198,696	\$36,451	\$201,991	\$238,400
LIABILITIES AND UNCOMMITTED BALANCES						
ACCOUNTS PAYABLE AND OTHER LIABILITIES (Note D) ¹	\$ 7	\$ 211	\$ 211	\$ 42	\$ 236	\$ 236
UNDISBURSED COMMITMENTS (Notes B, E, and G)						
Technical assistance	—	94,081	94,081	223	95,825	96,048
TOTAL LIABILITIES ¹	<u>7</u>	<u>94,292</u>	<u>94,292</u>	<u>265</u>	<u>96,061</u>	<u>96,284</u>
NET ASSETS (JSF-2) (Note B), represented by:						
Uncommitted balances (Notes B and F)						
Unrestricted	—	67,841	67,841	—	105,930	105,930
Temporarily restricted	28,199	—	28,199	28,009	—	28,009
	<u>28,199</u>	<u>67,841</u>	<u>96,040</u>	<u>28,009</u>	<u>105,930</u>	<u>133,939</u>
Net accumulated investment income (Notes B and F)						
Temporarily restricted	8,364	—	8,364	8,177	—	8,177
	<u>36,563</u>	<u>67,841</u>	<u>104,404</u>	<u>36,186</u>	<u>105,930</u>	<u>142,116</u>
TOTAL¹	\$36,570	\$162,133	\$198,696	\$36,451	\$201,991	\$238,400

The accompanying notes are an integral part of these financial statements (JSF-4).

¹ Totals may not add up due to elimination of interfund account of \$7,000 (\$42,000 - 2008).

ASIAN DEVELOPMENT BANK—JAPAN SPECIAL FUND**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS****For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009			2008		
	ACCSF	JSF Regular & Supplementary	Total	ACCSF	JSF Regular & Supplementary	Total
CHANGES IN UNRESTRICTED NET ASSETS						
CONTRIBUTIONS (Notes B and F)	\$ —	\$ —	\$ —	\$ —	\$ 17,373	\$ 17,373
REVENUE FROM INVESTMENTS (Notes B and C)	—	1,167	1,167	—	6,459	6,459
REVENUE FROM OTHER SOURCES	—	13	13	—	91	91
NET ASSETS REVERTED TO TEMPORARILY RESTRICTED ASSETS (Notes B, E, and F)	(216)	—	(216)	(437)	—	(437)
Total	(216)	1,180	964	(437)	23,923	23,486
EXPENSES						
Technical assistance—net (Notes B, E, and F)	(223)	37,826	37,603	(449)	53,812	53,363
Administrative expenses (Note D)	7	1,419	1,426	12	1,278	1,290
Financial expenses	—	0	0	0	0	0
Total	(216)	39,245	39,029	(437)	55,090	54,653
CONTRIBUTIONS AND REVENUE LESS THAN EXPENSES	—	(38,065)	(38,065)	—	(31,167)	(31,167)
EXCHANGE (LOSSES) GAINS (Note B)	—	(24)	(24)	—	243	243
DECREASE IN UNRESTRICTED NET ASSETS	—	(38,089)	(38,089)	—	(30,924)	(30,924)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS						
REVENUE FROM INVESTMENTS AND OTHER SOURCES (Notes B and C)	161	—	161	1,045	—	1,045
NET ASSETS REVERTED TO TEMPORARILY RESTRICTED ASSETS (Notes B, E, and F)	216	—	216	437	—	437
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	377	—	377	1,482	—	1,482
INCREASE (DECREASE) IN NET ASSETS	377	(38,089)	(37,712)	1,482	(30,924)	(29,442)
NET ASSETS AT BEGINNING OF YEAR	36,186	105,930	142,116	34,704	136,854	171,558
NET ASSETS AT END OF YEAR	\$ 36,563	\$ 67,841	\$104,404	\$36,186	\$105,930	\$142,116

0 - Less than \$500.

The accompanying notes are an integral part of these financial statements (JSF-4).

ASIAN DEVELOPMENT BANK—JAPAN SPECIAL FUND

STATEMENT OF CASH FLOWS

For the Years Ended 31 December 2009 and 2008

Expressed in Thousands of United States Dollars (Note B)

	2009			2008		
	ACCSF	JSF Regular & Supplementary	Total	ACCSF	JSF Regular & Supplementary	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Contributions received	\$ —	\$ —	\$ —	\$ —	\$ 17,373	\$ 17,373
Interest on investments received	238	1,460	1,698	952	5,559	6,511
Technical assistance disbursed	(35)	(40,671)	(40,706)	(148)	(38,669)	(38,817)
Administrative expenses paid	(7)	(1,415)	(1,422)	(12)	(1,337)	(1,349)
Financial expenses paid	—	(0)	(0)	(0)	(0)	(0)
Net Cash received from other sources	0	13	13	15	89	104
Net Cash Provided by (Used in) Operating Activities	196	(40,613)	(40,417)	807	(16,985)	(16,178)
CASH FLOWS FROM INVESTING ACTIVITIES						
Maturities of investments	1,274,862	5,872,558	7,147,420	1,075,733	5,521,344	6,597,077
Purchases of investments	(1,275,205)	(5,832,119)	(7,107,324)	(1,076,880)	(5,504,281)	(6,581,161)
Net receipts from securities purchased under resale arrangement	—	—	—	—	264	264
Net Cash (Used in) Provided by Investing Activities	(343)	40,439	40,096	(1,147)	17,327	16,180
Effect of Exchange Rate Changes on Due from Banks	—	(0)	(0)	—	(38)	(38)
Net (Decrease) Increase in Due from Banks	(147)	(174)	(321)	(340)	304	(36)
Due from Banks at Beginning of Year	224	489	713	564	185	749
Due from Banks at End of Year	\$ 77	\$ 315	\$ 392	\$ 224	\$ 489	\$ 713
RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Increase (decrease) in net assets (JSF-2)	\$ 377	\$ (38,089)	\$ (37,712)	\$ 1,482	\$ (30,924)	\$ (29,442)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:						
Amortization of discounts on investments	(40)	(232)	(272)	(4)	(613)	(617)
Unrealized investment gains	33	156	189	(33)	(156)	(189)
Change in undisbursed commitments	(223)	(1,744)	(1,967)	(571)	12,901	12,330
Translation adjustment	—	24	24	—	(244)	(244)
Others-net	49	(728)	(679)	(67)	2,051	1,984
Net Cash Provided by (Used in) Operating Activities	\$ 196	\$ (40,613)	\$ (40,417)	\$ 807	\$ (16,985)	\$ (16,178)

0 - Less than \$500.

The accompanying notes are an integral part of these financial statements (JSF-4).

ASIAN DEVELOPMENT BANK—JAPAN SPECIAL FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

NOTE A—NATURE OF OPERATIONS

The Asian Development Bank (ADB), a multilateral development financial institution, was established in 1966 with its headquarters in Manila, Philippines. ADB and its operations are governed by the Agreement Establishing the Asian Development Bank (the Charter). Its purpose is to foster economic development and co-operation in the Asian and Pacific region and to contribute to the acceleration of the process of economic development of the developing member countries (DMCs) in the region, collectively and individually. With the adoption of its poverty reduction strategy at the end of 1999, ADB made reducing poverty in the region its main goal. ADB provides financial and technical assistance for projects and programs, which will contribute to achieving this purpose. These are financed through ordinary capital resources (OCR) and Special Funds.¹

The JSF was established in March 1988 when the Government of Japan and ADB entered into a financial arrangement whereby the Government of Japan agreed to make an initial contribution and ADB became the administrator. The purpose of JSF is to help DMCs of ADB restructure their economies and broaden the scope of opportunities for new investments, thereby assisting the recycling of funds to DMCs of ADB. While JSF resources are used mainly to finance technical assistance (TA) operations, these resources may also be used for equity investment operations in ADB's DMCs. Under the agreement between ADB and Japan, ADB may invest the proceeds of JSF pending disbursement.

In March 1999, the Board approved the acceptance and administration by ADB of the Asian Currency Crisis Support Facility (ACCSF) to assist Asian currency crisis-affected member countries (CAMCs). Funded by the Government of Japan, ACCSF was established within JSF to assist in the economic recovery of CAMCs through interest payment assistance (IPA) grants, TA grants, and guarantees. With the general fulfillment of the purpose of the facility, the Government of Japan and ADB agreed to terminate the ACCSF on 22 March 2002. The ACCSF account is to be kept open until the completion of all TA disbursements and the settlement of all administrative expenses.

ADB is immune from taxation pursuant to Chapter VIII, Article 56, *Exemption from Taxation*, of the Charter.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation of the Financial Statements

The financial statements of JSF are prepared in accordance with accounting principles generally accepted in the United States of America, and are presented on the basis of those for not-for-profit organizations and as unrestricted and temporarily restricted net assets. ACCSF funds are separately reported in the financial statements.

JSF reports the contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When the donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as "NET ASSETS RELEASED FROM RESTRICTIONS."

Functional and Reporting Currency

The United States dollar is the functional and reporting currency, representing the currency of the primary economic operating environment of JSF.

Translation of Currencies

ADB adopts the use of daily exchange rates for accounting and financial reporting purposes. This allows transactions denominated in non-US dollar to be translated to the reporting currency using exchange rates applicable at the time of transactions. Contributions included in the financial statements during the year are recognized at applicable exchange rates as of the respective dates of commitment. At the end of each accounting month, translations of assets, liabilities, and uncommitted balances which are denominated in non-US dollar are adjusted using the applicable rates of exchange at the end of the reporting period. These translation adjustments are accounted for as exchange gains or losses and are credited or charged to operations.

Investments

All investment securities held by JSF are reported at estimated fair value, which represents their fair market

¹ Asian Development Fund (ADF), Technical Assistance Special Fund (TASF), Japan Special Fund (JSF), ADB Institute Special Fund (ADBISF), Asian Tsunami Fund (ATF), Pakistan Earthquake Fund (PEF), Regional Cooperation and Integration Fund (RCIF), Climate Change Fund (CCF), and Asia Pacific Disaster Response Fund (APDRF).

ASIAN DEVELOPMENT BANK—JAPAN SPECIAL FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

value. Realized and unrealized gains and losses are included in revenue. Time deposits are reported at cost which is a reasonable estimate of fair value.

Interest income on investment securities and time deposits are recognized as realized and reported, net of amortizations of premiums and discounts, as “REVENUE FROM INVESTMENTS.”

Securities Purchased Under Resale Arrangements

JSF accounts for the transfer of financial assets in accordance with ASC 860, “Transfers and Servicing.” In general, transfers are accounted for as sales under ASC 860 when control over the transferred assets has been relinquished. Otherwise, the transfers are accounted for as repurchase/resale arrangements and collateralized financing arrangements. Securities purchased under resale arrangement are recorded as assets and are not re-pledged.

There were no outstanding securities purchased under resale arrangements as of 31 December 2009 and 2008.

Contributions

Contributions by Japan are included in the financial statements from the date indicated by Japan that funds are expected to be made available. Contributions which are restricted by the donor for specific TA projects/programs or for IPA grants are classified as temporarily restricted contributions. Those without any stipulation as to specific use are accounted for and reported as unrestricted contributions.

Technical Assistance and Undisbursed Commitments

Technical assistance is recognized in the financial statements when the project is approved and becomes effective. Upon completion of a TA project or cancellation of a grant, any undisbursed amount is written back as a reduction in the TA for the year and the corresponding undisbursed commitment is eliminated accordingly.

Advances are provided from technical assistance grant funds to the executing agency or co-operating institution, for the purpose of making payments for eligible expenses. The advances are subject to liquidation and charged against undisbursed commitment. Any unutilized portion is required to be returned to the fund. These are included in “ADVANCES FOR GRANTS AND OTHER ASSETS.”

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make reasonable estimates and assumptions that affect the reported amounts of assets and liabilities as of the end of the year and the reported amounts of income and expenses during the year. The actual results could differ from those estimates.

Accounting and Reporting Developments

In April 2009, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) FAS 157-4, “Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly” (codified ASC 820-10-65-4), FSP FAS 115-2 and FAS 124-2, “Recognition and Presentation of Other-Than-Temporary Impairments” (codified ASC 320-10-65-1), and FSP FAS 107-1 and APB 28-1, “Interim Disclosures about Fair Value of Financial Instruments” (codified ASC 825-10-65-1), which became effective for interim and annual periods ending after 15 June 2009, with early adoption permitted for periods ending after 15 March 2009. FSP FAS 157-4 provides guidance on how to determine the fair value of assets and liabilities under FAS 157 in the current economic environment and reemphasizes that the objective of a fair value measurement remains an exit price. If there has been a significant decrease in the volume and level of activity of the asset or liability in relation to normal market activities, quoted market values may not be representative of fair value and a change in valuation technique or the use of multiple valuation techniques may be appropriate. FSP FAS 115-2 and FAS 124-2 modify the requirements for recognizing other-than-temporarily impaired debt securities and revise the existing impairment model for such securities by modifying the current intent and ability indicator in determining whether a debt security is other-than-temporarily impaired. FSP FAS 107-1 and APB 28-1 enhance the disclosure of instruments under the scope of FAS 157 for both interim and annual periods. The application of these standards did not have a material impact on JSF’s 31 December 2009 financial statements.

In May 2009, the FASB issued Statement No. 165, “Subsequent Events” (codified ASC 855). This standard establishes principles and requirements for evaluating

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and reporting subsequent events. In particular, it sets forth; the period after the balance sheet date during which management shall evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; the circumstances under which an entity shall recognize events or transactions occurring after the balance sheet date in its financial statements; and the disclosures related to events or transactions occurring after the balance sheet date. Note H provides the required disclosures in compliance with this standard.

In June 2009, the FASB issued Statement No. 166, "Accounting for Transfers of Financial Assets and Repurchase Financing Transactions" (codified ASC 860-10-65-3). This standard addresses the information that a reporting entity provides in its financial reports about transfers of financial assets including; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement in transferred assets. This standard is applicable at the start of an entity's first fiscal year beginning after 15 November 2009, or 1 January 2010 for entities reporting earnings on a calendar-year basis. ADB is currently assessing the impact of this standard on JSF's financial statements.

In June 2009, the FASB issued Statement No. 168, "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162" (codified ASC 105). Effective for financial statements issued for interim and annual periods ending after 15 September 2009, FASB Accounting Standards Codification™ (ASC) becomes the source of authoritative U.S. accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the Securities and Exchange Commission (SEC). ASC supersedes all existing, non-SEC accounting and reporting standards for nongovernmental entities. Concurrently, all other nongrandfathered, non-SEC accounting literature not included in ASC will become nonauthoritative.

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the JSF considers that its cash and cash equivalents are limited to "DUE FROM BANKS," which consists of cash on hand and current accounts in banks used for operational disbursements.

NOTE C—INVESTMENTS

The main investment management objective is to maintain security and liquidity. Subject to these parameters, ADB seeks the highest possible return on its investments. Investments are governed by the Investment Authority approved by the Board of Directors in 1999, and reviewed in 2006. The review endorsed a portfolio strategy that is largely consistent with the 1999 approach.

Investment securities and negotiable certificates of deposit held as of 31 December 2009 and 2008 are considered "Available for Sale" and are reported at fair value, which represents their fair market value. Unrealized gains and losses are included in revenue from investments.

The annualized rates of return on the average investments held under ACCSF and JSF during the year, based on the portfolio held at the beginning and end of each month were 0.54% and 0.75%, respectively (2.90% and 2.94%, respectively - 2008).

NOTE D—RELATED PARTY TRANSACTIONS

The OCR and special fund resources are at all times used, committed, and invested entirely separate from each other. The administrative and operational expenses pertaining to JSF are settled on a regular basis with OCR and other funds. Regional technical assistance projects and programs may be combined activities financed by special and trust funds.

The interfund balances between other funds, which are included in "ADVANCES FOR GRANTS AND OTHER ASSETS" and "ACCOUNTS PAYABLE AND OTHER LIABILITIES" are as follows:

	2009	2008
Amounts Receivable by:		
JSF from: ACCSF	\$ 7,000	\$ 42,000
TASF	1,000	—
Agency Trust Funds—net	—	19,000
Total	<u>\$ 8,000</u>	<u>\$ 61,000</u>
Amounts Payable by:		
JSF to: OCR	\$115,000	\$145,000
TASF	—	21,000
Agency Trust Funds—net	1,000	—
Total	<u>\$116,000</u>	<u>\$166,000</u>
ACCSF to: JSF	<u>\$ 7,000</u>	<u>\$ 42,000</u>

ASIAN DEVELOPMENT BANK—JAPAN SPECIAL FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

NOTE E—UNDISBURSED COMMITMENTS

Undisbursed commitments are denominated in United States dollars and represent effective TA projects/programs not yet disbursed. Completed but partially cancelled TA projects amounting to \$4,736,000 was written back as a reduction in technical assistance during 2009 (\$6,883,000 – 2008), and the corresponding undisbursed commitments was eliminated. Out of this amount, \$223,000 (\$449,000 – 2008) corresponds to ACCSF. The fair value of undisbursed commitments approximates the amounts outstanding, because ADB expects that disbursements will substantially be made for all the projects/programs covered by the commitments.

NOTE F—CONTRIBUTIONS AND UNCOMMITTED BALANCES

All contributions for the years ended 31 December 2009 and 2008 were received during the respective years.

	2009			2008		
	ACCSF	JSF Regular and Supplementary	Total	ACCSF	JSF Regular and Supplementary	Total
Uncommitted balances	\$28,199,000	\$67,841,000	\$96,040,000	\$28,009,000	\$105,930,000	\$133,939,000
TA projects/programs approved by Japan and ADB but not yet effective	–	(12,330,000)	(12,330,000)	–	(14,840,000)	(14,840,000)
TA projects/programs approved by Japan and not yet effective	–	(15,520,000)	(15,520,000)	–	(4,300,000)	(4,300,000)
Uncommitted balances available for new commitments	<u>\$28,199,000</u>	<u>\$39,991,000</u>	<u>\$68,190,000</u>	<u>\$28,009,000</u>	<u>\$ 86,790,000</u>	<u>\$114,799,000</u>

The temporarily restricted uncommitted balance remaining available as of 31 December 2009 corresponds to funds under ACCSF of \$28,199,000 (\$28,009,000 – 2008) and the amount of net accumulated investment income of \$8,364,000 (\$8,177,000 – 2008) for settlement of all administrative expenses.

Net assets reverted to temporarily restricted assets under ACCSF relate to savings on financially completed technical assistance net of amount from accumulated

Effective 31 December 2002, all remaining temporarily restricted net assets under JSF were transferred and integrated into the unrestricted regular net assets, as concurred by Japan, in order to optimize the use of JSF. Similarly, Japan lifted the restriction over the use of net accumulated investment income, which under the original terms of agreement between ADB and Japan, may only be used for defraying JSF's administrative expenses. Japan agreed to use the net accumulated investment income as additional resources for funding future JSF operations.

Uncommitted balances comprise amounts which have not been committed by ADB as of 31 December 2009 and 2008. These balances include approved TA projects/programs that are not yet effective.

As of 31 December 2009 and 2008 these balances are as follows:

investment income, released from restrictions to defray the administrative expenses of ACCSF.

NOTE G—FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability at measurement date (exit price) in an orderly transaction among willing participants with an assumption that the

The following guidelines are applied in determining the fair values of financial instruments:

Readily marketable investments are fair valued using active market quotes in Level 1 category. Level 2 category includes investments which are fair valued with significant market observable inputs.

ASC 820 also establishes a fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), next priority to observable market inputs or market corroborated data (Level 2), and the lowest priority to unobservable inputs without market corroborated data (Level 3). ASC 820 requires the fair value measurement to maximize the use of market observable inputs.

See Notes C and E for discussions relating to investments and undisbursed commitments. In all other cases, the carrying amounts of JSF's assets, liabilities, and uncommitted balances are considered to approximate fair values for all significant financial instruments.

ADB has evaluated subsequent events after 31 December 2009 through 5 March 2010, the date these Financial Statements are available for issuance. As a result of this evaluation, there are no subsequent events, as defined, that require recognition or disclosure in the JSF's Financial Statements as of 31 December 2009.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Asian Development Bank:

We have audited the accompanying statement of financial position of Asian Development Bank ("ADB")—Asian Development Bank Institute Special Fund as of December 31, 2009, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of Asian Development Bank Institute's (the "Institute") management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of ADB—Asian Development Bank Institute Special Fund for the year ended December 31, 2008 were audited by other auditors whose report, dated March 5, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of ADB—Asian Development Bank Institute Special Fund as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte Touche Tohmatsu LLC

March 5, 2010

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT BANK INSTITUTE SPECIAL FUND**STATEMENT OF FINANCIAL POSITION****31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
ASSETS		
DUE FROM BANKS (Note B)	\$ 453	\$ 304
SECURITIES PURCHASED UNDER RESALE ARRANGEMENT (Notes B, C, and D)	2,055	10,405
PROPERTY, FURNITURE, AND EQUIPMENT (Notes B and E)		
One-time Establishment Cost and Furniture	\$ 3,241	\$ 3,398
Less - allowance for depreciation	<u>3,241</u> —	<u>3,398</u> —
Equipment	137	—
Less - allowance for depreciation	<u>8</u> 129	<u>—</u> —
Leased Property	238	243
Less - allowance for depreciation	<u>190</u> 48	<u>146</u> 97
DUE FROM CONTRIBUTORS (Note F)	8,038	7,759
OTHER ASSETS	2,460	2,512
TOTAL	\$ 13,183	\$ 21,077
LIABILITIES AND UNCOMMITTED BALANCES		
ACCOUNTS PAYABLE AND OTHER LIABILITIES (Notes B, E, H, and I)	\$ 5,921	\$ 5,354
UNCOMMITTED BALANCES (ADBISF-2)		
Unrestricted net assets	7,262	15,723
TOTAL	\$ 13,183	\$ 21,077

The accompanying notes are an integral part of these financial statements (ADBISF-4).

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT BANK INSTITUTE SPECIAL FUND**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS****For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
CHANGES IN UNRESTRICTED NET ASSETS		
CONTRIBUTIONS (Notes B and F)	\$ 8,038	\$ 7,759
REVENUE		
From investments (Notes B and C)	8	85
From other sources (Note G)	432	256
Total	8,478	8,100
EXPENSES		
Administrative expenses	10,383	9,743
Program expenses	4,907	3,814
Total	15,290	13,557
CONTRIBUTIONS AND REVENUE LESS THAN EXPENSES	(6,812)	(5,457)
EXCHANGE LOSSES—NET	(308)	(159)
TRANSLATION ADJUSTMENTS (Note B)	(328)	3,337
EFFECT OF ASC 715 (Note I)	(1,013)	(290)
DECREASE IN UNRESTRICTED NET ASSETS	(8,461)	(2,569)
NET ASSETS AT BEGINNING OF YEAR	15,723	18,292
NET ASSETS AT END OF YEAR	\$ 7,262	\$ 15,723

The accompanying notes are an integral part of these financial statements (ADBISF-4).

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT BANK INSTITUTE SPECIAL FUND**STATEMENT OF CASH FLOWS****For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions received	\$ 7,871	\$ 12,163
Interest on investments received	8	87
Expenses paid	(15,625)	(13,009)
Others—net	124	97
Net Cash Used in Operating Activities	(7,622)	(662)
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturities of investments	—	220,580
Purchases of investments	—	(212,945)
Net receipts from (payments for) securities under resale arrangement	7,712	(7,406)
Net Cash Provided by Investing Activities	7,712	229
Effect of Exchange Rate Changes on Due from Banks	59	134
Net Increase (Decrease) in Due from Banks	149	(299)
Due from Banks at Beginning of Year	304	603
Due from Banks at End of Year	\$ 453	\$ 304
RECONCILIATION OF DECREASE IN UNRESTRICTED NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES:		
Decrease in unrestricted net assets (ADBISF-2)	\$ (8,461)	\$ (2,569)
Adjustments to reconcile decrease in unrestricted net assets to net cash used in operating activities:		
Depreciation	59	48
Change in due from contributors	(166)	4,404
Change in other assets	51	(488)
Change in accounts payable and other liabilities	567	1,279
Translation adjustments	328	(3,337)
Others—net	0	1
Net Cash Used in Operating Activities	\$ (7,622)	\$ (662)

0 - Less than \$500.

The accompanying notes are an integral part of these financial statements (ADBISF-4).

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT BANK INSTITUTE SPECIAL FUND**NOTES TO FINANCIAL STATEMENTS**

31 December 2009 and 2008

NOTE A—NATURE OF OPERATIONS

The Asian Development Bank (ADB), a multilateral development financial institution, was established in 1966 with its headquarters in Manila, Philippines. ADB and its operations are governed by the Agreement Establishing the Asian Development Bank (the Charter). Its purpose is to foster economic development and co-operation in the Asian and Pacific region and to contribute to the acceleration of the process of economic development of the developing member countries (DMCs) in the region, collectively and individually. With the adoption of its poverty reduction strategy at the end of 1999, ADB made reducing poverty in the region its main goal. ADB provides financial and technical assistance for projects and programs, which will contribute to achieving this purpose. These are financed through ordinary capital resources (OCR) and Special Funds.¹

In 1996, ADB approved the establishment of the Asian Development Bank Institute (the Institute) in Tokyo, Japan as a subsidiary body of ADB. The Institute commenced its operations upon the receipt of the first funds from Japan on 24 March 1997, and it was inaugurated on 10 December 1997. The Institute's funds may consist of voluntary contributions, donations, and grants from ADB member countries, non-government organizations, and foundations. The objectives of the Institute, as defined under its Statute, are the identification of effective development strategies and capacity improvement for sound development management in developing member countries.

ADB is immune from taxation pursuant to Chapter VIII, Article 56, *Exemption from Taxation*, of the Charter.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*Presentation of the Financial Statements*

The financial statements of the Institute are prepared in accordance with accounting principles generally accepted in the United States of America, and are presented on the basis of those for not-for-profit organizations.

The Institute reports donor's contributed cash and other assets as unrestricted support as these are made

available to the Institute without conditions other than for the purposes of pursuing the objectives of the Institute.

Functional Currency and Reporting Currency

The functional currency of the Institute is the Japanese yen. The reporting currency is the United States dollar.

Translation of Currencies

Assets, liabilities, and uncommitted balances are translated from the functional currency to the reporting currency at the applicable rates of exchange at the end of a reporting period. Commitments included in the financial statements during the year are recognized at the applicable exchange rates as of the respective dates of commitment. Revenue and expense amounts are translated for each semi-monthly period generally at the applicable rates of exchange at the beginning of each period; such practice approximates the application of average rates in effect during the period. Translation adjustments are recorded as translation adjustments account and included in changes in unrestricted net assets.

Monetary assets and liabilities denominated in currency other than Japanese yen are translated into Japanese yen at year-end exchange rates. Exchange gains and losses are recorded as exchange losses—net account and included in the changes in unrestricted net assets.

Investments

All investment securities held by the Institute are reported at estimated fair value which represents their fair market value. Realized and unrealized gains and losses are included in revenue. Time deposits are reported at cost which is a reasonable estimate of fair value.

Interest income on investment securities and time deposits are recognized as realized and reported net of amortizations of premiums and discounts in "Revenue from investments."

Securities Purchased Under Resale Arrangements

The Institute accounts for transfer of financial assets in accordance with ASC 860, "Transfers and Servicing." In

¹ Asian Development Fund (ADF), Technical Assistance Special Fund (TASF), Japan Special Fund (JSF), ADB Institute Special Fund (ADBISF), Asian Tsunami Fund (ATF), Pakistan Earthquake Fund (PEF), Regional Cooperation and Integration Fund (RCIF), Climate Change Fund (CCF), and Asia Pacific Disaster Response Fund (APDRF).

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general, transfers are accounted for as sales under ASC 860 when control over the transferred assets has been relinquished. Otherwise, the transfers are accounted for as repurchase/resale arrangements and collateralized financing arrangements. Securities purchased under resale arrangement are recorded as assets and are not re-pledged.

Property, Furniture, and Equipment

Property, furniture, and equipment are stated at cost and depreciated over their estimated useful lives using the straight-line method. Maintenance, repairs and minor betterments are charged to expense.

The Institute distinguishes between capital leases and operating leases based on the objective of the expenditure. Expenditures amounting to more than \$30,000 for a single asset or a combination of assets forming an integral part of a separate asset are capitalized.

Contributions

Contributions from donors are included in the financial statements from the date committed.

Accounting Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the end of the year and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

Accounting and Reporting Developments

In December 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) FAS 132(R)-1 (codified ASC 715-20-65-2), which amends 132(R) to require more detailed disclosures about employers' plan assets, including employers' investment strategies, major categories of plan assets, concentration of risk within plan assets, and valuation techniques used to measure the fair value of plan assets. This aims to address financial statement users' concerns "about

the lack of transparency surrounding the types of assets and associated risks in an employer's defined benefit pension or other postretirement plan and events in the economy and markets that could have a significant effect on the value of the plan assets." An entity must provide the disclosures in financial statements for fiscal years ending after 15 December 2009. Note I provides the required disclosures in compliance with this standard.

In April 2009, the FASB issued FSP FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" (codified ASC 820-10-65-4), FSP FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments" (codified ASC 320-10-65-1), and FSP FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments" (codified ASC 825-10-65-1), which became effective for interim and annual periods ending after 15 June 2009, with early adoption permitted for periods ending after 15 March 2009. FSP FAS 157-4 provides guidance on how to determine the fair value of assets and liabilities under FAS 157 in the current economic environment and reemphasizes that the objective of a fair value measurement remains an exit price. If there has been a significant decrease in the volume and level of activity of the asset or liability in relation to normal market activities, quoted market values may not be representative of fair value and a change in valuation technique or the use of multiple valuation techniques may be appropriate. FSP FAS 115-2 and FAS 124-2 modify the requirements for recognizing other-than-temporarily impaired debt securities and revise the existing impairment model for such securities by modifying the current intent and ability indicator in determining whether a debt security is other-than-temporarily impaired. FSP FAS 107-1 and APB 28-1 enhance the disclosure of instruments under the scope of FAS 157 for both interim and annual periods. The application of these standards did not have a material impact on ADBISF's 31 December 2009 financial statements.

In May 2009, the FASB issued Statement No. 165, "Subsequent Events" (codified ASC 855). This standard establishes principles and requirements for evaluating and reporting subsequent events. In particular, it sets

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT BANK INSTITUTE SPECIAL FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

forth; the period after the balance sheet date during which management shall evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; the circumstances under which an entity shall recognize events or transactions occurring after the balance sheet date in its financial statements; and the disclosures related to events or transactions occurring after the balance sheet date. Note J provides the required disclosures in compliance with this standard.

In June 2009, the FASB issued Statement No. 166, "Accounting for Transfers of Financial Assets and Repurchase Financing Transactions" (codified ASC 860-10-65-3). This standard addresses the information that a reporting entity provides in its financial reports about transfers of financial assets including; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement in transferred assets. This standard is applicable at the start of a entity's first fiscal year beginning after 15 November 2009, or 1 January 2010 for entities reporting earnings on a calendar-year basis. The Institute is currently assessing the impact of this standard on ADBISF's financial statements.

In June 2009, the FASB issued Statement No. 168, "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162" (codified ASC 105). Effective for financial statements issued for interim and annual periods ending after 15 September 2009, FASB Accounting Standards Codification™ (ASC) becomes the source of authoritative U.S. accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the Securities and Exchange Commission (SEC). ASC supersedes all existing, non-SEC accounting and reporting standards for nongovernmental entities. Concurrently, all other nongrandfathered, non-SEC accounting literature not included in ASC will become nonauthoritative.

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Institute considers that its cash and cash equivalents are limited to "DUE FROM BANKS," which consists of cash on hand and current accounts in banks used for operational disbursements.

NOTE C—INVESTMENTS

The main investment management objective is to maintain security and liquidity. Subject to these parameters, ADB administers the Institute's investments and seeks the highest possible return on its investments. Investments are governed by the Investment Authority approved by the Board of Directors in 1999, and reviewed in 2006. The review endorsed a portfolio approach that is largely consistent with the 1999 approach.

The annualized rate of return on the average investments held during the year including receivable for securities purchased under resale arrangement, based on the portfolio held at the beginning and end of each month was 0.08% (0.58% - 2008).

NOTE D—FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability at measurement date (exit price) in an orderly transaction among willing participants with an assumption that the transaction takes place in the entity's principal market, the most advantageous market for the asset or liability. The most advantageous market is the market where the sale of the asset or transfer of liability would maximize the amount received for the asset or minimize the amount paid to transfer the liability. The fair value measurement is not adjusted for transaction cost.

ASC 820 also establishes a fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), next priority to observable market inputs or market corroborated data (Level 2), and the lowest priority to unobservable inputs without market corroborated data (Level 3). ASC 820 requires the fair value measurement to maximize the use of market observable inputs.

The following guidelines are applied in determining the fair values of financial instruments:

Securities purchased under resale arrangements

Readily marketable investments are fair valued using active market quotes in Level 1 category. Level 2 category includes securities purchased under resale arrangements which are fair valued with significant market observable inputs.

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The fair value of the following financial assets of ADBISF as of 31 December 2009 and 2008 were reported based on the following:

		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>31 December 2009</u>				
Assets				
Securities purchased under resale arrangement	<u>\$ 2,055,000</u>	<u>\$ —</u>	<u>\$ 2,055,000</u>	<u>\$ —</u>

		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>31 December 2008</u>				
Assets				
Securities purchased under resale arrangement	<u>\$ 10,405,000</u>	<u>\$ —</u>	<u>\$ 10,405,000</u>	<u>\$ —</u>

See Note B for discussions relating to investments and securities purchased under resale arrangements. In all other cases, the carrying amounts of ADBISF's assets, liabilities, and uncommitted balances are considered to approximate fair values for all significant financial instruments.

NOTE E—PROPERTY, FURNITURE, AND EQUIPMENT

One-time establishment cost consists of office furniture, fixtures and equipment purchased at inception for use in the operations of the Institute.

On 6 January 2006, the Institute concluded an agreement regarding the lease of a server, which requires the Institute to pay a total amount of \$205,000 over the period of 60 months.

The following is a schedule by years of future minimum lease payments under capital lease together with present value of the net minimum lease payment as of 31 December 2009:

	Year ending 31 December 2010
Total minimum lease payment	\$ 52,000
Less: Amount representing interest	1,000
Present value of net minimum lease payments	\$ 51,000

NOTE F—CONTRIBUTIONS

In 2009, the Government of Japan committed its 14th contribution to the Institute amounting to ¥742,960,000 (\$8,038,000 equivalent), which was transferred to the Fund on 8 January 2010. At 31 December 2009, the amount contributed was reported in the Statement of Financial Position as "DUE FROM CONTRIBUTORS."

NOTE G—REVENUE FROM OTHER SOURCES

Revenue from other sources in 2009 primarily consists of sublease rental income of \$431,000 (\$171,000 – 2008), received according to a space sharing agreement with the Japanese Representative Office of ADB. The transactions with ADB were made in the ordinary course of business and were negotiated at arm's length.

NOTE H—DUE TO OCR

Accounts payable and other liabilities include amounts due to OCR of \$198,000 and \$847,000 at 31 December 2009 and 2008, respectively. The payable results from transactions in the normal course of business.

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT BANK INSTITUTE SPECIAL FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

NOTE I—STAFF RETIREMENT PLAN AND POSTRETIREMENT MEDICAL BENEFITS

Staff Retirement Plan

The Institute participates in the contributory defined benefit Staff Retirement Plan (the Plan) of ADB. Every employee, as defined under the Plan, shall, as a condition of service, become a participant from the first day of service, provided that at such a date, the employee has not reached the normal retirement age of 60. Retirement benefits are based on length of service and highest average remuneration during two years of eligible service. The Plan assets are segregated and are not included in the accompanying Balance Sheet. The costs of administering the Plan are absorbed by ADB, except for fees paid to the investment managers and related charges, including custodian fees, which are borne by the Plan.

Participants hired on or before 30 September 2006 are required to contribute 9 1/3% of their salary to the Plan while those hired after that date are not required to contribute to the plan. Participants may also make additional voluntary contributions. The Institute's contribution is determined at a rate sufficient to cover that part of the costs of the Plan not covered by the participants' contributions.

Expected Contributions

The expected amount of contributions to the Plan for 2010, based on the Institute's contribution rate for the coming year of 21%, and the participants' mandatory contribution are \$296,000 and \$36,000, respectively (2008 - \$221,000 and \$62,000).

Investment Strategy

Contributions in excess of current benefits payments are invested in international financial markets and in a variety of investment vehicles. The Plan employs nine external asset managers and one global custodian who function within the guidelines established by the Plan's Investment Committee. The investment of these assets, over the long term, is expected to produce higher returns than short-term investments. The investment policy incorporates the Plan's package of desired investment return, and tolerance for risk, taking into account the nature and duration of the Plan's liabilities. The

Plan's assets are diversified among different markets and different asset classes. The use of derivatives for speculation, leverage or taking risks is prohibited. Selected derivatives are used for hedging and transactional efficiency purposes.

The Plan's investment policy is periodically reviewed and revised to reflect the best interest of the Plan's participants and beneficiaries. The current policy, adopted in January 2003, specifies an asset-mix structure of 70% of assets in equities and 30% in fixed income securities.

At present, investments of the Plan's assets are divided into three categories: US equity, Non-US equity, and US fixed income.

All investments, excluding time deposits, are valued using market prices. Time deposits are reported at cost which is deemed a reasonable estimate of fair value. Fixed income securities include US government and government guaranteed obligations, corporate bonds and time deposits. Other assets include forward exchange contracts in various foreign currencies transacted to hedge currency exposure in the investment portfolio, which are reported at fair value.

For the year ended 31 December 2009, the net return on the Plan assets was 21.3% (-29.5% - 2008). ADB expects the long-term rate of return on the assets to be 8%.

Assumptions

The assumed overall rate of return takes into account long-term return expectations of the underlying asset classes within the investment portfolio mix, and the expected duration of the Plan's liabilities. Return expectations are forward looking and, in general, not much weight is given to short-term experience. Unless there is a drastic change in investment policy or market environment, the assumed investment return of 8% on the Plan's assets is expected to remain broadly the same, year to year.

Postretirement Medical Benefits Plan

The Institute participates in the cost-sharing plan of ADB for retirees' medical insurance premiums. Under the plan, the Institute is obligated to pay 75% of the Group Medical Insurance Plan premiums for retirees and their eligible dependents who elected to participate. The cost-sharing plan is currently unfunded.

CONTINUED

Generally accepted accounting principles require an actuarially determined assessment of the periodic cost of postretirement medical benefits.

The following table sets forth the pension and postretirement benefits at 31 December 2009 and 31 December 2008:

	Pension Benefits		Postretirement Medical Benefits	
	2009	2008	2009	2008
Change in benefit obligation:				
Projected benefit obligation at beginning of year	\$ 4,844,000	\$ 4,960,000	\$ 96,000	\$ 98,000
Service cost	150,000	163,000	15,000	20,000
Interest cost	359,000	305,000	8,000	7,000
Plan participants' contributions	109,000	322,000	-	-
Actuarial (gain) loss	1,208,000	(818,000)	58,000	(8,000)
Benefits paid	(197,000)	(88,000)	(29,000)	(21,000)
Projected benefit obligation at end of year	<u>\$ 6,473,000</u>	<u>\$ 4,844,000</u>	<u>\$ 148,000</u>	<u>\$ 96,000</u>
Change in plan assets:				
Fair value of plan assets at beginning of year	\$ 2,198,000	\$ 2,733,000	\$ -	\$ -
Actual return on plan assets	488,000	(851,000)	-	-
Employer's contribution	351,000	82,000	29,000	21,000
Plan participants' contributions	109,000	322,000	-	-
Benefits paid	(197,000)	(88,000)	(29,000)	(21,000)
Fair value of plan assets at end of year	<u>\$ 2,949,000</u>	<u>\$ 2,198,000</u>	<u>\$ -</u>	<u>\$ -</u>
Funded Status	<u>\$(3,524,000)</u>	<u>\$(2,646,000)</u>	<u>\$(148,000)</u>	<u>\$ (96,000)</u>
Amounts recognized in the Balance sheet consist of:				
Non-current liability	<u>\$(3,524,000)</u>	<u>\$(2,646,000)</u>	<u>\$(148,000)</u>	<u>\$ (96,000)</u>
Amounts recognized in the Unrestricted net assets consist of:				
Net actuarial loss (gain)	\$ 1,917,000	\$ 994,000	\$(300,000)	\$(395,000)
Prior service cost (credit)	5,000	10,000	-	(1,000)
Net amount recognized	<u>\$ 1,922,000</u>	<u>\$ 1,004,000</u>	<u>\$(300,000)</u>	<u>\$(396,000)</u>
Weighted-average assumptions as of 31 December				
Discount rate	6.00%	7.25%	6.00%	7.25%
Expected return on plan assets	8.00%	8.00%	N/A	N/A
Rate of compensation increase varies with age and averages	4.50%	5.05%	4.50%	5.05%

ASIAN DEVELOPMENT BANK—ASIAN DEVELOPMENT BANK INSTITUTE SPECIAL FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

For measurement purposes, an 8.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for the valuation as of 31 December

2009. The rate was assumed to decrease gradually to 5.0% for 2013 and remain at that level thereafter.

	Pension Benefits		Postretirement Medical Benefits	
	2009	2008	2009	2008
Components of net periodic benefit cost:				
Service cost	\$ 150,000	\$ 163,000	\$ 15,000	\$ 20,000
Interest cost	359,000	305,000	8,000	7,000
Expected return on plan assets	(213,000)	(226,000)	-	-
Amortization of prior service cost	5,000	5,000	(1,000)	(31,000)
Recognized actuarial loss	10,000	26,000	(37,000)	(39,000)
Net periodic benefit cost	<u>\$ 311,000</u>	<u>\$ 273,000</u>	<u>\$ (15,000)</u>	<u>\$ (43,000)</u>

The accumulated benefit obligation of the pension plan as of 31 December 2009 was \$6,283,000 (\$4,635,000 – 2008).

A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on total service and interest cost components	\$ 5,000	\$ (5,000)
Effect on postretirement benefit obligation	37,000	(29,000)

Fair Value Hierarchy

ASC 820 establishes a fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), next priority to observable market inputs or market corroborated data (Level 2), and the lowest priority to unobservable inputs without market corroborated data (Level 3). ASC 820 requires the fair value measurement to maximize the use of market observable inputs.

Estimated Future Benefits Payments

The following table shows the benefit payments expected to be paid in each of the next five years and subsequent five years. The expected benefit payments are based on the same assumptions used to measure the benefit obligation at 31 December 2009:

	Pension Benefits	Postretirement Medical Benefits
2010	\$ 481,000	\$ -
2011	286,000	-
2012	329,000	-
2013	323,000	1,000
2014	526,000	1,000
2015-2019	3,385,000	27,000

CONTINUED

The fair value of the plan assets of the Institute's pension plan as of 31 December 2009 were reported based on the following:

	Total	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 77,000	\$ 77,000	\$ –	\$ –
Corporate equity securities	1,829,000	1,829,000	–	–
Government and government- guaranteed securities	318,000	293,000	25,000	–
Corporate debt securities	289,000	–	289,000	–
Mortgage/Asset-backed securities	209,000	–	209,000	–
Temporary investments and time deposits	25,000	–	25,000	–
Forward exchange contracts—net	1,000	–	1,000	–
Interest rate swaps—net	7,000	–	7,000	–
Accrued interest and dividends	10,000	–	10,000	–
Other receivables	257,000	–	257,000	–
Total assets at fair value	\$ 3,022,000	\$ 2,199,000	\$ 823,000	\$ –
Liabilities				
Other liabilities	\$ 73,000	\$ –	\$ 73,000	\$ –

NOTE J—SUBSEQUENT EVENTS

The Institute has evaluated subsequent events after 31 December 2009 through 5 March 2010, the date these Financial Statements are available for issuance. As a result of this evaluation, there are no subsequent events, as defined, that require recognition or disclosure in the ADBISF's Financial Statements as of 31 December 2009.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Asian Development Bank ("ADB") is responsible for establishing and maintaining adequate internal control over financial reporting. ADB's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America.

ADB's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of ADB's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ADB's management assessed the effectiveness of ADB's internal control over financial reporting as of 31 December 2009. In making this assessment, ADB's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework*. Based on that assessment, management believes that as of 31 December 2009, ADB's internal control over financial reporting is effective based upon the criteria established in *Internal Control – Integrated Framework*.



Haruhiko Kuroda
President



Bindu N. Lohani
Vice President (Finance and Administration)



Hong-Sang Jung
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited management's assertion, included in the accompanying Management's Report on Internal Control over Financial Reporting, that Asian Development Bank ("ADB") maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. ADB's management is responsible for maintaining effective internal control over financial reporting and for its assertion of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on management's assertion based on our audit.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

ADB's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. ADB's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (3) provide reasonable assurance regarding prevention or timely detection and correction of unauthorized acquisition, use, or disposition of ADB's assets that could have a material effect on the financial statements.



Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected and corrected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, is fairly stated, in all material respects, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements as of and for the year ended December 31, 2009 of ADB – Asian Tsunami Fund and our report dated March 5, 2010 expressed an unqualified opinion on those financial statements.

Public Accountants and
Certified Public Accountants

Singapore
March 5, 2010



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited the accompanying statement of financial position of Asian Development Bank ("ADB") – Asian Tsunami Fund as of December 31, 2009 and the related statements of activities and changes in net assets, and cash flows, for the year then ended. These financial statements are the responsibility of ADB's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of ADB – Asian Tsunami Fund for the year ended December 31, 2008 were audited by other auditors whose report, dated March 5, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of ADB – Asian Tsunami Fund as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with attestation standards established by the American Institute of Certified Public Accountants, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2010 expressed an unqualified opinion on management's assertion that ADB maintained effective internal control over financial reporting.

Public Accountants and
 Certified Public Accountants

Singapore
 March 5, 2010

ASIAN DEVELOPMENT BANK—ASIAN TSUNAMI FUND**STATEMENT OF FINANCIAL POSITION****31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
ASSETS		
DUE FROM BANKS (Note B)	\$ 449	\$ 383
INVESTMENTS (Notes B, C, and G)		
Time deposits	\$97,896	\$ 93,032
Corporate bonds	— 97,896	158,256 251,288
ACCRUED REVENUE	2	731
ADVANCES FOR GRANTS (Note B)	23,565	43,017
TOTAL	\$ 121,912	\$ 295,419
LIABILITIES AND UNCOMMITTED BALANCES		
ACCOUNTS PAYABLE AND OTHER LIABILITIES (Note D)	\$ 597	\$ 694
UNDISBURSED COMMITMENTS (Notes B, E, and G)	116,784	248,338
UNCOMMITTED BALANCES (ATF-2) (Notes B and F), represented by:		
Unrestricted net assets	4,531	46,387
TOTAL	\$ 121,912	\$ 295,419

The accompanying notes are an integral part of these financial statements (ATF-4).

ASIAN DEVELOPMENT BANK—ASIAN TSUNAMI FUND**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS****For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009		2008	
CHANGES IN UNRESTRICTED NET ASSETS				
REVENUE				
From investments (Notes B and C)	\$ 879		\$ 9,125	
From other sources	8	\$ 887	215	\$ 9,340
EXPENSES				
Administrative expenses (Note D)	2,668		2,849	
Financial expenses	2	2,670	2	2,851
REVENUE (LESS THAN) IN EXCESS OF EXPENSES		(1,783)		6,489
TRANSFER TO ASIA PACIFIC DISASTER RESPONSE FUND (Note F)		(40,000)		—
EXCHANGE LOSSES (Note B)		(73)		(110)
(DECREASE) INCREASE IN NET ASSETS		(41,856)		6,379
NET ASSETS AT BEGINNING OF YEAR		46,387		40,008
NET ASSETS AT END OF YEAR		\$ 4,531		\$ 46,387

The accompanying notes are an integral part of these financial statements (ATF-4).

ASIAN DEVELOPMENT BANK—ASIAN TSUNAMI FUND**STATEMENT OF CASH FLOWS****For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest on investments received	\$ 2,090	\$ 7,622
Grants / Technical assistance disbursed	(112,223)	(121,820)
Administrative and financial expenses paid	(2,719)	(2,178)
Cash received from other sources	(304)	216
Transfer to Asia Pacific Disaster Response Fund	(40,000)	—
Net Cash Used in Operating Activities	(153,156)	(116,160)
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturities of investments	10,708,785	9,337,364
Purchases of investments	(10,555,563)	(9,220,982)
Net Cash Provided by Investing Activities	153,222	116,382
Net Increase in Due from Banks	66	222
Due from Banks at Beginning of Year	383	161
Due from Banks at End of Year	\$ 449	\$ 383
RECONCILIATION OF (DECREASE) INCREASE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES:		
(Decrease) Increase in net assets (ATF-2)	\$ (41,856)	\$ 6,379
Adjustments to reconcile (decrease) increase in net assets to net cash used in operating activities:		
Amortization of discounts/premiums on investments	(142)	(834)
Change in accrued revenue	729	(357)
Change in advances for grants	19,452	19,427
Change in accounts payable and other liabilities	(97)	331
Change in undisbursed commitments	(131,554)	(140,794)
Change in unrealized investment gains	312	(312)
Net Cash Used in Operating Activities	\$ (153,156)	\$ (116,160)

The accompanying notes are an integral part of these financial statements (ATF-4).

ASIAN DEVELOPMENT BANK—ASIAN TSUNAMI FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

NOTE A—NATURE OF OPERATIONS

The Asian Development Bank (ADB), a multilateral development financial institution, was established in 1966 with its headquarters in Manila, Philippines. ADB and its operations are governed by the Agreement Establishing the Asian Development Bank (the Charter). Its purpose is to foster economic development and co-operation in the Asian and Pacific region and to contribute to the acceleration of the process of economic development of the developing member countries (DMCs) in the region, collectively and individually. With the adoption of its poverty reduction strategy at the end of 1999, ADB made reducing poverty in the region its main goal. ADB provides financial and technical assistance for projects and programs, which will contribute to achieving this purpose. These are financed through ordinary capital resources (OCR) and Special Funds.¹

The ATF was established on 11 February 2005 in response to the special circumstances surrounding the DMCs that were stricken by the effects of the tsunami on 26 December 2004. The purpose of ATF is to provide emergency grant financing promptly and effectively to affected DMCs in the form of technical assistance (TA) and investment projects to support reconstruction, rehabilitation and associated development activities following the tsunami disaster.

ATF will serve as a dedicated source of grant financing to support priority rehabilitation and reconstruction needs on a multi-sector basis. Resources from the Fund will be available to central governments and other suitable entities including non-governmental organizations.

ATF's resources may consist of allocations from the net income of OCR and contributions from bilateral, multilateral and individual sources.

Unless otherwise agreed by the contributors and ADB, ATF will terminate on the earlier of (i) the date five years from the Board approval of the ATF, or (ii) the date the ATF funds have been fully disbursed by ADB. In September 2008, the Board approved the extension of ATF until 31 December 2010.

ADB is immune from taxation pursuant to Chapter VIII, Article 56, *Exemption from Taxation*, of the Charter.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation of the Financial Statements

The financial statements of the ATF are prepared in accordance with accounting principles generally accepted in the United States of America, and are presented on the basis of those for not-for-profit organizations.

ATF reports donors' contributions of cash and other assets as unrestricted assets as these are made available to ATF without conditions other than for the purpose of pursuing its objectives.

Functional and Reporting Currency

The United States dollar is the functional and reporting currency, representing the currency of the primary economic operating environment of ATF.

Translation of Currencies

ADB adopts the use of daily exchange rates for accounting and financial reporting purposes. This allows transactions denominated in non-US dollar to be translated to the reporting currency using exchange rates applicable at the time of transactions. Contributions included in the financial statements during the year are recognized at applicable exchange rates as of the respective dates of commitment. At the end of each accounting month, translations of assets, liabilities, and uncommitted balances which are denominated in non-US dollar are adjusted using the applicable rates of exchange at the end of the reporting period. These translation adjustments are accounted for as exchange gains or losses and are credited or charged to operations.

Investments

All investment securities held by ATF are reported at estimated fair value, which represents their fair market value. Realized and unrealized gains and losses are included in revenue. Time deposits are reported at cost which is a reasonable estimate of fair value.

¹ Asian Development Fund (ADF), Technical Assistance Special Fund (TASF), Japan Special Fund (JSF), ADB Institute Special Fund (ADBISF), Asian Tsunami Fund (ATF), Pakistan Earthquake Fund (PEF), Regional Cooperation and Integration Fund (RCIF), Climate Change Fund (CCF), and Asia Pacific Disaster Response Fund (APDRF).

ASIAN DEVELOPMENT BANK—ASIAN TSUNAMI FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

Interest income on investment securities and time deposits are recognized as realized and reported, net of amortizations of premiums and discounts.

Technical Assistance, Grants and Undisbursed Commitments

Technical assistance (TA) and grants are recognized in the financial statements when the project is approved and becomes effective. Upon completion of the TA project or cancellation of a grant, any undisbursed amount is written back as a reduction in technical assistance or grants for the year and the corresponding undisbursed commitment is eliminated accordingly.

Advances are provided from TA and grants to the executing agency or co-operating institution, for the purpose of making payments for eligible expenses. The advances are subject to liquidation and charged against undisbursed commitment. Any unutilized portion is required to be returned to the fund.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make reasonable estimates and assumptions that affect the reported amounts of assets and liabilities and uncommitted balances as of the end of the year and the reported amounts of revenue and expenses during the year. The actual results could differ from those estimates.

Accounting and Reporting Developments

In April 2009, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" (codified ASC 820-10-65-4), FSP FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments" (codified ASC 320-10-65-1), and FSP FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments" (codified ASC 825-10-65-1), which became effective for interim and annual periods ending after 15 June 2009, with early adoption permitted for periods ending after

15 March 2009. FSP FAS 157-4 provides guidance on how to determine the fair value of assets and liabilities under FAS 157 in the current economic environment and reemphasizes that the objective of a fair value measurement remains an exit price. If there has been a significant decrease in the volume and level of activity of the asset or liability in relation to normal market activities, quoted market values may not be representative of fair value and a change in valuation technique or the use of multiple valuation techniques may be appropriate. FSP FAS 115-2 and FAS 124-2 modify the requirements for recognizing other-than-temporarily impaired debt securities and revise the existing impairment model for such securities by modifying the current intent and ability indicator in determining whether a debt security is other-than-temporarily impaired. FSP FAS 107-1 and APB 28-1 enhance the disclosure of instruments under the scope of FAS 157 for both interim and annual periods. The application of these standards did not have a material impact on ATF's 31 December 2009 financial statements.

In May 2009, the FASB issued Statement No. 165, "Subsequent Events" (codified ASC 855). This standard establishes principles and requirements for evaluating and reporting subsequent events. In particular, it sets forth; the period after the balance sheet date during which management shall evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; the circumstances under which an entity shall recognize events or transactions occurring after the balance sheet date in its financial statements; and the disclosures related to events or transactions occurring after the balance sheet date. Note H provides the required disclosures in compliance with this standard.

In June 2009, the FASB issued Statement No. 168, "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162" (codified ASC 105). Effective for financial statements issued for interim and annual periods ending after 15 September 2009, FASB Accounting Standards Codification™ (ASC) becomes the source of authoritative U.S. accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the Securities and Exchange Commission (SEC). ASC supersedes all existing, non-SEC accounting and reporting standards for nongovernmental entities.

CONTINUED

Concurrently, all other nongrandfathered, non-SEC accounting literature not included in ASC will become nonauthoritative.

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, ATF considers that its cash and cash equivalents are limited to “DUE FROM BANKS,” which consists of cash on hand and current accounts in banks used for operational disbursements.

NOTE C—INVESTMENTS

The main investment management objective is to maintain security and liquidity. Subject to these parameters, ADB seeks the highest possible return on its investments. Investments are governed by the Investment Authority approved by the Board of Directors in 1999, and reviewed in 2006. The review endorsed a portfolio strategy that is largely consistent with the 1999 approach.

Investment securities and negotiable certificates of deposit held as of 31 December 2009 are classified as “Available for Sale” and are reported at fair value, which represents their fair market value. Unrealized gains and losses are included in revenue from investments.

The annualized rate of return on the average investments held during the year, based on the portfolio held at the beginning and end of each month, was 0.68% (2.96% - 2008).

NOTE D—RELATED PARTY TRANSACTIONS

The OCR and special fund resources are at all times used, committed, and invested entirely separate from each other. The administrative and operational expenses pertaining to ATF are settled on a regular basis with OCR and the other funds. Regional technical assistance projects and programs may be combined activities financed by special and trust funds. ADB charges a service fee to cover ADB’s cost for the administration, management, supervision and operation of the ATF. The service fee is currently 2% of the amount disbursed for technical assistance and investment projects. As of 31 December 2009, \$590,000 (\$669,000 - 2008) was payable to OCR which is included in “ACCOUNTS PAYABLE AND OTHER LIABILITIES.” Other related party transactions can be found in Note E.

NOTE E—UNDISBURSED COMMITMENTS

Undisbursed commitments are denominated in United States dollars and represent effective technical assistance and grants not yet disbursed. The fair value of undisbursed commitments approximates the amounts outstanding, because ADB expects that disbursements will substantially be made for all the projects/programs covered by the commitments.

There were no undisbursed commitments on closed TA projects that were written back as a reduction of technical assistance in 2009 and 2008.

NOTE F—CONTRIBUTIONS AND UNCOMMITTED BALANCES

In April and May 2005, ADB contributed \$600,000,000 from OCR surplus to ATF. Contributions were also received from Australia and Luxembourg amounting to \$3,796,000 and \$1,000,000, respectively. In November 2005, following the establishment of Pakistan Earthquake Fund (PEF) in response to the special circumstances surrounding the 8 October 2005 earthquake in Pakistan, unutilized ATF fund of \$40,000,000 was transferred back to OCR, which was subsequently transferred to PEF. Another \$10,000,000 was returned to OCR in June 2006 and was committed as ADB’s contribution to the Java Reconstruction Fund in November 2008, to support post-disaster management, rehabilitation, immediate construction, and urgent vital development activities in Yogyakarta and Central Java in Indonesia. In May 2009, transfer of \$40,000,000 was made to Asia Pacific Disaster Response Fund (APDRF). APDRF was established to provide incremental grant resources to DMCs affected by natural disasters.

No contributions were received in 2009 and 2008.

Uncommitted balances comprise amounts which have not been committed by ADB as of 31 December 2009 and 2008.

NOTE G—FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability at measurement date (exit price) in an orderly transaction among willing participants with an assumption that the transaction takes place in the entity’s principal market, the most advantageous market for the asset or liability.

31 December 2009 and 2008

The following guidelines are applied in determining the fair values of financial instruments:

Investments

The fair value of the following financial assets of ATF as of 31 December 2009 and 2008 were reported based on the following:

See Notes C and E for discussions relating to investments and undisbursed commitments. In all other cases, the carrying amounts of the ATF's assets, liabilities, and uncommitted balances are considered to approximate fair values for all significant financial instruments.

ADB has evaluated subsequent events after 31 December 2009 through 5 March 2010, the date these Financial Statements are available for issuance. As a result of this evaluation, there are no subsequent events, as defined, that require recognition or disclosure in the ATF's Financial Statements as of 31 December 2009.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Asian Development Bank (“ADB”) is responsible for establishing and maintaining adequate internal control over financial reporting. ADB’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America.

ADB’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of ADB’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ADB’s management assessed the effectiveness of ADB’s internal control over financial reporting as of 31 December 2009. In making this assessment, ADB’s management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework*. Based on that assessment, management believes that as of 31 December 2009, ADB’s internal control over financial reporting is effective based upon the criteria established in *Internal Control – Integrated Framework*.



Haruhiko Kuroda
President



Bindu N. Lohani
Vice President (Finance and Administration)



Hong-Sang Jung
Controller

5 March 2010



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited management's assertion, included in the accompanying Management's Report on Internal Control over Financial Reporting, that Asian Development Bank ("ADB") maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. ADB's management is responsible for maintaining effective internal control over financial reporting and for its assertion of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on management's assertion based on our audit.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

ADB's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. ADB's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (3) provide reasonable assurance regarding prevention or timely detection and correction of unauthorized acquisition, use, or disposition of ADB's assets that could have a material effect on the financial statements.



Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected and corrected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, is fairly stated, in all material respects, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements as of and for the year ended December 31, 2009 of ADB — Pakistan Earthquake Fund and our report dated March 5, 2010 expressed an unqualified opinion on those financial statements.

A handwritten signature in black ink that reads "Deloitte & Touche LLP".

Public Accountants and
Certified Public Accountants

Singapore
March 5, 2010



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 Certified Public Accountants
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited the accompanying statement of financial position of Asian Development Bank ("ADB") – Pakistan Earthquake Fund as of December 31, 2009 and the related statements of activities and changes in net assets, and cash flows, for the year then ended. These financial statements are the responsibility of ADB's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of ADB – Pakistan Earthquake Fund for the year ended December 31, 2008 were audited by other auditors whose report, dated March 5, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of ADB – Pakistan Earthquake Fund as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with attestation standards established by the American Institute of Certified Public Accountants, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2010 expressed an unqualified opinion on management's assertion that ADB maintained effective internal control over financial reporting.

Public Accountants and
 Certified Public Accountants

Singapore
 March 5, 2010

ASIAN DEVELOPMENT BANK—PAKISTAN EARTHQUAKE FUND**STATEMENT OF FINANCIAL POSITION****31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
ASSETS		
DUE FROM BANKS (Note B)	\$ 551	\$ 823
INVESTMENTS (Notes B, C, and G)		
Government or government-guaranteed obligations	\$ -	\$ 8,066
Time deposits	49,195	53,237
ACCRUED REVENUE	59	111
DUE FROM CONTRIBUTORS (Notes B and F)	-	2,973
ADVANCES FOR GRANTS (Note B)	3,007	3,187
TOTAL	\$ 52,812	\$68,397
LIABILITIES AND UNCOMMITTED BALANCES		
ACCOUNTS PAYABLE AND OTHER LIABILITIES (Note D)	\$ 52	\$ 33
UNDISBURSED COMMITMENTS (Notes B, E, and G)	49,446	66,161
UNCOMMITTED BALANCES (PEF-2) (Notes B and F), represented by: Unrestricted net assets	3,314	2,203
TOTAL	\$52,812	\$68,397

The accompanying notes are an integral part of these financial statements (PEF-4).

ASIAN DEVELOPMENT BANK—PAKISTAN EARTHQUAKE FUND**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS****For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009		2008	
CHANGES IN UNRESTRICTED NET ASSETS				
CONTRIBUTIONS (Notes B and F)		\$ -		\$10,225
REVENUE				
From investments (Notes B and C)	\$2,212		\$3,078	
From other sources	71	2,283	171	3,249
Total		2,283		13,474
EXPENSES				
Administrative expenses (Note D)		343		171
CONTRIBUTIONS AND REVENUE IN EXCESS OF EXPENSES		1,940		13,303
NET EXCHANGE LOSSES (Note B)		(829)		(7,647)
INCREASE IN NET ASSETS		1,111		5,656
NET ASSETS AT BEGINNING OF YEAR		2,203		(3,453)
NET ASSETS AT END OF YEAR		\$3,314		\$ 2,203

The accompanying notes are an integral part of these financial statements (PEF-4).

ASIAN DEVELOPMENT BANK—PAKISTAN EARTHQUAKE FUND**STATEMENT OF CASH FLOWS****For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions received	\$ 3,446	\$ 13,094
Interest on investments received	2,280	2,940
Cash received from other sources	121	171
Grants and technical assistance disbursed	(16,535)	(9,256)
Administrative and financial expenses paid	(325)	(168)
Net Cash (Used in) Provided by Operating Activities	(11,013)	6,781
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturities of investments	1,707,205	1,134,641
Acquisition of investments	(1,696,340)	(1,141,160)
Net Cash Provided by (Used in) Investing Activities	10,865	(6,519)
Effect of Exchange Rate Changes on Due from Banks	(124)	(1,040)
Net Decrease in Due from Banks	(272)	(778)
Due from Banks at Beginning of Year	823	1,601
Due from Banks at End of Year	\$ 551	\$ 823
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:		
Increase in net assets (PEF-2)	\$ 1,111	\$ 5,656
Adjustments to reconcile increase in net assets to net cash (used in) provided by operating activities:		
Amortization of discounts/premiums on investments	15	(97)
Change in accrued revenue	52	10
Change in due from contributors	3,233	2,255
Change in advances for grants	180	(2,180)
Change in miscellaneous liabilities	18	4
Change in undisbursed commitments	(16,714)	(7,077)
Translation adjustments	1,041	8,261
Change in unrealized investment holding gains	51	(51)
Net Cash (Used in) Provided by Operating Activities	\$ (11,013)	\$ 6,781

The accompanying notes are an integral part of these financial statements (PEF-4).

ASIAN DEVELOPMENT BANK—PAKISTAN EARTHQUAKE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

NOTE A—NATURE OF OPERATIONS

The Asian Development Bank (ADB), a multilateral development financial institution, was established in 1966 with its headquarters in Manila, Philippines. ADB and its operations are governed by the Agreement Establishing the Asian Development Bank (the Charter). Its purpose is to foster economic development and co-operation in the Asian and Pacific region and to contribute to the acceleration of the process of economic development of the developing member countries (DMCs) in the region, collectively and individually. With the adoption of its poverty reduction strategy at the end of 1999, ADB made reducing poverty in the region its main goal. ADB provides financial and technical assistance for projects and programs, which will contribute to achieving this purpose. These are financed through ordinary capital resources (OCR) and Special Funds.¹

The PEF was established on 14 November 2005 in response to the special circumstances confronted by Pakistan resulting from the effects of an earthquake on 8 October 2005. The objective of the PEF is to deliver emergency grant financing promptly and effectively to Pakistan in the form of technical assistance and investment projects to support reconstruction, rehabilitation, and associated development activities.

PEF resources will be available to the Government of Pakistan and other suitable entities acceptable to the Government of Pakistan and ADB, including, where appropriate, non-government organizations.

PEF's resources may consist of allocations from the net income of OCR and contributions from bilateral, multilateral, and individual sources.

Unless otherwise agreed by the contributors and ADB, PEF will terminate on the earlier of (i) the date three to four years from the Board approval of the PEF, or (ii) the date the PEF funds have been fully disbursed by ADB. In September 2009, the Board approved the extension of PEF until 6 July 2010.

ADB is immune from taxation pursuant to Chapter VIII, Article 56, *Exemption from Taxation*, of the Charter.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation of the Financial Statements

The financial statements of the PEF are prepared in accordance with accounting principles generally accepted in the United States of America, and are presented on the basis of those for not-for-profit organizations.

PEF reports donors' contributions of cash and other assets as unrestricted assets as these are made available to PEF without conditions other than for the purpose of pursuing its objectives.

Functional and Reporting Currency

The United States dollar is the functional and reporting currency, representing the currency of the primary economic operating environment of PEF.

Translation of Currencies

ADB adopts the use of daily exchange rates for accounting and financial reporting purposes. This allows transactions denominated in non-US dollar to be translated to the reporting currency using exchange rates applicable at the time of transactions. Contributions included in the financial statements during the year are recognized at applicable exchange rates as of the respective dates of commitment. At the end of each accounting month, translations of assets, liabilities, and uncommitted balances which are denominated in non-US dollar are adjusted using the applicable rates of exchange at the end of the reporting period. These translation adjustments are accounted for as exchange gains or losses and are credited or charged to operations.

Investments

All investment securities held by PEF are reported at estimated fair value, which represents their fair market value. Realized and unrealized gains and losses are in-

¹ Asian Development Fund (ADF), Technical Assistance Special Fund (TASF), Japan Special Fund (JSF), ADB Institute Special Fund (ADBISF), Asian Tsunami Fund (ATF), Pakistan Earthquake Fund (PEF), Regional Cooperation and Integration Fund (RCIF), Climate Change Fund (CCF), and Asia Pacific Disaster Response Fund (APDRF).

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cluded in revenue. Time deposits are reported at cost which is a reasonable estimate of fair value.

Interest income on investment securities and time deposits are recognized as realized and reported, net of amortizations of premiums and discounts.

Contributions

The contributions from donors and the allocations from OCR net income are included in the financial statements, from the date of effectivity of the contribution agreement, and the Board of Governors' approval, respectively.

Technical Assistance, Grants and Undisbursed Commitments

Technical assistance (TA) and grants are recognized in the financial statements when the project is approved and becomes effective. Upon completion of a TA project or cancellation of a grant, any undisbursed amount is written back as a reduction in technical assistance or grants for the year and the corresponding undisbursed commitment is eliminated accordingly.

Advances are provided from TA and grants to the executing agency or co-operating institution, for the purpose of making payments for eligible expenses. The advances are subject to liquidation and charged against undisbursed commitment. Any unutilized portion is required to be returned to the fund.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make reasonable estimates and assumptions that affect the reported amounts of assets and liabilities and uncommitted balances as of the end of the year and the reported amounts of revenue and expenses during the year. The actual results could differ from those estimates.

Accounting and Reporting Developments

In April 2009, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability have Significantly

Decreased and Identifying Transactions That Are Not Orderly" (codified ASC 820-10-65-4), FSP FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments" (codified ASC 320-10-65-1), and FSP FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments" (codified ASC 825-10-65-1), which became effective for interim and annual periods ending after 15 June 2009, with early adoption permitted for periods ending after 15 March 2009. FSP FAS 157-4 provides guidance on how to determine the fair value of assets and liabilities under FAS 157 in the current economic environment and reemphasizes that the objective of a fair value measurement remains an exit price. If there has been a significant decrease in the volume and level of activity of the asset or liability in relation to normal market activities, quoted market values may not be representative of fair value and a change in valuation technique or the use of multiple valuation techniques may be appropriate. FSP FAS 115-2 and FAS 124-2 modify the requirements for recognizing other-than-temporarily impaired debt securities and revise the existing impairment model for such securities by modifying the current intent and ability indicator in determining whether a debt security is other-than-temporarily impaired. FSP FAS 107-1 and APB 28-1 enhance the disclosure of instruments under the scope of FAS 157 for both interim and annual periods. The application of these standards did not have a material impact on PEF's 31 December 2009 financial statements.

In May 2009, the FASB issued Statement No. 165, "Subsequent Events" (codified ASC 855). This standard establishes principles and requirements for evaluating and reporting subsequent events. In particular, it sets forth; the period after the balance sheet date during which management shall evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; the circumstances under which an entity shall recognize events or transactions occurring after the balance sheet date in its financial statements; and the disclosures related to events or transactions occurring after the balance sheet date. Note H provides the required disclosures in compliance with this standard.

In June 2009, the FASB issued Statement No. 168, "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No.

ASIAN DEVELOPMENT BANK—PAKISTAN EARTHQUAKE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

162” (codified ASC 105). Effective for financial statements issued for interim and annual periods ending after 15 September 2009, FASB Accounting Standards Codification™ (ASC) becomes the source of authoritative U.S. accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the Securities and Exchange Commission (SEC). ASC supersedes all existing, non-SEC accounting and reporting standards for nongovernmental entities. Concurrently, all other nongrandfathered, non-SEC accounting literature not included in ASC will become nonauthoritative.

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, PEF considers that its cash and cash equivalents are limited to “DUE FROM BANKS,” which consists of cash on hand and current accounts in banks used for operational disbursements.

NOTE C—INVESTMENTS

The main investment management objective is to maintain security and liquidity. Subject to these parameters, ADB seeks the highest possible return on its investments. Investments are governed by the Investment Authority approved by the Board of Directors in 1999, and reviewed in 2006. The review endorsed a portfolio strategy that is largely consistent with the 1999 approach.

Investment securities and negotiable certificates of deposit as of 31 December 2009 are considered “Available for Sale” and are reported at fair value, which represents their fair market value. Unrealized gains and losses are included in revenue from investments.

The currency compositions of the investment portfolio as of 31 December 2009 and 2008 expressed in United States dollars are as follows:

Currency	2009	2008
Pakistan rupee	\$19,235,000	\$25,087,000
United States dollar	29,960,000	36,216,000
Total	\$49,195,000	\$61,303,000

The annualized rate of return on the average investments held during the year, based on the portfolio held at the beginning and end of each month, was 4.17% (5.24% - 2008).

NOTE D—RELATED PARTY TRANSACTIONS

The OCR and special fund resources are at all times used, committed, and invested entirely separate from each other. The administrative and operational expenses pertaining to PEF are settled on a regular basis with OCR and the other funds. Regional technical assistance projects and programs may be combined activities financed by special and trust funds. ADB charges a service fee to cover ADB’s cost for the administration, management, supervision and operation of the PEF. The service fee is currently 2% of the amount disbursed for technical assistance and investment projects. As of 31 December 2009, \$45,000 was payable to OCR (\$4,000 - 2008) which is included in “ACCOUNTS PAYABLE AND OTHER LIABILITIES.”

NOTE E—UNDISBURSED COMMITMENTS

Undisbursed commitments are denominated in United States dollars and represent effective grants not yet disbursed. The fair value of undisbursed commitments approximates the amounts outstanding, because ADB expects that disbursements will substantially be made for all the projects/programs covered by the commitments.

NOTE F—CONTRIBUTIONS AND UNCOMMITTED BALANCES

In November 2005, ADB transferred \$80,000,000 from OCR Surplus to PEF. Contributions were also received from Australia and Finland amounting to \$15,036,000 and \$12,261,000, respectively.

In 2006 and 2007, instruments of contributions were received from the Government of Norway and the Kingdom of Belgium which undertook to make contributions to the PEF up to a maximum amount of \$20,000,000 and €9,924,000, respectively. This is by way of a debt-for development swap arrangement with Pakistan, where Pakistan shall match the value of debt and debt service cancellations with equivalent amounts in Pakistan rupees, which shall be transferred to the Fund as Norway’s and Belgium’s contributions. In 2008, PEF

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received the remaining contributions due from Norway and Belgium amounting to \$5,000,000 and €3,308,000 (\$5,225,000 equivalent), respectively.

In 2006, the Government of Australia committed A\$20,000,000 (\$15,036,000 equivalent). PEF received in full the remaining balance due from Australia amounting to A\$4,300,000 (\$3,184,000) in 2009.

Uncommitted balances comprise amounts which have not been committed by ADB as of 31 December 2009 and 2008.

NOTE G—FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability at measurement date (exit price) in an orderly transaction among willing participants with an assumption that the transaction takes place in the entity's principal market, the most advantageous market for the asset or liability. The most advantageous market is where the sale of the asset or transfer of liability would maximize the amount received for the asset or minimize the amount paid to

transfer the liability. The fair value measurement is not adjusted for transaction cost.

ASC 820 also establishes a fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), next priority to observable market inputs or market corroborated data (Level 2), and the lowest priority to unobservable inputs without market corroborated data (Level 3). ASC 820 requires the fair value measurement to maximize the use of market observable inputs.

The following guidelines are applied in determining the fair values of financial instruments:

Investments

Readily marketable investments are fair valued using active market quotes in Level 1 category. Level 2 category includes investments which are fair valued with significant market observable inputs.

The fair value of the following financial assets of PEF as of 31 December 2009 and 2008 were reported based on the following:

		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	31 December 2009			
Assets				
Investments				
Time deposits	<u>\$49,195,000</u>	<u>\$ -</u>	<u>\$ 49,195,000</u>	<u>\$ -</u>

		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	31 December 2008			
Assets				
Investments				
Government or gov't. guaranteed obligations	<u>\$ 8,066,000</u>	<u>\$ -</u>	<u>\$ 8,066,000</u>	<u>\$ -</u>
Time deposits	<u>53,237,000</u>	<u>-</u>	<u>53,237,000</u>	<u>-</u>
Total assets at fair value	<u>\$61,303,000</u>	<u>\$ -</u>	<u>\$61,303,000</u>	<u>\$ -</u>

ASIAN DEVELOPMENT BANK—PAKISTAN EARTHQUAKE FUND

NOTES TO FINANCIAL STATEMENTS31 December 2009 and 2008

See Notes C and E for discussions relating to investments and undisbursed commitments. In all other cases, the carrying amount of PEF's assets, liabilities and uncommitted balances are considered to approximate fair values for all significant financial instruments.

NOTE H—SUBSEQUENT EVENTS

ADB has evaluated subsequent events after 31 December 2009 through 5 March 2010, the date these Financial Statements are available for issuance. As a result of this evaluation, there are no subsequent events, as defined, that require recognition or disclosure in the PEF's Financial Statements as of 31 December 2009.

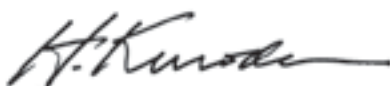
MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Asian Development Bank (“ADB”) is responsible for establishing and maintaining adequate internal control over financial reporting. ADB’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America.

ADB’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of ADB’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

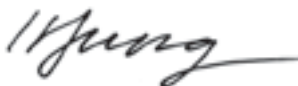
ADB’s management assessed the effectiveness of ADB’s internal control over financial reporting as of 31 December 2009. In making this assessment, ADB’s management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework*. Based on that assessment, management believes that as of 31 December 2009, ADB’s internal control over financial reporting is effective based upon the criteria established in *Internal Control – Integrated Framework*.



Haruhiko Kuroda
President



Bindu N. Lohani
Vice President (Finance and Administration)



Hong-Sang Jung
Controller

5 March 2010



Deloitte & Touche LLP
 Certified Public Accountants
 Unique Entity No. T08LL0721A
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited management's assertion, included in the accompanying Management's Report on Internal Control over Financial Reporting, that Asian Development Bank ("ADB") maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. ADB's management is responsible for maintaining effective internal control over financial reporting and for its assertion of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on management's assertion based on our audit.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

ADB's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. ADB's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (3) provide reasonable assurance regarding prevention or timely detection and correction of unauthorized acquisition, use, or disposition of ADB's assets that could have a material effect on the financial statements.



Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected and corrected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, is fairly stated, in all material respects, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements as of and for the year ended December 31, 2009 of ADB – Regional Cooperation and Integration Fund and our report dated March 5, 2010 expressed an unqualified opinion on those financial statements.

A handwritten signature in black ink that reads "Deloitte & Touche LLP".

Public Accountants and
Certified Public Accountants

Singapore
March 5, 2010



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited the accompanying statement of financial position of Asian Development Bank ("ADB") – Regional Cooperation and Integration Fund as of December 31, 2009 and the related statements of activities and changes in net assets, and cash flows, for the year then ended. These financial statements are the responsibility of ADB's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of ADB – Regional Cooperation and Integration Fund for the year ended December 31, 2008 were audited by other auditors whose report, dated March 5, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of ADB – Regional Cooperation and Integration Fund as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with attestation standards established by the American Institute of Certified Public Accountants, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2010 expressed an unqualified opinion on management assertion that ADB maintained effective internal control over financial reporting.

Public Accountants and
 Certified Public Accountants

Singapore
 March 5, 2010

ASIAN DEVELOPMENT BANK—REGIONAL COOPERATION AND INTEGRATION FUND**STATEMENT OF FINANCIAL POSITION****31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
ASSETS		
DUE FROM BANKS (Note B)	\$ 270	\$ 1,446
INVESTMENTS (Notes B, C, and G)		
Government and government-guaranteed obligations	\$15,030	\$ 6,104
Time deposits	19,826	8,199
Corporate bonds	— 34,856	24,973 39,276
ACCRUED REVENUE	11	154
ADVANCES FOR GRANTS AND OTHER ASSETS (Notes B and D)	610	335
TOTAL	\$35,747	\$41,211
LIABILITIES AND UNCOMMITTED BALANCES		
ACCOUNTS PAYABLE AND OTHER LIABILITIES (Note D)	\$ 62	\$ 52
UNDISBURSED COMMITMENTS (Notes B, E, and G)	23,148	16,571
UNCOMMITTED BALANCES (RCIF-2) (Notes B and F), represented by:		
Unrestricted net assets	12,537	24,588
TOTAL	\$35,747	\$41,211

The accompanying notes are an integral part of these financial statements (RCIF-4).

ASIAN DEVELOPMENT BANK—REGIONAL COOPERATION AND INTEGRATION FUND**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS****For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUE		
From investments (Notes B and C)	\$ 366	\$ 1,244
From other sources	1	34
Total	367	1,278
EXPENSES		
Technical assistance (Notes B and E)	\$ 12,100	\$ 10,458
Administrative expenses (Note D)	327	41
	12,427	10,499
REVENUE LESS THAN EXPENSES	(12,060)	(9,221)
NET EXCHANGE GAINS (LOSSES) (Note B)	9	(8)
DECREASE IN NET ASSETS	(12,051)	(9,229)
NET ASSETS AT BEGINNING OF YEAR	24,588	33,817
NET ASSETS AT END OF YEAR	\$ 12,537	\$ 24,588

The accompanying notes are an integral part of these financial statements (RCIF-4).

ASIAN DEVELOPMENT BANK—REGIONAL COOPERATION AND INTEGRATION FUND**STATEMENT OF CASH FLOWS****For the Years Ended 31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest on investments received	\$ 603	\$ 962
Cash received from other sources	(55)	34
Technical assistance disbursed	(5,813)	(1,600)
Administrative and financial expenses paid	(293)	(28)
Net Cash Used in Operating Activities	(5,558)	(632)
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturities of investments	471,626	730,875
Acquisition of investments	(467,244)	(730,037)
Net Cash Provided by Investing Activities	4,382	838
Net (Decrease) Increase in Due From Banks	(1,176)	206
Due from Banks at Beginning of Year	1,446	1,240
Due from Banks at End of Year	\$ 270	\$ 1,446
RECONCILIATION OF DECREASE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES:		
Decrease in net assets (RCIF-2)	\$ (12,051)	\$ (9,229)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Amortization of discounts/premiums on investments	10	(132)
Change in accrued revenue	143	(93)
Change in accrued expenses	(8)	6
Change in interfund receivables	(47)	—
Change in interfund payables	19	37
Change in advances for grants	(220)	(343)
Change in undisbursed commitments	6,578	9,171
Change in unrealized investment holding gains	27	(57)
Translation adjustments	(9)	8
Net Cash Used in Operating Activities	\$ (5,558)	\$ (632)

The accompanying notes are an integral part of these financial statements (RCIF-4).

ASIAN DEVELOPMENT BANK—REGIONAL COOPERATION AND INTEGRATION FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

NOTE A—NATURE OF OPERATIONS

The Asian Development Bank (ADB), a multilateral development financial institution, was established in 1966 with its headquarters in Manila, Philippines. ADB and its operations are governed by the Agreement Establishing the Asian Development Bank (the Charter). Its purpose is to foster economic development and co-operation in the Asian and Pacific region and to contribute to the acceleration of the process of economic development of the developing member countries (DMCs) in the region, collectively and individually. With the adoption of its poverty reduction strategy at the end of 1999, ADB made reducing poverty in the region its main goal. ADB provides financial and technical assistance for projects and programs, which will contribute to achieving this purpose. These are financed through ordinary capital resources (OCR) and Special Funds.¹

The RCIF, together with the Regional Cooperation and Integration (RCI) Trust Funds, was established on 26 February 2007 under the “umbrella” of Regional Cooperation and Integration Financing Partnership Facility (RCIFPF), in response to the increasing demand for regional cooperation and integration activities among ADB’s member countries in Asia and the Pacific. Its main objective is to enhance regional cooperation and integration in Asia and the Pacific by facilitating the pooling and provision of additional financial and knowledge resources to support RCI activities.

Financial assistance will be provided in the form of untied grants for technical assistance (TA), including advisory, project preparatory, and regional TA.

RCIF’s resources may consist of contributions from ADB and other bilateral, multilateral, and individual sources, including companies and foundations.

ADB is immune from taxation pursuant to Chapter VIII, Article 56, *Exemption from Taxation*, of the Charter.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation of the Financial Statements

The financial statements of the RCIF are prepared in accordance with accounting principles generally accepted in the United States of America, and are presented on the basis of those for not-for-profit organizations.

RCIF reports donors’ contributions of cash and other assets as unrestricted assets as these are made available to RCIF without conditions other than for the purpose of pursuing its objectives.

Functional and Reporting Currency

The United States dollar is the functional and reporting currency, representing the currency of the primary economic operating environment of RCIF.

Translation of Currencies

ADB adopts the use of daily exchange rates for accounting and financial reporting purposes. This allows transactions denominated in non-US dollar to be translated to the reporting currency using exchange rates applicable at the time of transactions. Contributions included in the financial statements during the year are recognized at applicable exchange rates as of the respective dates of commitment. At the end of each accounting month, translations of assets, liabilities, and uncommitted balances which are denominated in non-US dollar are adjusted using the applicable rates of exchange at the end of the reporting period. These translation adjustments are accounted for as exchange gains or losses and are credited or charged to operations.

Investments

All investment securities held by RCIF are reported at estimated fair value, which represents their fair market value. Realized and unrealized gains and losses are included in revenue. Time deposits are reported at cost which is a reasonable estimate of fair value.

Interest income on investment securities and time deposits are recognized as realized and reported net of amortizations of premiums and discounts.

Technical Assistance, Grants and Undisbursed Commitments

Technical assistance (TA) and grants are recognized in the financial statements when the project is approved and becomes effective. Upon completion of the TA project or cancellation of a grant, any undisbursed amount

¹ Asian Development Fund (ADF), Technical Assistance Special Fund (TASF), Japan Special Fund (JSF), ADB Institute Special Fund (ADBISF), Asian Tsunami Fund (ATF), Pakistan Earthquake Fund (PEF), Regional Cooperation and Integration Fund (RCIF), Climate Change Fund (CCF), and Asia Pacific Disaster Response Fund (APDRF).

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is written back as a reduction in TA or grants for the year and the corresponding undisbursed commitment is eliminated accordingly.

Advances are provided from TA and grants to the executing agency or co-operating institution, for the purpose of making payments for eligible expenses. The advances are subject to liquidation and charged against undisbursed commitment. Any unutilized portion is required to be returned to the fund. These are included in “ADVANCES FOR GRANTS AND OTHER ASSETS.”

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make reasonable estimates and assumptions that affect the reported amounts of assets and liabilities and uncommitted balances as of the end of the year and the reported amounts of revenue and expenses during the year. The actual results could differ from those estimates.

Accounting and Reporting Developments

In April 2009, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) FAS 157-4, “Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly” (codified ASC 820-10-65-4), FSP FAS 115-2 and FAS 124-2, “Recognition and Presentation of Other-Than-Temporary Impairments” (codified ASC 320-10-65-1), and FSP FAS 107-1 and APB 28-1, “Interim Disclosures about Fair Value of Financial Instruments” (codified ASC 825-10-65-1), which became effective for interim and annual periods ending after 15 June 2009, with early adoption permitted for periods ending after 15 March 2009. FSP FAS 157-4 provides guidance on how to determine the fair value of assets and liabilities under FAS 157 in the current economic environment and reemphasizes that the objective of a fair value measurement remains an exit price. If there has been a significant decrease in the volume and level of activity of the asset or liability in relation to normal market activities, quoted market values may not be representative of fair value and a change in valuation technique or the use of multiple valuation techniques may be appropriate. FSP FAS

115-2 and FAS 124-2 modify the requirements for recognizing other-than-temporarily impaired debt securities and revise the existing impairment model for such securities by modifying the current intent and ability indicator in determining whether a debt security is other-than-temporarily impaired. FSP FAS 107-1 and APB 28-1 enhance the disclosure of instruments under the scope of FAS 157 for both interim and annual periods. The application of these standards did not have a material impact on RCIF’s 31 December 2009 financial statements.

In May 2009, the FASB issued Statement No. 165, “Subsequent Events” (codified ASC 855). This standard establishes principles and requirements for evaluating and reporting subsequent events. In particular, it sets forth; the period after the balance sheet date during which management shall evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; the circumstances under which an entity shall recognize events or transactions occurring after the balance sheet date in its financial statements; and the disclosures related to events or transactions occurring after the balance sheet date. Note H provides the required disclosures in compliance with this standard.

In June 2009, the FASB issued Statement No. 168, “The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162” (codified ASC 105). Effective for financial statements issued for interim and annual periods ending after 15 September 2009, FASB Accounting Standards Codification™ (ASC) becomes the source of authoritative U.S. accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the Securities and Exchange Commission (SEC). ASC supersedes all existing, non-SEC accounting and reporting standards for nongovernmental entities. Concurrently, all other non-grandfathered, non-SEC accounting literature not included in ASC will become nonauthoritative.

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, RCIF considers that its cash and cash equivalents are limited to “DUE FROM BANKS,” which consists of cash on hand and current accounts in banks used for operational disbursements.

ASIAN DEVELOPMENT BANK—REGIONAL COOPERATION AND INTEGRATION FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

NOTE C—INVESTMENTS

The main investment management objective is to maintain security and liquidity. Subject to these parameters, ADB seeks the highest possible return on its investments. Investments are governed by the Investment Authority approved by the Board of Directors in 1999, and reviewed in 2006. The review endorsed a portfolio strategy that is largely consistent with the 1999 approach.

Investment securities and negotiable certificates of deposit held as of 31 December 2009 are considered “Available for Sale” and are reported at fair value, which represents their fair market value. Unrealized gains and losses are included in revenue from investments.

The annualized rate of return on the average investments held during the period ended 31 December 2009, based on the portfolio held at the beginning and end of each month, was 1.15% (3.12% - 2008).

NOTE D—RELATED PARTY TRANSACTIONS

The OCR and special fund resources are at all times used, committed, and invested entirely separate from each other. The administrative and operational expenses pertaining to RCIF are settled on a regular basis with OCR and the other funds. Regional technical assistance projects and programs may be combined activities financed by special and trust funds. ADB charges a service fee to cover ADB’s incremental cost for the administration, management, supervision and operation of the RCIF and RCI Trust Fund, a trust fund administered by ADB. The service fee is currently 5% of the amount disbursed for technical assistance and 2% of the amount disbursed for grant components of investment projects.

The interfund account balances included in “ADVANCES FOR GRANTS AND OTHER ASSETS” and “ACCOUNTS PAYABLE AND OTHER LIABILITIES” are as follows:

NOTE E—TECHNICAL ASSISTANCE AND UNDISBURSED COMMITMENTS

During the year, there were 12 TA and one supplementary approval (13 TA – 2008) totaling \$12,100,000 (\$10,458,000 – 2008) which became effective.

Undisbursed commitments are denominated in United States dollars and represent TA not yet disbursed. The fair value of undisbursed commitments approximates the amounts outstanding, because ADB expects that disbursements will substantially be made for all the projects/programs covered by the commitments.

NOTE F—UNCOMMITTED BALANCES

Uncommitted balances comprise amounts which have not been committed by ADB as of 31 December 2009 and 2008.

NOTE G—FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability at measurement date (exit price) in an orderly transaction among willing participants with an assumption that the transaction takes place in the entity’s principal market, the most advantageous market for the asset or liability. The most advantageous market is where the sale of the asset or transfer of liability would maximize the amount received for the asset or minimize the amount paid to transfer the liability. The fair value measurement is not adjusted for transaction cost.

ASC 820 also establishes a fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), next priority to observable market inputs or market corroborated data (Level 2), and the lowest priority to unobservable inputs without market corroborated data

	2009	2008
Receivable from Technical Assistance Special Fund	\$ 47,000	\$ –
Payable to:		
Ordinary capital resources	\$ 40,000	\$ 15,000
Technical Assistance Special Fund	–	22,000
Agency Trust Funds—net	16,000	–
Total	\$ 56,000	\$ 37,000

CONTINUED

(Level 3). ASC 820 requires the fair value measurement to maximize the use of market observable inputs.

The following guidelines are applied in determining the fair values of financial instruments:

Investments

Readily marketable investments are fair valued using active market quotes in Level 1 category. Level 2 category includes investments which are fair valued with significant market observable inputs.

The fair values of the following financial assets of RCIF as of 31 December 2009 and 2008 were reported based on the following:

		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	31 December 2009			
Assets				
Investments				
Government or gov't. guaranteed obligations	\$ 15,030,000	\$ –	\$ 15,030,000	\$ –
Time deposits	19,826,000	–	19,826,000	–
Total assets at fair value	\$ 34,856,000	\$ –	\$ 34,856,000	\$ –

		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	31 December 2008			
Assets				
Investments				
Government or gov't. guaranteed obligations	\$ 6,104,000	\$ –	\$ 6,104,000	\$ –
Time deposits	8,199,000	–	8,199,000	–
Corporate bonds	24,973,000	–	24,973,000	–
Total assets at fair value	\$ 39,276,000	\$ –	\$ 39,276,000	\$ –

See Notes C and E for discussions relating to investments and undisbursed commitments. In all other cases, the carrying amount of RCIF's assets, liabilities and uncommitted balances are considered to approximate fair values for all significant financial instruments.

NOTE H—SUBSEQUENT EVENTS

ADB has evaluated subsequent events after 31 December 2009 through 5 March 2010, the date these Financial Statements are available for issue. As a result of this evaluation, there are no subsequent events, as defined, that require recognition or disclosure in the RCIF's Financial Statements as of 31 December 2009.

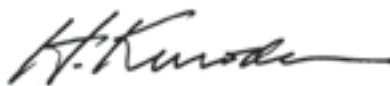
MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Asian Development Bank (“ADB”) is responsible for establishing and maintaining adequate internal control over financial reporting. ADB’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America.

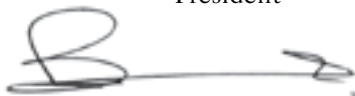
ADB’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of ADB’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ADB’s management assessed the effectiveness of ADB’s internal control over financial reporting as of 31 December 2009. In making this assessment, ADB’s management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework*. Based on that assessment, management believes that as of 31 December 2009, ADB’s internal control over financial reporting is effective based upon the criteria established in *Internal Control – Integrated Framework*.



Haruhiko Kuroda
President



Bindu N. Lohani
Vice President (Finance and Administration)



Hong-Sang Jung
Controller

5 March 2010



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited management's assertion, included in the accompanying Management's Report on Internal Control over Financial Reporting, that Asian Development Bank ("ADB") maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. ADB's management is responsible for maintaining effective internal control over financial reporting and for its assertion of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on management's assertion based on our audit.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

ADB's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. ADB's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (3) provide reasonable assurance regarding prevention or timely detection and correction of unauthorized acquisition, use, or disposition of ADB's assets that could have a material effect on the financial statements.



Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected and corrected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, is fairly stated, in all material respects, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements as of and for the year ended December 31, 2009 of ADB – Climate Change Fund and our report dated March 5, 2010 expressed an unqualified opinion on those financial statements.

A handwritten signature in black ink that reads "Deloitte & Touche LLP".

Public Accountants and
Certified Public Accountants

Singapore
March 5, 2010



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited the accompanying statement of financial position of Asian Development Bank ("ADB") – Climate Change Fund as of December 31, 2009 and the related statements of activities and changes in net assets, and cash flows, for the year then ended. These financial statements are the responsibility of ADB's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of ADB – Climate Change Fund for the year ended December 31, 2008 were audited by other auditors whose report, dated March 5, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of ADB – Climate Change Fund as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with attestation standards established by the American Institute of Certified Public Accountants, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2010 expressed an unqualified opinion on management's assertion that ADB maintained effective internal control over financial reporting.

Public Accountants and
 Certified Public Accountants

Singapore
 March 5, 2010

ASIAN DEVELOPMENT BANK—CLIMATE CHANGE FUND**STATEMENT OF FINANCIAL POSITION****31 December 2009 and 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
ASSETS		
DUE FROM BANKS (Note B)	\$ 209	\$ 1,564
INVESTMENTS (Notes B, C, and G)		
Government or government-guaranteed obligations	\$ 18,035	\$ –
Time deposits	21,197	10,921
Corporate obligations	– 39,232	27,973 38,894
ACCRUED REVENUE	13	50
ADVANCES FOR GRANTS (Note B)	339	–
TOTAL	\$ 39,793	\$ 40,508
LIABILITIES AND UNCOMMITTED BALANCES		
ACCOUNTS PAYABLE AND OTHER LIABILITIES (Note D)	\$ 102	\$ 81
UNDISBURSED COMMITMENTS (Notes B, E, and G)	12,989	3,000
UNCOMMITTED BALANCES (CCF-2) (Notes B and F), represented by:		
Unrestricted net assets	26,702	37,427
TOTAL	\$ 39,793	\$ 40,508

The accompanying notes are an integral part of these financial statements (CCF-4).

ASIAN DEVELOPMENT BANK—CLIMATE CHANGE FUND**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS****For the Year Ended 31 December 2009 and For the Period 7 April to 31 December 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009		2008	
CHANGES IN UNRESTRICTED NET ASSETS				
CONTRIBUTIONS (Notes B and F)	\$	–		\$40,000
REVENUE				
From investments (Notes B and C)	\$	355	\$	545
From other sources		0	9	554
Total		355		40,554
EXPENSES				
Technical assistance (Notes B and E)		10,745		3,000
Administrative expenses (Note D)		338	124	3,124
CONTRIBUTIONS AND REVENUE (LESS THAN) IN EXCESS OF EXPENSES		(10,728)		37,430
NET EXCHANGE GAINS (LOSSES) (Note B)		3		(3)
(DECREASE) INCREASE IN NET ASSETS		(10,725)		37,427
NET ASSETS AT BEGINNING OF YEAR		37,427		–
NET ASSETS AT END OF YEAR		\$26,702		\$37,427

0 = Less than \$500.

The accompanying notes are an integral part of these financial statements (CCF-4).

ASIAN DEVELOPMENT BANK—CLIMATE CHANGE FUND**STATEMENT OF CASH FLOWS****For the Year Ended 31 December 2009 and For the Period 7 April to 31 December 2008**

Expressed in Thousands of United States Dollars (Note B)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions received	\$ –	\$ 40,000
Interest on investments received	317	315
Technical assistance disbursed	(1,095)	–
Administrative expenses paid	(312)	(46)
Cash received from other sources	0	9
Net Cash (Used in) Provided by Operating Activities	(1,090)	40,278
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturities of investments	458,784	336,872
Acquisition of investments	(459,049)	(375,586)
Net Cash Used in Investing Activities	(265)	(38,714)
Net (Decrease) Increase in Due From Banks	(1,355)	1,564
Due from Banks at Beginning of Year/Period	1,564	–
Due from Banks at End of Year/Period	\$ 209	\$ 1,564
RECONCILIATION OF (DECREASE) INCREASE IN NET ASSETS		
TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:		
(Decrease) Increase in net assets (CCF-2)	\$ (10,725)	\$ 37,427
Adjustments to reconcile (decrease) increase in net assets		
to net cash (used in) provided by operating activities:		
Amortization of discounts on investments	(39)	(180)
Change in accrued revenue	37	(50)
Change in miscellaneous assets	0	(0)
Change in miscellaneous liabilities	25	78
Change in advances for grants	(339)	–
Change in undisbursed commitments	9,989	3,000
Change in unrealized investment holding losses	(35)	–
Translation adjustments	(3)	3
Net Cash (Used in) Provided by Operating Activities	\$ (1,090)	\$ 40,278

0 - Less than \$500.

The accompanying notes are an integral part of these financial statements (CCF-4).

ASIAN DEVELOPMENT BANK—CLIMATE CHANGE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

NOTE A—NATURE OF OPERATIONS

The Asian Development Bank (ADB), a multilateral development financial institution, was established in 1966 with its headquarters in Manila, Philippines. ADB and its operations are governed by the Agreement Establishing the Asian Development Bank (the Charter). Its purpose is to foster economic development and co-operation in the Asian and Pacific region and to contribute to the acceleration of the process of economic development of the developing member countries (DMCs) in the region, collectively and individually. With the adoption of its poverty reduction strategy at the end of 1999, ADB made reducing poverty in the region its main goal. ADB provides financial and technical assistance for projects and programs, which will contribute to achieving this purpose. These are financed through ordinary capital resources (OCR) and Special Funds.¹

The CCF was established on 7 April 2008 to facilitate greater investments in DMCs to address the causes and consequences of climate change alongside ADB's own assistance in various related sectors. The CCF will be a key mechanism to pool resources within ADB to address climate change through (i) technical assistance (TA), (ii) investment components for both private and public sector projects, and (iii) any other form of cooperation that partners and ADB may agree upon for a defined program of activities.

Financial assistance will be provided in the form of untied grants for components of investment projects, for advisory, project preparatory, and regional TA; as well as for any other activities that may be agreed between external contributors and ADB.

CCF's resources may consist of contributions from ADB and other bilateral, multilateral, and individual sources, including companies and foundations.

ADB is immune from taxation pursuant to Chapter VIII, Article 56, *Exemption from Taxation*, of the Charter.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation of the Financial Statements

The financial statements of the CCF are prepared in accordance with accounting principles generally accepted

in the United States of America, and are presented on the basis of those for not-for-profit organizations.

CCF reports donors' contributions of cash and other assets as unrestricted assets as these are made available to CCF without conditions other than for the purpose of pursuing its objectives.

Functional and Reporting Currency

The United States dollar is the functional and reporting currency, representing the currency of the primary economic operating environment of CCF.

Translation of Currencies

ADB adopts the use of daily exchange rates for accounting and financial reporting purposes. This allows transactions denominated in non-US dollar to be translated to the reporting currency using exchange rates applicable at the time of transactions. Contributions included in the financial statements during the year are recognized at applicable exchange rates as of the respective dates of commitment. At the end of each accounting month, translations of assets, liabilities, and uncommitted balances which are denominated in non-US dollar are adjusted using the applicable rates of exchange at the end of the reporting period. These translation adjustments are accounted for as exchange gains or losses and are credited or charged to operations.

Investments

All investment securities held by CCF are reported at estimated fair value, which represents their fair market value. Realized and unrealized gains and losses are included in revenue. Time deposits are reported at cost which is a reasonable estimate of fair value.

Interest income on investment securities and time deposits are recognized as realized and reported, net of amortizations of premiums and discounts.

Contributions

The contributions from donors and the allocations from net income of OCR are included in the financial

¹ Asian Development Fund (ADF), Technical Assistance Special Fund (TASF), Japan Special Fund (JSF), ADB Institute Special Fund (ADBISF), Asian Tsunami Fund (ATF), Pakistan Earthquake Fund (PEF), Regional Cooperation and Integration Fund (RCIF), Climate Change Fund (CCF), and Asia Pacific Disaster Response Fund (APDRF).

ASIAN DEVELOPMENT BANK—CLIMATE CHANGE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

statements, from the date of effectivity of the contributions agreement, and the Board of Governors' approval, respectively.

Technical Assistance, Grants and Undisbursed Commitments

Technical assistance and grants are recognized in the financial statements when the project is approved and becomes effective. Upon completion of the TA project or cancellation of a grant, any undisbursed amount is written back as a reduction in TA or grants for the year and the corresponding undisbursed commitment is eliminated accordingly.

Advances are provided from TA and grants to the executing agency or co-operating institution, for the purpose of making payments for eligible expenses. The advances are subject to liquidation and charged against undisbursed commitment. Any unutilized portion is required to be returned to the fund.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make reasonable estimates and assumptions that affect the reported amounts of assets and liabilities and uncommitted balances as of the end of the year and the reported amounts of revenue and expenses during the year. The actual results could differ from those estimates.

Accounting and Reporting Developments

In April 2009, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" (codified ASC 820-10-65-4), FSP FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments" (codified ASC 320-10-65-1), and FSP FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments" (codified ASC 825-10-65-1), which became effective for interim and annual periods ending after 15 June 2009, with early adoption permitted for periods ending after 15 March 2009. FSP FAS 157-4 provides guidance on

how to determine the fair value of assets and liabilities under FAS 157 in the current economic environment and reemphasizes that the objective of a fair value measurement remains an exit price. If there has been a significant decrease in the volume and level of activity of the asset or liability in relation to normal market activities, quoted market values may not be representative of fair value and a change in valuation technique or the use of multiple valuation techniques may be appropriate. FSP FAS 115-2 and FAS 124-2 modify the requirements for recognizing other-than-temporarily impaired debt securities and revise the existing impairment model for such securities by modifying the current intent and ability indicator in determining whether a debt security is other-than-temporarily impaired. FSP FAS 107-1 and APB 28-1 enhance the disclosure of instruments under the scope of FAS 157 for both interim and annual periods. The application of these standards did not have a material impact on CCF's 31 December 2009 financial statements.

In May 2009, the FASB issued Statement No. 165, "Subsequent Events" (codified ASC 855). This standard establishes principles and requirements for evaluating and reporting subsequent events. In particular, it sets forth; the period after the balance sheet date during which management shall evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; the circumstances under which an entity shall recognize events or transactions occurring after the balance sheet date in its financial statements; and the disclosures related to events or transactions occurring after the balance sheet date. Note H provides the required disclosures in compliance with this standard.

In June 2009, the FASB issued Statement No. 168, "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162" (codified ASC 105). Effective for financial statements issued for interim and annual periods ending after 15 September 2009, FASB Accounting Standards Codification™ (ASC) becomes the source of authoritative U.S. accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the Securities and Exchange Commission (SEC). ASC supersedes all existing, non-SEC accounting and reporting standards for nongovernmental entities. Concurrently, all other nongrandfathered, non-SEC

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accounting literature not included in ASC will become nonauthoritative.

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, CCF considers that its cash and cash equivalents are limited to "DUE FROM BANKS," which consists of cash on hand and current accounts in banks used for operational disbursements.

NOTE C—INVESTMENTS

The main investment management objective is to maintain security and liquidity. Subject to these parameters, ADB seeks the highest possible return on its investments. Investments are governed by the Investment Authority approved by the Board of Directors in 1999, and reviewed in 2006. The review endorsed a portfolio strategy that is largely consistent with the 1999 approach.

Investment securities and negotiable certificates of deposit held as of 31 December 2009 and 2008 are considered "Available for Sale" and are reported at fair value, which represents their fair market value. Unrealized gains and losses are included in revenue from investments.

Interest on investment securities and time deposits are recognized as realized and reported net of amortizations of premiums and discounts.

The annualized rate of return on the average investments held during the period ended 31 December 2009, based on the portfolio held at the beginning and end of each month, was 0.92% (2.59% - 2008).

NOTE D—RELATED PARTY TRANSACTIONS

The OCR and special fund resources are at all times used, committed, and invested entirely separate from each other. The administrative and operational expenses pertaining to CCF are settled on a regular basis with OCR and the other funds. Regional technical assistance projects and programs may be combined activities financed by special and trust funds. ADB charges a service fee to cover ADB's incremental cost for the administration, management, supervision and operation of the CCF. The service fee is currently 5%

of the amount disbursed for technical assistance and 2% of the amount disbursed for grant components of investment projects. As of 31 December 2009, \$95,000 (\$6,000 - 2008) was payable to OCR which is included in "ACCOUNTS PAYABLE AND OTHER LIABILITIES."

NOTE E—UNDISBURSED COMMITMENTS

Undisbursed commitments are denominated in United States dollars and represent TA not yet disbursed. The fair value of undisbursed commitments approximates the amounts outstanding, because ADB expects that disbursements will substantially be made for all the projects/programs covered by the commitments.

NOTE F—CONTRIBUTIONS AND UNCOMMITTED BALANCES

In May 2008, the Board of Governors approved the allocation of \$40,000,000 to the CCF from the 2007 OCR net income.

Uncommitted balances comprise amounts which have not been committed by ADB as of 31 December 2009 and 2008.

NOTE G—FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability at measurement date (exit price) in an orderly transaction among willing participants with an assumption that the transaction takes place in the entity's principal market, the most advantageous market for the asset or liability. The most advantageous market is where the sale of the asset or transfer of liability would maximize the amount received for the asset or minimize the amount paid to transfer the liability. The fair value measurement is not adjusted for transaction cost.

ASC 820 also establishes a fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), next priority to observable market inputs or market corroborated data (Level 2), and the lowest priority to unobservable inputs without market corroborated data (Level 3). ASC 820 requires the fair value measurement to maximize the use of market observable inputs.

ASIAN DEVELOPMENT BANK—CLIMATE CHANGE FUND

NOTES TO FINANCIAL STATEMENTS

31 December 2009 and 2008

The following guidelines are applied in determining the fair values of financial instruments:

Investments

Readily marketable investments are fair valued using active market quotes in Level 1 category. Level 2 cat-

egory includes investments which are fair valued with significant market observable inputs.

The fair value of the following financial assets of CCF as of 31 December 2009 and 2008 were reported based on the following:

	31 December 2009	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Government or gov't. guaranteed obligations	\$ 18,035,000	\$ —	\$ 18,035,000	\$ —
Time deposits	21,197,000	—	21,197,000	—
Total assets at fair value	\$ 39,232,000	\$ —	\$ 39,232,000	\$ —

	31 December 2008	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Time deposits	\$ 10,921,000	\$ —	\$ 10,921,000	\$ —
Corporate obligations	27,973,000	—	27,973,000	—
Total assets at fair value	\$ 38,894,000	\$ —	\$ 38,894,000	\$ —

See Notes C and E for discussions relating to investments and undisbursed commitments. In all other cases, the carrying amount of CCF's assets, liabilities and uncommitted balances are considered to approximate fair values for all significant financial instruments.

NOTE H—SUBSEQUENT EVENTS

ADB has evaluated subsequent events after 31 December 2009 through 5 March 2010, the date these Financial Statements are available for issuance. As a result of this evaluation, there are no subsequent events, as defined, that require recognition or disclosure in the CCF's Financial Statements as of 31 December 2009.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Asian Development Bank (“ADB”) is responsible for establishing and maintaining adequate internal control over financial reporting. ADB’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America.

ADB’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of ADB’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ADB’s management assessed the effectiveness of ADB’s internal control over financial reporting as of 31 December 2009. In making this assessment, ADB’s management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework*. Based on that assessment, management believes that as of 31 December 2009, ADB’s internal control over financial reporting is effective based upon the criteria established in *Internal Control – Integrated Framework*.



Haruhiko Kuroda
President



Bindu N. Lohani
Vice President (Finance and Administration)



Hong-Sang Jung
Controller

5 March 2010



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited management's assertion, included in the accompanying Management's Report on Internal Control over Financial Reporting, that Asian Development Bank ("ADB") maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. ADB's management is responsible for maintaining effective internal control over financial reporting and for its assertion of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on management's assertion based on our audit.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

ADB's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. ADB's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (3) provide reasonable assurance regarding prevention or timely detection and correction of unauthorized acquisition, use, or disposition of ADB's assets that could have a material effect on the financial statements.



Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected and corrected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, is fairly stated, in all material respects, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements as of and for the period from April 1, 2009 to December 31, 2009 of ADB – Asia Pacific Disaster Response Fund and our report dated March 5, 2010 expressed an unqualified opinion on those financial statements.

A handwritten signature in black ink that reads "Deloitte & Touche LLP".

Public Accountants and
Certified Public Accountants

Singapore
March 5, 2010



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 Certified Public Accountants
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

We have audited the accompanying statement of financial position of Asian Development Bank ("ADB") – Asia Pacific Disaster Response Fund as of December 31, 2009 and the related statements of activities and changes in net assets, and cash flows for the period from April 1, 2009 (establishment of the Fund) to December 31, 2009. These financial statements are the responsibility of ADB's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of ADB – Asia Pacific Disaster Response Fund as of December 31, 2009, and the results of its operations and its cash flows for the period from April 1, 2009 (establishment of the Fund) to December 31, 2009 in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with attestation standards established by the American Institute of Certified Public Accountants, management's assertion that ADB maintained effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2010 expressed an unqualified opinion on management's assertion that ADB maintained effective internal control over financial reporting.

Public Accountants and
 Certified Public Accountants

Singapore
 March 5, 2010

ASIAN DEVELOPMENT BANK—ASIA PACIFIC DISASTER RESPONSE FUND**STATEMENT OF FINANCIAL POSITION****31 December 2009**

Expressed in Thousands of United States Dollars (Note B)

ASSETS	
DUE FROM BANKS (Note B)	\$ 3,501
INVESTMENTS (Notes B, C, and G)	
Time deposits	29,563
ACCRUED REVENUE	1
ADVANCES FOR GRANTS (Note B)	7,000
TOTAL	\$40,065
LIABILITIES AND UNCOMMITTED BALANCES	
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$ 13
UNDISBURSED COMMITMENTS (Notes B, D, and F)	7,000
UNCOMMITTED BALANCES (APDRF-2) (Notes B and E), represented by:	
Unrestricted net assets	33,052
TOTAL	\$40,065

The accompanying notes are an integral part of these financial statements (APDRF-4).

ASIAN DEVELOPMENT BANK—ASIA PACIFIC DISASTER RESPONSE FUND**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS****For the Period 1 April to 31 December 2009**

Expressed in Thousands of United States Dollars (Note B)

CHANGES IN UNRESTRICTED NET ASSETS		
CONTRIBUTIONS (Notes B and E)		\$40,000
REVENUE		
From investments (Notes B and C)	\$ 64	
From other sources	1	65
Total		40,065
EXPENSES		
Technical assistance (Notes B and D)	7,000	
Administrative expenses	13	
Financial expenses	0	7,013
CONTRIBUTIONS AND REVENUE IN EXCESS OF EXPENSES		33,052
NET ASSETS AT BEGINNING OF PERIOD		—
NET ASSETS AT END OF PERIOD		\$33,052

0 = Less than \$500.

The accompanying notes are an integral part of these financial statements (APDRF-4).

ASIAN DEVELOPMENT BANK—ASIA PACIFIC DISASTER RESPONSE FUND**STATEMENT OF CASH FLOWS****For the Period 1 April to 31 December 2009**

Expressed in Thousands of United States Dollars (Note B)

CASH FLOWS FROM OPERATING ACTIVITIES	
Contributions received	\$ 40,000
Interest on investments received	39
Cash received from other sources	1
Technical assistance disbursed	(7,000)
Administrative and financial expenses paid	0
Net Cash Provided by Operating Activities	33,040
CASH FLOWS FROM INVESTING ACTIVITIES	
Maturities of investments	1,006,409
Purchases of investments	(1,035,948)
Net Cash Used in Investing Activities	(29,539)
Due from Banks at End of Period	\$ 3,501
RECONCILIATION OF INCREASE IN NET ASSETS	
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Increase in net assets (APDRF-2)	\$ 33,052
Adjustments to reconcile increase in net assets	
to net cash provided by operating activities:	
Amortization of discounts/premiums on investments	(24)
Change in accrued revenue	(1)
Change in advances for grants	(7,000)
Change in accrued expenses	13
Change in undisbursed commitments	7,000
Net Cash Provided by Operating Activities	\$ 33,040

0 = Less than \$500.

The accompanying notes are an integral part of these financial statements (APDRF-4).

ASIAN DEVELOPMENT BANK—ASIA PACIFIC DISASTER RESPONSE FUND

NOTES TO FINANCIAL STATEMENTS

For the Period 1 April to 31 December 2009

NOTE A—NATURE OF OPERATIONS

The Asian Development Bank (ADB), a multilateral development financial institution, was established in 1966 with its headquarters in Manila, Philippines. ADB and its operations are governed by the Agreement Establishing the Asian Development Bank (the Charter). Its purpose is to foster economic development and co-operation in the Asian and Pacific region and to contribute to the acceleration of the process of economic development of the developing member countries (DMCs) in the region, collectively and individually. With the adoption of its poverty reduction strategy at the end of 1999, ADB made reducing poverty in the region its main goal. ADB provides financial and technical assistance for projects and programs, which will contribute to achieving this purpose. These are financed through ordinary capital resources (OCR) and Special Funds.¹

The APDRF was established on 1 April 2009, to provide, in a timely fashion, incremental grant resources to DMCs affected by a natural disaster. The APDRF will help bridge the gap between existing ADB arrangements that assist DMCs to reduce disaster risk through hazard mitigation loans and grants, and longer-term post-disaster reconstruction lending. The APDRF will provide quick-disbursing grants to assist DMCs in meeting immediate expenses to restore life-saving services to affected populations following a declared disaster and in augmenting aid provided by other donors in times of national crisis.

Financial assistance will be provided in the form of grants in an amount totaling up to \$3,000,000 per event.

APDRF's resources may consist of contributions from ADB and other bilateral, multilateral, and individual sources, including companies and foundations.

ADB is immune from taxation pursuant to Chapter VIII, Article 56, *Exemption from Taxation*, of the Charter.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation of the Financial Statements

The financial statements of the APDRF are prepared in accordance with accounting principles generally accepted

in the United States of America, and are presented on the basis of those for not-for-profit organizations.

APDRF reports donors' contributions of cash and other assets as unrestricted assets as these are made available to APDRF without conditions other than for the purpose of pursuing its objectives.

Functional and Reporting Currency

The United States dollar is the functional and reporting currency, representing the currency of the primary economic operating environment of APDRF.

Translation of Currencies

ADB adopts the use of daily exchange rates for accounting and financial reporting purposes. This allows transactions denominated in non-US dollar to be translated to the reporting currency using exchange rates applicable at the time of transactions. Contributions included in the financial statements during the year are recognized at applicable exchange rates as of the respective dates of commitment. At the end of each accounting month, translations of assets, liabilities, and uncommitted balances which are denominated in non-US dollar are adjusted using the applicable rates of exchange at the end of the reporting period. These translation adjustments are accounted for as exchange gains or losses and are credited or charged to operations.

Investments

All investment securities held by APDRF are reported at estimated fair value, which represents their fair market value. Realized and unrealized gains and losses are included in revenue. Time deposits are reported at cost which is a reasonable estimate of fair value.

Interest income on investment securities and time deposits are recognized as realized and reported, net of amortizations of premiums and discounts.

Contributions

The contributions from donors and the allocations from net income of OCR are included in the financial

¹ Asian Development Fund (ADF), Technical Assistance Special Fund (TASF), Japan Special Fund (JSF), ADB Institute Special Fund (ADBISF), Asian Tsunami Fund (ATF), Pakistan Earthquake Fund (PEF), Regional Cooperation and Integration Fund (RCIF), Climate Change Fund (CCF), and Asia Pacific Disaster Response Fund (APDRF).

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statements, from the date of effectivity of the contributions agreement, and the Board of Governors' approval, respectively.

Technical Assistance, Grants and Undisbursed Commitments

Technical assistance (TA) and grants are recognized in the financial statements when the project is approved and becomes effective. Upon completion of the TA project or cancellation of a grant, any undisbursed amount is written back as a reduction in TA or grants for the year and the corresponding undisbursed commitment is eliminated accordingly.

Advances are provided from TA and grants to the executing agency or co-operating institution, for the purpose of making payments for eligible expenses. The advances are subject to liquidation and charged against undisbursed commitment. Any unutilized portion is required to be returned to the fund.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make reasonable estimates and assumptions that affect the reported amounts of assets and liabilities and uncommitted balances as of the end of the year and the reported amounts of revenue and expenses during the year. The actual results could differ from those estimates.

Accounting and Reporting Developments

In April 2009, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability have Significantly Decreased and Identifying Transactions That Are Not Orderly" (codified ASC 820-10-65-4), FSP FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments" (codified ASC 320-10-65-1), and FSP FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments" (codified ASC 825-10-65-1), which became effective for interim and annual periods ending after 15 June 2009, with early adoption permitted for periods ending after 15 March 2009. FSP FAS 157-4 provides guidance on

how to determine the fair value of assets and liabilities under FAS 157 in the current economic environment and reemphasizes that the objective of a fair value measurement remains an exit price. If there has been a significant decrease in the volume and level of activity of the asset or liability in relation to normal market activities, quoted market values may not be representative of fair value and a change in valuation technique or the use of multiple valuation techniques may be appropriate. FSP FAS 115-2 and FAS 124-2 modify the requirements for recognizing other-than-temporarily impaired debt securities and revise the existing impairment model for such securities by modifying the current intent and ability indicator in determining whether a debt security is other-than-temporarily impaired. FSP FAS 107-1 and APB 28-1 enhance the disclosure of instruments under the scope of FAS 157 for both interim and annual periods. The application of these standards did not have a material impact on APDRF's 31 December 2009 financial statements.

In May 2009, the FASB issued Statement No. 165, "Subsequent Events" (codified ASC 855). This standard establishes principles and requirements for evaluating and reporting subsequent events. In particular, it sets forth; the period after the balance sheet date during which management shall evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; the circumstances under which an entity shall recognize events or transactions occurring after the balance sheet date in its financial statements; and the disclosures related to events or transactions occurring after the balance sheet date. Note G provides the required disclosures in compliance with this standard.

In June 2009, the FASB issued Statement No. 168, "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162" (codified ASC 105). Effective for financial statements issued for interim and annual periods ending after 15 September 2009, FASB Accounting Standards Codification™ (ASC) becomes the source of authoritative U.S. accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the Securities and Exchange Commission (SEC). ASC supersedes all existing, non-SEC accounting and reporting standards for nongovernmental entities. Concurrently, all other nongrandfathered, non-SEC accounting literature not included in ASC will become nonauthoritative.

ASIAN DEVELOPMENT BANK—ASIA PACIFIC DISASTER RESPONSE FUND

NOTES TO FINANCIAL STATEMENTS

For the Period 1 April to 31 December 2009

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, APDRF considers that its cash and cash equivalents are limited to “DUE FROM BANKS,” which consists of cash on hand and current accounts in banks used for operational disbursements.

NOTE C—INVESTMENTS

The main investment management objective is to maintain security and liquidity. Subject to these parameters, ADB seeks the highest possible return on its investments. Investments are governed by the Investment Authority approved by the Board of Directors in 1999, and reviewed in 2006. The review endorsed a portfolio strategy that is largely consistent with the 1999 approach.

Investment securities and negotiable certificates of deposit held as of 31 December 2009 and 2008 are considered “Available for Sale” and are reported at fair value, which represents their fair market value. Unrealized gains and losses are included in “Revenue from investments.”

Interest on investment securities and time deposits are recognized as realized and reported net of amortizations of premiums and discounts.

The annualized rate of return on the average investments held during the period ended 31 December 2009, based on the portfolio held at the beginning and end of each month, was 0.28%.

NOTE D—UNDISBURSED COMMITMENTS

Undisbursed commitments are denominated in United States dollars and represent technical assistance not yet disbursed. The fair value of undisbursed commitments approximates the amounts outstanding, because ADB expects that disbursements will substantially be made for all the projects/programs covered by the commitments.

NOTE E—CONTRIBUTIONS AND UNCOMMITTED BALANCES

In May 2009, \$40,000,000 was transferred from the Asian Tsunami Fund.

Uncommitted balances comprise amounts which have not been committed by ADB as of 31 December 2009.

NOTE F—FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability at measurement date (exit price) in an orderly transaction among willing participants with an assumption that the transaction takes place in the entity’s principal market, the most advantageous market for the asset or liability. The most advantageous market is where the sale of the asset or transfer of liability would maximize the amount received for the asset or minimize the amount paid to transfer the liability. The fair value measurement is not adjusted for transaction cost.

ASC 820 also establishes a fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), next priority to observable market inputs or market corroborated data (Level 2), and the lowest priority to unobservable inputs without market corroborated data (Level 3). ASC 820 requires the fair value measurement to maximize the use of market observable inputs.

The following guidelines are applied in determining the fair values of financial instruments:

Investments

Readily marketable investments are fair valued using active market quotes in Level 1 category. Level 2 category includes investments which are fair valued with significant market observable inputs.

APDRF-4

CONTINUED

The fair value of the following financial assets of APDRF as of 31 December 2009 were reported based on the following:

	Total	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Market Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Time deposits	\$ 29,563,000	\$ –	\$ 29,563,000	\$ –

See Notes C and D for discussions relating to investments and undisbursed commitments. In all other cases, the carrying amount of APDRF's assets, liabilities and uncommitted balances are considered to approximate fair values for all significant financial instruments.

NOTE G—SUBSEQUENT EVENTS

ADB has evaluated subsequent events after 31 December 2009 through 5 March 2010, the date these Financial Statements are available for issuance. As a result of this evaluation, there are no subsequent events, as defined, that require recognition or disclosure in the APDRF's Financial Statements as of 31 December 2009.



STATISTICAL ANNEXES

Statistical Annex 1

SOVEREIGN AND NONSOVEREIGN LOAN APPROVALS BY COUNTRY, 2009

(\$ million)

	OCR	ADF	Total	Total Project Cost ^a	Date Approved
SOVEREIGN					
Armenia					
Crisis Recovery Support Program ^b	–	80.00	80.00	80.00	6 Jul
North–South Road Corridor Investment Program – Tranche 1	–	60.00	60.00	70.00	6 Oct
Subtotal	–	140.00	140.00	150.00	
Azerbaijan					
Water Supply and Sanitation Investment Program – Tranche 1	75.00	–	75.00	100.00	14 Oct
Subtotal	75.00	–	75.00	100.00	
Bangladesh					
Participatory Small-Scale Water Resources Sector	–	55.00	55.00	107.30	4 Sep
Small and Medium-Sized Enterprise Development	–	76.00	76.00	126.67	17 Sep
Urban Public and Environmental Health Sector Development Program					
–Program Loan	–	70.00	70.00	70.00	28 Sep
–Project Loan	–	60.00	60.00	80.00	28 Sep
Public Expenditure Support Facility Program and Countercyclical Support Facility Support Program ^{b, c}	600.00	144.85	744.85	744.85	13 Oct
South Asia Tourism Infrastructure Development (Bangladesh, India, and Nepal)	–	12.00	12.00	15.00	16 Nov
Padma Multipurpose Bridge Design (Supplementary)	–	10.00	10.00	12.70	2 Dec
Subtotal	600.00	427.85	1,027.85	1,156.52	
Cambodia					
Greater Mekong Subregion: Cambodia Northwest					
Provincial Road Improvement	–	16.26	16.26	47.89	24 Aug
Financial Sector Program II (Subprogram 3)	–	10.00	10.00	10.00	26 Nov
Tonle Sap Poverty Reduction and Smallholder Development	–	3.40	3.40	55.30	8 Dec
Greater Mekong Subregion: Rehabilitation of the Railway in Cambodia (Supplementary)	–	42.00	42.00	68.60	15 Dec
Subtotal	–	71.66	71.66	181.79	
China, People's Republic of					
Emergency Assistance for Wenchuan Earthquake Reconstruction	400.00	–	400.00	441.60	19 Feb
Xinjiang Urban Transport and Environmental Improvement	100.00	–	100.00	187.20	29 Jun
Liaoning Small Cities and Towns Development Demonstration Sector	100.00	–	100.00	236.50	18 Sep
Shaanxi Qinling Biodiversity Conservation and Demonstration	40.00	–	40.00	132.64	22 Oct
Guiyang Integrated Water Resource Management (Sector)	150.00	–	150.00	439.20	29 Oct
Hebei Small Cities and Towns Development Demonstration Sector	100.00	–	100.00	235.85	6 Nov
Anhui Integrated Transport Sector Improvement	200.00	–	200.00	1,355.00	10 Dec
Lanzhou Sustainable Urban Transport	150.00	–	150.00	480.27	11 Dec
Railway Energy Efficiency and Safety Enhancement					
Investment Program – Tranche 1	300.00	–	300.00	967.34	15 Dec
Shanxi Integrated Agricultural Development	100.00	–	100.00	189.31	16 Dec
Guangdong Energy Efficiency and Environment Improvement					
Investment Program – Tranche 2	22.06	–	22.06	66.14	16 Dec
Shanxi Small Cities and Towns Development Demonstration Sector	100.00	–	100.00	224.75	18 Dec
Subtotal	1,762.06	–	1,762.06	4,955.80	
Cook Islands					
Economic Recovery Support Program	10.00	–	10.00	10.00	13 Oct
Subtotal	10.00	–	10.00	10.00	

– = nil, ADF = Asian Development Fund, OCR = ordinary capital resources.

^a Total project cost includes financing by ADB, governments, beneficiaries, and subborrowers; cofinancing from official, export credit, and commercial sources; equity sponsors; and local participating private companies and financial institutions.^b Consists of two ADF loans.^c Consists of two OCR loans.

CONTINUED

	OCR	ADF	Total	Total Project Cost ^a	Date Approved
Fiji Islands					
Third Road Upgrading (Sector) (Supplementary)	36.10	–	36.10	72.10	23 Mar
Emergency Flood Recovery (Sector)	17.56	–	17.56	19.99	27 Aug
Suva-Nausori Water Supply and Sewerage Development (Supplementary)	23.00	–	23.00	27.74	15 Dec
Subtotal	76.66	–	76.66	119.83	
Georgia					
Growth Recovery Support Program ^b	–	80.00	80.00	80.00	6 Jul
Municipal Services Development – Phase 2	–	30.00	30.00	41.50	28 Jul
Road Corridor Investment Program – Tranche 1	–	118.80	118.80	148.90	6 Oct
Subtotal	–	228.80	228.80	270.40	
India					
Uttarakhand Power Sector Investment Program – Tranche 3	30.60	–	30.60	42.43	8 Jan
Rajasthan Urban Sector Development Investment Program – Tranche 2	150.00	–	150.00	219.00	19 Jan
India Infrastructure Project Financing Facility – Tranche 2	200.00	–	200.00	200.00	24 Feb
National Power Grid Development Investment Program – Tranche 2	200.00	–	200.00	786.30	3 Mar
Madhya Pradesh Power Sector Investment Program – Tranche 5	166.00	–	166.00	270.20	13 Apr
National Highway Corridor (Sector) I (Supplementary)	100.00	–	100.00	338.80	30 Jun
North Eastern Region Capital Cities Development Investment Program – Tranche 1	30.00	–	30.00	42.82	01 Jul
Rural Roads Sector II Investment Program – Tranche 4	185.00	–	185.00	185.00	7 Aug
Mizoram Public Resource Management Program	94.00	–	94.00	126.96	18 Aug
Developing Public Resource Management Program in Mizoram	6.00	–	6.00	7.68	18 Aug
South Asia Tourism Infrastructure Development (Bangladesh, India, and Nepal)	20.00	–	20.00	28.00	16 Nov
Second India Infrastructure Project Financing Facility – Tranche 1	210.00	–	210.00	3,300.00	27 Nov
Assam Power Sector Enhancement Investment Program – Tranche 1	60.30	–	60.30	95.00	27 Nov
Jharkhand State Roads	200.00	–	200.00	240.00	2 Dec
Himachal Pradesh Clean Energy Development Investment Program – Tranche 2	59.10	–	59.10	69.30	8 Dec
Subtotal	1,711.00	–	1,711.00	5,951.49	
Indonesia					
Indonesian Infrastructure Financing Facility	100.00	–	100.00	1,010.00	31 Mar
Public Expenditure Support Facility Program	1,000.00	–	1,000.00	1,000.00	3 Jun
Countercyclical Support	500.00	–	500.00	500.00	7 Oct
Rural Infrastructure Support to PNPM Mandiri Project II	84.24	–	84.24	113.54	12 Nov
Capital Market Development Program Cluster (Subprogram 2)	300.00	–	300.00	300.00	16 Nov
Fifth Development Policy Support Program	200.00	–	200.00	300.00	8 Dec
Subtotal	2,184.24	–	2,184.24	3,223.54	
Kazakhstan					
Kazakhstan Countercyclical Support	500.00	–	500.00	500.00	10 Sep
CAREC Transport Corridor I (Zhambyl Oblast Section) [Western Europe–Western People's Republic of China International Transit Corridor] Investment Program – Tranche 2	187.00	–	187.00	220.00	7 Oct
Subtotal	687.00	–	687.00	720.00	
Kyrgyz Republic					
CAREC Transport Corridor I (Bishkek–Torugart Road) – Project 2	–	28.00	28.00	62.50	14 Jul
Issyk-Kul Sustainable Development	–	16.50	16.50	37.50	30 Sep
Subtotal	–	44.50	44.50	100.00	

– = nil, ADF = Asian Development Fund, CAREC = Central Asia Regional Economic Cooperation, OCR = ordinary capital resources, PNPM = Program Nasional Pemberdayaan Masyarakat (National Program for Community Empowerment).

a Total project cost includes financing by ADB, governments, beneficiaries, and subborrowers; cofinancing from official, export credit, and commercial sources; equity sponsors; and local participating private companies and financial institutions.

b Consists of two ADF loans.

	OCR	ADF	Total	Total Project Cost ^a	Date Approved
Lao People's Democratic Republic					
Decentralized Irrigation Development and Management Sector (Supplementary)	–	0.12	0.12	0.12	16 Oct
Subtotal	–	0.12	0.12	0.12	
Maldives					
Economic Recovery Program	–	35.00	35.00	231.00	9 Dec
Capacity Development for Economic Recovery (TA Loan)	–	1.50	1.50	1.80	9 Dec
Subtotal	–	36.50	36.50	232.80	
Mongolia					
Social Sectors Support Program	–	43.10	43.10	110.00	24 Jun
Urban Development Sector (Supplementary)	–	7.03	7.03	8.73	18 Nov
Subtotal	–	50.13	50.13	118.73	
Nepal					
Education Sector Program (Subprogram 3)	–	25.00	25.00	95.00	22 Sep
South Asia Tourism Infrastructure Development (Bangladesh, India, and Nepal)	–	12.75	12.75	46.50	16 Nov
Air Transport Capacity Enhancement	–	70.00	70.00	92.00	23 Nov
Energy Access and Efficiency Improvement	–	65.00	65.00	93.70	27 Nov
Subtotal	–	172.75	172.75	327.20	
Pakistan					
Accelerating Economic Transformation Program (Subprogram 2)	350.00	150.00	500.00	500.00	25 Jun
National Highway Development Sector Investment Program – Tranche 2	230.00	–	230.00	269.30	26 Aug
Punjab Government Efficiency Improvement Program (Subprogram 2)	75.00	75.00	150.00	150.00	17 Sep
Energy Efficiency Investment Program – Tranche 1	40.00	20.00	60.00	110.00	22 Sep
Subtotal	695.00	245.00	940.00	1,029.30	
Papua New Guinea					
Pilot Border Trade and Investment Development	–	25.00	25.00	30.00	27 Nov
Civil Aviation Development Investment Program – Tranche 1 ^b	25.00	70.00	95.00	112.00	1 Dec
Subtotal	25.00	95.00	120.00	142.00	
Philippines					
Philippine Energy Efficiency	31.10	–	31.10	46.50	29 Jan
Credit for Better Health Care	50.00	–	50.00	63.36	25 Mar
Countercyclical Support	500.00	–	500.00	500.00	24 Aug
Development Policy Support Program (Subprogram 3)	250.00	–	250.00	250.00	15 Sep
Local Government Financing and Budget Reform Program (Subprogram 2)	225.00	–	225.00	441.00	26 Nov
Subtotal	1,056.10	–	1,056.10	1,300.86	
Sri Lanka					
Clean Energy and Access Improvement	135.00	25.00	160.00	188.20	14 Apr
Eastern and North Central Provincial Road	–	70.00	70.00	78.00	16 Sep
Greater Colombo Wastewater Management	80.00	20.00	100.00	116.60	28 Sep
Subtotal	215.00	115.00	330.00	382.80	
Thailand					
Greater Mekong Subregion Highway Expansion	77.10	–	77.10	179.40	15 Dec
Subtotal	77.10	–	77.10	179.40	

– = nil, ADF = Asian Development Fund, CAREC = Central Asia Regional Economic Cooperation, OCR = ordinary capital resources, TA = technical assistance.

a Total project cost includes financing by ADB, governments, beneficiaries, and subborrowers; cofinancing from official, export credit, and commercial sources; equity sponsors; and local participating private companies and financial institutions.

b Consists of two ADF loans.

CONTINUED

	OCR	ADF	Total	Project Cost ^a	Date Approved
Uzbekistan					
Water Supply and Sanitation Services Investment Program – Tranche 1	–	60.00	60.00	75.00	8 Oct
Subtotal	–	60.00	60.00	75.00	
Viet Nam					
Thanh Hoa City Comprehensive Socioeconomic Development	–	72.00	72.00	117.90	5 Mar
Quality and Safety Enhancement of Agricultural Products and Biogas Development	–	95.00	95.00	110.39	18 Mar
Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector	–	151.00	151.00	197.60	30 Mar
Countercyclical Support	500.00	–	500.00	500.00	15 Sep
Support for the Implementation of the Poverty Reduction Program V (Subprogram 2)	–	100.00	100.00	100.00	15 Oct
Secondary Education Sector Development Program					25 Nov
–Program Loan	–	20.00	20.00	20.00	
–Project Loan	–	40.00	40.00	51.00	
Central Regions Rural Water Supply and Sanitation	–	45.00	45.00	50.00	17 Dec
Mong Duong 1 Thermal Power – Tranche 2	902.85	–	902.85	1,143.37	21 Dec
Subtotal	1,402.85	523.00	1,925.85	2,290.26	
Total Sovereign	10,577.01	2,210.31	12,787.32	23,017.83	
NONSOVEREIGN					
China, People's Republic of					
Small Hydropower Development	58.57	–	58.57	591.61	13 Jan
Zhangbei Wind Power	34.30	–	34.30	137.10	10 Mar
Municipal Waste to Energy	100.00	–	100.00	650.00	4 Jun
Subtotal	192.87	–	192.87	1,378.71	
India					
Small and Medium Enterprise Trade Finance Development Facility	100.00	–	100.00	100.00	30 Sep
Subtotal	100.00	–	100.00	100.00	
Papua New Guinea					
Digicel Mobile Telecommunication Expansion	25.00	–	25.00	273.00	16 Nov
Subtotal	25.00	–	25.00	273.00	
Philippines					
Visayas Base-Load Power Development	120.00	–	120.00	486.00	11 Dec
Subtotal	120.00	–	120.00	486.00	
Thailand					
Biomass Power	5.00	–	5.00	172.41	13 Jan
Subtotal	5.00	–	5.00	172.41	
Total Nonsovereign	442.87	–	442.87	2,410.12	
TOTAL	11,019.88	2,210.31	13,230.19	23,460.71	

– = nil, ADF = Asian Development Fund, OCR = ordinary capital resources.

a Total project cost includes financing by ADB, governments, beneficiaries, and subborrowers; cofinancing from official, export credit, and commercial sources; equity sponsors; and local participating private companies and financial institutions.

Statistical Annex 2

GRANT-FINANCED PROJECT APPROVALS BY COUNTRY, 2009

(\$ million)

	ADF	APDRF/ CCF	Other	Sources ^a		Date Approved
Afghanistan						
Hairatan to Mazar-e-Sharif Railway	165.00	–	–		165.00	30 Sep
Water Resources Development Investment Program – Tranche 1	86.60	–	3.30	United Kingdom	89.90	6 Oct
Energy Sector Development Investment Program – Tranche 2	81.50	–	–		81.50	3 Dec
Subtotal	333.10	–	3.30		336.40	
Bangladesh						
Developing Inclusive Insurance Sector	–	–	2.00	JFPR	2.00	27 Jan
Second Primary Education Development Program (Supplementary) ^b	–	–	30.00	Canada	30.00	30 Jan
Emergency Disaster Damage Rehabilitation (Sector) (Supplementary) ^b	–	–	24.00	Netherlands	24.00	3 Feb
Post-Literacy and Continuing Education (Supplementary) ^b	–	–	2.50	Switzerland	2.50	10 Jun
Subtotal	–	–	58.50		58.50	
Bhutan						
Road Network II	38.76	–	–		38.76	10 Nov
Subtotal	38.76	–	–		38.76	
Cambodia						
Piloting the Post-Harvest Technology and Skills Bridging Program for Rural Poor	–	–	2.00	JFPR	2.00	20 Apr
Second Rural Water Supply and Sanitation Sector	21.00	–	–		21.00	15 Sep
Strengthening Technical and Vocational Education and Training	24.50	–	–		24.50	13 Nov
Tonle Sap Poverty Reduction and Smallholder Development ^b	27.30	–	12.44	Finland/IFAD	39.74	8 Dec
Greater Mekong Subregion: Rehabilitation of the Railway in Cambodia ^b	–	–	21.50	Australia	21.50	15 Dec
Subtotal	72.80	–	35.94		108.74	
China, People's Republic of						
Capacity Building for Energy Efficiency Implementation (Supplementary) ^b	–	1.20	–		1.20	13 Jan
Liaoning Small Cities and Towns Development Demonstration Sector ^b	–	–	0.25	MDTF-WFPF	0.25	18 Sep
Shaanxi Qinling Biodiversity Conservation and Demonstration ^b	–	–	4.27	GEF	4.27	22 Oct
Integrated Ecosystem and Water Resources Management in the Baiyangdian Basin ^b	–	–	2.93	GEF	2.93	30 Oct
Hebei Small Cities and Towns Development Demonstration Sector ^b	–	–	0.25	MDTF-WFPF	0.25	6 Nov
Shanxi Small Cities and Towns Development Demonstration Sector ^b	–	–	0.25	MDTF-WFPF	0.25	18 Dec
Shanxi Climate Change Adaptation through Groundwater Management ^b	–	–	0.50	MDTF-WFPF	0.50	16 Dec
Shanxi Rural Women's Economic Empowerment Pilot Project ^b	–	–	0.20	GDCF	0.20	16 Dec
Subtotal	–	1.20	8.65		9.85	
India						
Capacity Building and Livelihood Enhancement of Poor Water Users	–	–	2.00	JFPR	2.00	19 Jun
Subtotal	–	–	2.00		2.00	
Indonesia						
Rice Fortification for the Poor	–	–	2.00	JFPR	2.00	20 Mar
West Sumatera Earthquake Disaster	–	3.00	–		3.00	13 Oct
Subtotal	–	3.00	2.00		5.00	
Kyrgyz Republic						
CAREC – Transport Corridor 1 (Bishkek–Torugart Road) Project 2 ^b	22.00	–	–		22.00	14 Jul
Issyk-Kul Sustainable Development	13.50	–	–		13.50	30 Sep
Subtotal	35.50	–	–		35.50	
Lao People's Democratic Republic						
Small Towns Water Supply and Sanitation Sector	23.00	–	5.80	Australia/GDCF	28.80	2 Feb
Sustainable Natural Resource Management and Productivity Enhancement	20.00	–	15.00	IFAD	35.00	23 Feb
Developing Model Healthy Villages in Northern Lao People's Democratic Republic	–	–	3.00	JFPR	3.00	14 Aug
Private Sector and Small and Medium-Sized Enterprises Development Program (Subprogram 2)	15.00	–	–		15.00	1 Oct
Strengthening Higher Education	24.80	–	–		24.80	5 Oct
Health Sector Development Program	–	–	–		–	10 Nov
– Program Grant	10.00	–	–		10.00	
– Project Grant	10.00	–	–		10.00	
Subtotal	102.80	–	23.80		126.60	
Mongolia						
Reducing Persistent Chronic Malnutrition in Children in Mongolia	–	–	2.00	JFPR	2.00	16 Mar
Social Sectors Support Program ^b	16.90	–	–		16.90	24 Jun
Protecting the Health Status of the Poor during the Financial Crisis	–	–	3.00	JFPR	3.00	30 Jul
Early Childhood Education for Rural, Nomadic, and Migrant Children	–	–	2.89	JFPR	2.89	28 Aug

– = nil, ADF = Asian Development Fund, APDRF = Asia Pacific Disaster Response Fund, CAREC = Central Asia Regional Economic Cooperation, CCF = Climate Change Fund, GDCF = Gender and Development Cooperation Fund, GEF = Global Environment Facility, IFAD = International Fund for Agricultural Development, JFPR = Japan Fund for Poverty Reduction, MDTF-WFPF = Multidonor Trust Fund under the Water Financing Partnership Facility.

a. Cofinancing for projects with administrative or collaborative arrangements with ADB.

b. Grant component of a loan project.

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	ADF	APDRF/ CCF	Other	Sources ^a	Total	Date Approved
Demonstration Project for Improved Electricity Services to the Low-Income Communities in Rural Areas	–	–	2.40	JFPR	2.40	9 Sep
Education for the Poor–Financial Crisis Response	17.00	–	–	–	17.00	18 Sep
Subtotal	33.90	–	10.29	–	44.19	
Nepal						
Emergency Flood Damage Rehabilitation	25.60	–	–	–	25.60	21 Apr
Establishing Women and Children Service Centers	–	–	0.75	JFPR	0.75	3 Jul
Second Small Towns Water Supply and Sanitation Sector	45.10	–	–	–	45.10	17 Sep
Education Sector Program (Subprogram III)	70.00	–	–	–	70.00	22 Sep
Capacity Building for the Promotion of Legal Identity Among the Poor in Nepal	–	–	2.00	JFPR	2.00	12 Oct
South Asia Tourism Infrastructure Development ^b	12.75	–	–	–	12.75	16 Nov
Air Transport Capacity Enhancement ^b	10.00	–	–	–	10.00	23 Nov
Energy Access and Efficiency Improvement ^b	–	0.30	4.20	CEF	4.50	27 Nov
Flour Fortification in Chakki Mills	–	–	1.80	JFPR	1.80	9 Dec
Subtotal	163.45	0.30	8.75	–	172.50	
Papua New Guinea						
Extending the Socioeconomic Benefits of an Improved Road Network to Roadside Communities	–	–	2.00	JFPR	2.00	2 Mar
Subtotal	–	–	2.00	–	2.00	
Philippines						
Philippine Energy Efficiency ^b	–	–	1.50	ACEF-CEFPF	1.50	29 Jan
Enhancing Midwives' Entrepreneurial and Financial Literacy ^b	–	–	0.40	GDCF	0.40	25 Mar
Typhoon Ketsana (Ondoy) under the Asia Pacific Disaster Response Fund	–	3.00	–	–	3.00	29 Sep
Subtotal	–	3.00	1.90	–	4.90	
Samoa						
Earthquake and Tsunami Disaster Response	–	1.00	–	–	1.00	2 Oct
Subtotal	–	1.00	–	–	1.00	
Solomon Islands						
Road Improvement (Sector) (Supplementary)	–	–	0.21	Australia	0.21	19 Jan
Road Improvement (Sector) (Supplementary)	–	–	1.87	Australia	1.87	20 May
Emergency Assistance (Supplementary)	–	–	4.04	EC	4.04	27 Aug
Second Road Improvement (Sector)	15.00	–	7.84	EC/Australia	22.84	12 Nov
Subtotal	15.00	–	13.96	–	28.96	
Sri Lanka						
Clean Energy and Access Improvement ^b	–	2.20	–	–	2.20	14 Apr
Clean Energy and Access Improvement ^b	–	2.00	–	–	2.00	6 Oct
Improving Connectivity to Support Livelihoods and Gender Equality	–	–	3.00	JFPR	3.00	14 Dec
North East Community Restoration and Development II (Supplementary) ^b	–	–	7.28	Australia	7.28	17 Dec
Subtotal	–	4.20	10.28	–	14.48	
Tajikistan						
Crisis Recovery Support Program	40.00	–	–	–	40.00	6 Jul
Dushanbe–Kyrgyz Road Rehabilitation (Phase II) (Supplementary) ^b	20.00	–	–	–	20.00	24 Jul
Regional Customs Modernization and Infrastructure Development ^b	–	–	1.60	United States	1.60	12 Aug
Subtotal	60.00	–	1.60	–	61.60	
Timor-Leste						
Road Network Development Sector	46.00	–	–	–	46.00	20 Nov
Our Roads Our Future-Supporting Local Governance and Community-Based Infrastructure Works ^a	–	–	3.00	JFPR	3.00	20 Nov
Subtotal	46.00	–	3.00	–	49.00	
Tonga						
Economic Support Program	10.00	–	–	–	10.00	3 Dec
Subtotal	10.00	–	–	–	10.00	
Viet Nam						
Thanh Hoa City Comprehensive Socioeconomic Development ^b	–	–	2.00	MDTF-WFPF/NET-WFPF	2.00	5 Mar
Formalizing Microfinance Institutions	–	–	1.50	JFPR	1.50	5 Oct
Subtotal	–	–	3.50	–	3.50	
TOTAL	911.31	12.70	189.46		1,113.47	

– = nil, ACEF-CEFPF = Asian Clean Energy Fund under the Clean Energy Financing Partnership Facility, ADF = Asian Development Fund, APDRF = Asia Pacific Disaster Response Fund, CCF = Climate Change Fund, CEF = Clean Energy Fund, EC = European Community, GDCF = Gender and Development Cooperation Fund, JFPR = Japan Fund for Poverty Reduction, MDTF-WFPF = Multidonor Trust Fund under the Water Financing Partnership Facility, NET-WFPF = The Netherlands Trust Fund for the Water Financing Partnership Facility.

a. Cofinancing for projects with administrative or collaborative arrangements with ADB.

b. Grant component of a loan project.

Statistical Annex 3

LOAN APPROVALS BY SECTOR:^a 3-YEAR MOVING AVERAGES, 1968-1971-2007-2009^b

	Total Lending ^c (\$ million)	Agriculture and Natural Resources	Education	Energy	Finance	Health, Nutrition, and Social Protection	Industry and Trade	Law, Economic Management, and Public Policy	Transport and Communications	Water Supply, Sanitation, and Waste Management	Multi-sector
Average during		(percent of total lending)									
1968-1970	128.44	18.08	0.78	11.98	21.38	–	18.43	–	24.03	5.32	–
1969-1971	199.25	19.00	0.50	25.38	18.87	–	10.87	–	21.68	3.70	–
1970-1972	271.92	13.75	0.82	33.06	14.69	–	6.27	–	21.48	9.93	–
1971-1973	330.53	12.72	1.02	32.18	15.83	–	3.14	–	23.88	11.23	–
1972-1974	428.42	16.43	0.79	26.71	15.30	–	6.12	–	21.32	13.33	–
1973-1975	543.15	18.52	1.28	23.03	17.49	–	12.65	–	17.68	9.16	0.18
1974-1976	661.29	22.81	0.73	20.74	18.07	–	11.75	–	16.61	9.12	0.16
1975-1977	774.22	24.62	1.49	21.50	16.12	–	9.80	–	16.97	9.36	0.14
1976-1978	940.36	25.64	2.95	21.11	14.59	1.36	6.79	–	15.98	10.30	1.27
1977-1979	1,098.92	27.24	5.13	22.84	12.33	1.17	6.37	–	12.10	11.71	1.12
1978-1980	1,282.01	28.44	5.56	23.74	11.97	1.41	4.39	–	12.39	11.12	0.98
1979-1981	1,454.96	29.61	5.35	26.21	11.62	1.72	3.72	–	9.41	12.29	0.09
1980-1982	1,598.97	31.77	4.41	27.61	11.62	2.01	2.21	–	11.53	8.78	0.06
1981-1983	1,751.46	31.23	5.19	26.60	13.27	2.91	2.86	–	7.52	9.46	0.96
1982-1984	1,937.03	33.13	5.34	28.98	9.42	1.88	1.12	–	12.12	6.57	1.43
1983-1985	1,978.52	32.10	5.27	24.63	8.36	2.42	1.09	–	12.75	11.85	1.53
1984-1986	2,013.77	33.76	4.95	25.26	6.72	2.02	0.72	–	14.40	9.75	2.40
1985-1987	2,081.84	28.61	3.97	17.47	11.82	2.19	5.23	–	20.54	8.36	1.81
1986-1988	2,512.17	22.93	5.20	18.76	12.69	1.60	9.72	–	23.12	4.53	1.45
1987-1989	3,053.72	20.16	4.97	16.07	15.25	1.91	9.73	–	23.47	7.62	0.82
1988-1990	3,564.93	21.66	6.33	20.48	14.22	1.35	6.19	–	20.68	7.38	1.71
1989-1991	4,115.49	22.82	5.25	25.79	12.03	1.43	6.09	–	17.93	7.19	1.45
1990-1992	4,610.39	18.74	5.00	28.91	10.93	1.14	5.13	–	20.60	6.61	2.94
1991-1993	5,022.89	12.99	5.18	31.01	8.72	1.26	6.72	0.09	23.34	8.55	2.15
1992-1994	4,665.65	9.81	4.90	29.63	7.75	2.27	3.57	0.09	29.17	9.64	3.16
1993-1995	4,791.51	10.81	5.74	31.66	7.49	1.83	2.53	0.09	26.66	12.00	1.18
1994-1996	4,806.49	13.63	5.64	27.54	7.61	3.74	1.10	1.77	25.64	10.26	3.07
1995-1997	6,718.17	10.60	6.71	18.66	31.12	2.69	0.99	1.63	16.33	8.57	2.69
1996-1998	6,883.72	8.34	5.46	11.67	35.13	6.47	1.19	1.82	19.92	6.81	3.18
1997-1999	6,776.72	6.90	4.64	9.76	34.25	6.81	1.97	4.17	18.29	9.66	3.55
1998-2000	5,499.56	8.79	4.01	13.94	12.66	8.15	4.64	5.30	25.28	12.82	4.41
1999-2001	5,284.95	11.72	4.96	15.92	3.60	3.64	5.02	10.96	23.99	11.01	9.18
2000-2002	5,526.40	11.96	5.35	17.02	8.60	1.58	3.83	9.51	27.04	7.32	7.79
2001-2003	5,693.81	10.03	4.10	14.27	7.71	1.35	2.35	10.40	33.23	7.66	8.91
2002-2004	5,593.92	7.30	4.29	14.79	7.93	2.65	2.76	8.65	37.43	7.39	6.80
2003-2005	5,628.15	5.76	2.93	15.03	4.13	2.74	2.03	11.03	37.50	9.73	9.13
2004-2006	6,021.31	7.64	3.25	17.03	11.85	1.83	1.12	9.76	28.71	8.14	10.67
2005-2007	7,513.50	6.09	2.01	16.73	13.25	0.48	0.47	10.46	29.75	9.41	11.34
2006-2008	8,967.94	6.24	1.95	19.57	10.94	0.83	0.92	11.99	28.52	8.59	10.45
2007-2009	10,956.57	4.03	1.10	18.55	5.22	0.96	0.97	25.35	26.12	7.43	10.28
Cumulative ^c (1968-2009)	155,938.23	\$ million									
		18,897.68	6,108.83	30,733.38	19,119.33	3,655.92	4,588.00	13,085.79	37,319.42	13,466.43	8,963.45

– = nil.

a Based on 2009 project classification.

b Includes \$45 million loan under REG: Trade Finance Facilitation Program approved in 2003.

c Totals may not add because of rounding.

Statistical Annex 4

LOAN APPROVALS BY SECTOR, 2009

		\$ Million		
		OCR	ADF	Total
AGRICULTURE AND NATURAL RESOURCES				
BAN	Participatory Small-Scale Water Resources Sector	–	55.00	55.00
CAM	Tonle Sap Poverty Reduction and Smallholder Development	–	3.40	3.40
LAO	Decentralized Irrigation Development and Management Sector (Supplementary)	–	0.12	0.12
PRC	Shaanxi Qinling Biodiversity Conservation and Demonstration	40.00	–	40.00
PRC	Guiyang Integrated Water Resource Management (Sector)	150.00	–	150.00
PRC	Shanxi Integrated Agricultural Development	100.00	–	100.00
VIE	Quality and Safety Enhancement of Agricultural Products and Biogas Development	–	95.00	95.00
	Subtotal	290.00	153.12	443.52
EDUCATION				
NEP	Education Sector Program (Subprogram 3)	–	25.00	25.00
VIE	Secondary Education Sector Development Program			
	–Program Loan	–	20.00	20.00
	–Project Loan	–	40.00	40.00
	Subtotal	–	85.00	85.00
ENERGY				
IND	Uttarakhand Power Sector Investment Program – Tranche 3	30.60	–	30.60
IND	National Power Grid Development Investment Program – Tranche 2	200.00	–	200.00
IND	Madhya Pradesh Power Sector Investment Program – Tranche 5	166.00	–	166.00
IND	Assam Power Sector Enhancement Investment Program – Tranche 1	60.30	–	60.30
IND	Himachal Pradesh Clean Energy Development Investment Program – Tranche 2	59.10	–	59.10
NEP	Energy Access and Efficiency Improvement	–	65.00	65.00
PAK	Energy Efficiency Investment Program – Tranche 1	40.00	20.00	60.00
PHI	Philippine Energy Efficiency	31.10	–	31.10
PHI	Visayas Base-Load Power Development ^a	120.00	–	120.00
PRC	Small Hydropower Development ^a	58.57	–	58.57
PRC	Zhangbei Wind Power ^a	34.30	–	34.30
PRC	Guangdong Energy Efficiency and Environment Improvement Investment Program – Tranche 2	22.06	–	22.06
SRI	Clean Energy and Access Improvement	135.00	25.00	160.00
THA	Biomass Power ^a	5.00	–	5.00
VIE	Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector	–	151.00	151.00
VIE	Mong Duong 1 Thermal Power – Tranche 2	902.85	–	902.85
	Subtotal	1,864.88	261.00	2,125.88
FINANCE				
CAM	Financial Sector Program II (Subprogram 3)	–	10.00	10.00
IND	Small and Medium Enterprise Trade Finance Development Facility ^a	100.00	–	100.00
INO	Indonesian Infrastructure Financing Facility	100.00	–	100.00
INO	Capital Market Development Program Cluster (Subprogram 2)	300.00	–	300.00
	Subtotal	500.00	10.00	510.00
HEALTH AND SOCIAL PROTECTION				
MON	Social Sectors Support Program	–	43.10	43.10
PHI	Credit for Better Health Care	50.00	–	50.00
	Subtotal	50.00	43.10	93.10

– = nil, ADF = Asian Development Fund, BAN = Bangladesh, CAM = Cambodia, IND = India, INO = Indonesia, MON = Mongolia, NEP = Nepal, OCR = ordinary capital resources, PAK = Pakistan, PHI = Philippines, PRC = People's Republic of China, SRI = Sri Lanka, THA = Thailand, VIE = Viet Nam.
 a Nonsovereign Loan.

CONTINUED

		\$ Million		
		OCR	ADF	Total
INDUSTRY AND TRADE				
BAN	Small and Medium-Sized Enterprise Development	–	76.00	76.00
PNG	Pilot Border Trade and Investment Development	–	25.00	25.00
	Subtotal	–	101.00	101.00
PUBLIC SECTOR MANAGEMENT				
BAN	Public Expenditure Support Facility Program and Countercyclical Support Facility Support Program	600.00	144.85	744.85
IND	Mizoram Public Resource Management Program	94.00	–	94.00
IND	Developing Public Resource Management Program in Mizoram	6.00	–	6.00
INO	Public Expenditure Support Facility Program	1,000.00	–	1,000.00
INO	Countercyclical Support	500.00	–	500.00
INO	Fifth Development Policy Support Program	200.00	–	200.00
KAZ	Kazakhstan Countercyclical Support	500.00	–	500.00
MLD	Economic Recovery Program	–	35.00	35.00
MLD	Capacity Building for Economic Recovery (TA Loan)	–	1.50	1.50
PAK	Accelerating Economic Transformation Program (Subprogram 2)	350.00	150.00	500.00
PAK	Punjab Government Efficiency Improvement Program (Subprogram 2)	75.00	75.00	150.00
PHI	Countercyclical Support	500.00	–	500.00
PHI	Development Policy Support Program (Subprogram 3)	250.00	–	250.00
PHI	Local Government Financing and Budget Reform Program (Subprogram 2)	225.00	–	225.00
VIE	Countercyclical Support	500.00	–	500.00
VIE	Support for the Implementation of the Poverty Reduction Program V (Subprogram 2)	–	100.00	100.00
	Subtotal	4,800.00	506.35	5,306.35
TRANSPORT AND ICT				
ARM	North–South Road Corridor Investment Program – Tranche 1	–	60.00	60.00
BAN	Padma Multipurpose Bridge Design (Supplementary)	–	10.00	10.00
CAM	Greater Mekong Subregion: Cambodia Northwest Provincial Road Improvement	–	16.26	16.26
CAM	Greater Mekong Subregion: Rehabilitation of the Railway in Cambodia (Supplementary)	–	42.00	42.00
FIJ	Third Road Upgrading (Sector) (Supplementary)	36.10	–	36.10
FIJ	Emergency Flood Recovery (Sector)	17.56	–	17.56
GEO	Municipal Services Development – Phase 2	–	30.00	30.00
GEO	Road Corridor Investment Program – Tranche 1	–	118.80	118.80
IND	National Highway Corridor (Sector) I – (Supplementary)	100.00	–	100.00
IND	Rural Roads Sector II Investment Program – Tranche 4	185.00	–	185.00
IND	Jharkhand State Roads	200.00	–	200.00
KAZ	CAREC Transport Corridor I (Zhambyl Oblast Section) [Western Europe–Western People's Republic of China International Transit Corridor] Investment Program – Tranche 2	187.00	–	187.00
KGZ	CAREC Transport Corridor I (Bishkek–Torugart Road) – Project 2	–	28.00	28.00
NEP	Air Transport Capacity Enhancement	–	70.00	70.00
PAK	National Highway Development Sector Investment Program – Tranche 2	230.00	–	230.00
PNG	Digicel Mobile Telecommunication Expansion ^a	25.00	–	25.00
PNG	Civil Aviation Development Investment Program – Tranche 1 ^b	25.00	70.00	95.00
PRC	Xinjiang Urban Transport and Environmental Improvement	100.00	–	100.00
PRC	Anhui Integrated Transport Sector Improvement	200.00	–	200.00
PRC	Lanzhou Sustainable Urban Transport	150.00	–	150.00
PRC	Railway Energy Efficiency and Safety Enhancement Investment Program – Tranche 1	300.00	–	300.00

– = nil, ADF = Asian Development Fund, ARM = Armenia, BAN = Bangladesh, CAM = Cambodia, CAREC = Central Asia Regional Economic Cooperation, ICT = Information and Communication Technology, IND = India, INO = Indonesia, FIJ = Fiji Islands, GEO = Georgia, KAZ = Kazakhstan, MLD = Maldives, NEP = Nepal, OCR = ordinary capital resources, PAK = Pakistan, PHI = Philippines, PNG = Papua New Guinea, PRC = People's Republic of China, TA = technical assistance, VIE = Viet Nam.

a Nonsovereign loan.

b Consists of two ADF loans.

CONTINUED

		\$ Million		
		OCR	ADF	Total
SRI	Eastern and North Central Provincial Road	–	70.00	70.00
THA	Greater Mekong Subregion Highway Expansion	77.10	–	77.10
	Subtotal	1,832.76	515.06	2,347.82
WATER SUPPLY AND OTHER MUNICIPAL INFRASTRUCTURE AND SERVICES				
AZE	Water Supply and Sanitation Investment Program – Tranche 1	75.00	–	75.00
BAN	Urban Public and Environmental Health Sector Development Program			
	–Program Loan	–	70.00	70.00
	–Project Loan	–	60.00	60.00
FIJ	Suva-Nausori Water Supply and Sewerage Development (Supplementary)	23.00	–	23.00
IND	Rajasthan Urban Sector Development Investment Program – Tranche 2	150.00	–	150.00
IND	North Eastern Region Capital Cities Development Investment Program – Tranche 1	30.00	–	30.00
KGZ	Issyk-Kul Sustainable Development	–	16.50	16.50
MON	Urban Development Sector (Supplementary)	–	7.03	7.03
PRC	Municipal Waste to Energy ^a	100.00	–	100.00
SRI	Greater Colombo Wastewater Management	80.00	20.00	100.00
UZB	Water Supply and Sanitation Services Investment Program – Tranche 1	–	60.00	60.00
VIE	Thanh Hoa City Comprehensive Socioeconomic Development	–	72.00	72.00
VIE	Central Regions Rural Water Supply and Sanitation	–	45.00	45.00
	Subtotal	458.00	350.53	808.53
MULTISECTOR				
ARM	Crisis Recovery Support Program ^b	–	80.00	80.00
COO	Economic Recovery Support Program	10.00	–	10.00
GEO	Growth Recovery Support Program ^b	–	80.00	80.00
IND	India Infrastructure Project Financing Facility – Tranche 2	200.00	–	200.00
IND	Second India Infrastructure Tranche Financing Facility – Tranche 1	210.00	–	210.00
INO	Rural Infrastructure Support to PNPM Mandiri Project II	84.24	–	84.24
PRC	Emergency Assistance for Wenchuan Earthquake Reconstruction	400.00	–	400.00
PRC	Liaoning Small Cities and Towns Development Demonstration Sector	100.00	–	100.00
PRC	Hebei Small Cities and Towns Development Demonstration Sector	100.00	–	100.00
PRC	Shanxi Small Cities and Towns Development Demonstration Sector	100.00	–	100.00
REG	South Asia Tourism Infrastructure Development	–	–	–
	– Bangladesh	–	12.00	12.00
	– India	20.00	–	20.00
	– Nepal	–	12.75	12.75
	Subtotal	1,224.24	184.75	1,408.99
TOTAL		11,019.88	2,210.31	13,230.19

– = nil, ADF = Asian Development Fund, ARM = Armenia, AZE = Azerbaijan, BAN = Bangladesh, COO = Cook Islands, FIJ = Fiji Islands, GEO = Georgia, IND = India, INO = Indonesia, KGZ = Kyrgyz Republic, MON = Mongolia, OCR = ordinary capital resources, PNPM = Program Nasional Pemberdayaan Masyarakat (National Program for Community Empowerment), PRC = People's Republic of China, REG = Regional, SRI = Sri Lanka, UZB = Uzbekistan, VIE = Viet Nam.

a Nonsovereign loan.

b Consists of two ADF loans.

Statistical Annex 5

SECTORAL DISTRIBUTION OF LOANS,^a 2009, 1967–2009

Sector	2009 Loans								
	OCR		ADF		Total		Cumulative as of 2009 ^b		
	No. of Loans	\$ Million	No. of Loans	\$ Million	No. of Projects ^c	\$ Million	No. of Projects ^c	\$ Million	%
Agriculture and Natural Resources	3	290.0	4	153.5	7	443.5	513	18,897.7	12.1
Education	–	–	3	85.0	2	85.0	144	6,108.8	3.9
Energy	14	1,864.9	4	261.0	16	2,125.9	327	30,733.4	19.7
Finance	3	500.0	1	10.0	4	510.0	250	19,119.3	12.3
Health and Social Protection	1	50.0	1	43.1	2	93.1	66	3,655.9	2.3
Industry and Trade	–	–	2	101.0	2	101.0	107	4,588.0	2.9
Public Sector Management	14	4,800.0	7	506.4	14	5,306.4	64	13,085.8	8.4
Transport and ICT	14	1,832.8	11	515.1	23	2,347.8	393	37,319.4	23.9
Water Supply and Other Municipal Infrastructure and Services	6	458.0	8	350.5	12	808.5	240	13,466.4	8.6
Multisector	9	1,224.2	6	184.8	11	1,409.0	102	8,963.4	5.7
Total^d	64	11,019.9	47	2,210.3	93	13,230.2	2,206	155,938.2	100.0

SECTORAL DISTRIBUTION OF GRANTS,^e 2009, 1967–2009

Sector	2009 Grants									
	ADF IX		APDRF/CCF		Other Sources		Total		Cumulative as of 2009	
	No. of Grants	\$ Million	No. of Grants	\$ Million	No. of Grants	\$ Million	No. of Projects ^f	\$ Million	No. of Projects ^f	%
Agriculture and Natural Resources	3	133.9	–	–	9	40.6	7	174.5	78	801.5
Education	4	136.3	–	–	4	37.4	8	173.7	36	806.1
Energy	1	81.5	4	5.7	3	8.1	6	95.3	21	434.6
Finance	–	–	–	–	2	3.5	2	3.5	16	92.9
Health and Social Protection	2	20.0	–	–	8	15.0	9	35.0	48	303.0
Industry and Trade	–	–	–	–	1	1.6	1	1.6	8	35.1
Public Sector Management	2	55.0	–	–	1	2.0	3	57.0	15	276.3
Transport and ICT	7	316.8	–	–	7	38.5	10	355.2	35	1,080.5
Water Supply and Other Municipal Infrastructure Services	4	102.6	–	–	3	7.8	5	110.4	28	267.6
Multisector	4	65.3	3	7.0	6	35.0	13	107.3	30	1,093.1
Total	27	911.3	7	12.7	44	189.5	64	1,113.5	315	5,190.7

– = nil, ADF = Asian Development Fund, ICT = information and communication technology, OCR = ordinary capital resources.

a Includes nonsovereign loans.

b Includes \$45 million loan under REG: Trade Finance Facilitation Program approved in 2003.

c A project with multiple loans is counted as one project.

d Totals may not add due to rounding.

e Refers to grant-financed projects.

f A project with multiple grants is counted as one project.

Statistical Annex 6

LOAN AND ADF GRANT APPROVALS, BY COUNTRY AND SOURCE OF FUNDS, 2009

(amounts in \$ million)

	OCR	ADF			
	Loan	Loan	Grant	Total	%
SOVEREIGN					
Afghanistan	–	–	333.1	333.1	2.4
Armenia	–	140.0	–	140.0	1.0
Azerbaijan	75.0	–	–	75.0	0.5
Bangladesh	600.0	427.9	–	1,027.9	7.3
Bhutan	–	–	38.8	38.8	0.3
Cambodia	–	71.7	72.8	144.5	1.0
China, People’s Republic of	1,762.1	–	–	1,762.1	12.5
Cook Islands	10.0	–	–	10.0	0.1
Fiji Islands	76.7	–	–	76.7	0.5
Georgia	–	228.8	–	228.8	1.6
India	1,711.0	–	–	1,711.0	12.1
Indonesia	2,184.2	–	–	2,184.2	15.4
Kazakhstan	687.0	–	–	687.0	4.9
Kyrgyz Republic	–	44.5	35.5	80.0	0.6
Lao People’s Democratic Republic	–	0.1	102.8	102.9	0.7
Maldives	–	36.5	–	36.5	0.3
Mongolia	–	50.1	33.9	84.0	0.6
Nepal	–	172.8	163.5	336.2	2.4
Pakistan	695.0	245.0	–	940.0	6.6
Papua New Guinea	25.0	95.0	–	120.0	0.8
Philippines	1,056.1	–	–	1,056.1	7.5
Solomon Islands	–	–	15.0	15.0	0.1
Sri Lanka	215.0	115.0	–	330.0	2.3
Tajikistan	–	–	60.0	60.0	0.4
Thailand	77.1	–	–	77.1	0.5
Timor-Leste	–	–	46.0	46.0	0.3
Tonga	–	–	10.0	10.0	0.1
Uzbekistan	–	60.0	–	60.0	0.4
Viet Nam	1,402.9	523.0	–	1,925.9	13.6
Subtotal	10,577.0	2,210.3	911.3	13,698.6	96.9
NONSOVEREIGN					
China, People’s Republic of	192.9	–	–	192.9	1.4
India	100.0	–	–	100.0	0.7
Papua New Guinea	25.0	–	–	25.0	0.2
Philippines	120.0	–	–	120.0	0.8
Thailand	5.0	–	–	5.0	0.04
Subtotal	442.9	–	–	442.9	3.1
TOTAL ^a	11,019.9	2,210.3	911.3	14,141.5	100.0

0.0 = % is less than 0.01, – = nil, ADF = Asian Development Fund, OCR = ordinary capital resources.

^a Totals may not add up because of rounding.

Statistical Annex 7

PROJECTS^a INVOLVING COFINANCING, 2009

(\$ million)

	ADB	Cofinancing			Source of Cofinancing
		Official		Commercial	
		Grants	Loans		
CENTRAL AND WEST ASIA	344.30	4.90	2,500.00	0.00	
DVA cofinancing		4.90	2,320.00	0.00	
Non-DVA cofinancing		0.00	180.00	0.00	
Afghanistan					
Water Resources Development Investment Program – Tranche 1	86.60	3.30 ^b			United Kingdom
Kazakhstan					
CAREC Transport Corridor I (Zhambyl Oblast Section) [Western Europe–Western People's Republic of China International Transit Corridor] Investment Program – Tranche 2	187.00		180.00 170.00 ^b 2,125.00 ^b		European Bank for Reconstruction and Development Islamic Development Bank World Bank (WB)
Pakistan					
Energy Efficiency Investment Program – Tranche 1	60.00		25.00 ^b		Agence Française de Développement (AFD), France
Tajikistan					
Regional Customs Modernization and Infrastructure Development ^c	10.70	1.60 ^b			United States
EAST ASIA	1,192.87	8.65	135.85	1,274.42	
DVA cofinancing		8.65	30.00	276.20	
Non-DVA cofinancing		0.00	105.85	998.22	
China, People's Republic of					
Anhui Integrated Transport Sector Improvement	200.00			598.80	Domestic banks
Guiyang Integrated Water Resource Management (Sector)	150.00			20.00	Guiyang Municipal Commercial Bank
Hebei Small Cities and Towns Development Demonstration Sector	100.00	0.25 ^b			Multidonor Trust Fund under the Water Financing Partnership Facility (MDTF-WFPF)
Integrated Ecosystem and Water Resources Management in the Baiyangdian Basin	–	2.93 ^b			Global Environment Facility (GEF)
Lanzhou Sustainable Urban Transport	150.00			240.31	Bank of China
Liaoning Small Cities and Towns Development Demonstration Sector	100.00	0.25 ^b			MDTF-WFPF
Municipal Waste to Energy ^d	100.00			100.00 ^b	Commercial lenders under ADB B-loan
Shanxi Integrated Agricultural Development	100.00	0.20 ^b 0.50 ^b 4.27 ^b			Gender and Development Cooperation Fund (GDCF) MDTF-WFPF GEF
Shaanxi Qinling Biodiversity Conservation and Demonstration	40.00				
Shanxi Small Cities and Towns Development Demonstration Sector	100.00	0.25 ^b			MDTF-WFPF
Small Hydropower Development ^d	58.57			120.00 ^b	Commercial lenders under ADB B-loan
			51.25 14.60		IFC 'A' China Clean Development Mechanism Fund, PRC
				13.91 13.91 111.29	DEG, Germany PROPARCO, France Local banks
Zhangbei Wind Power ^e	34.30			56.20 ^b	Commercial lenders under ADB B-loan

– = nil, CAREC = Central Asia Regional Economic Cooperation, DVA = direct value-added, OPEC = Organization of the Petroleum Exporting Countries, PRC = People's Republic of China.

^a List excludes technical assistance projects.

^b DVA cofinancing (i.e., cofinancing for projects with administrative or collaborative arrangements with ADB).

^c Anchor project was approved in prior year(s) with cofinancing arranged this year.

^d Nonsovereign private sector loan.

^e Nonsovereign public sector loan.

^f Combination of loans and guarantees.

CONTINUED

	ADB	Cofinancing			Source of Cofinancing
		Official		Commercial	
		Grants	Loans		
Mongolia					
Social Sectors Support Program	60.00		30.00 ^b 40.00		Japan International Cooperation Agency (JICA) WB
PACIFIC	15.00	13.96	0.00	0.00	
DVA cofinancing		13.96	0.00	0.00	
Non-DVA cofinancing	–	–	–	0.00	
Solomon Islands					
Emergency Assistance (Supplementary) ^c	–	4.04 ^b			European Commission (EC)
Road Improvement (Sector) (Supplementary) ^c	–	2.08 ^b			Australian Agency for International Development (AusAID)
Second Road Improvement (Sector)	15.00	4.50 ^b 3.34 ^b			Australia EC
SOUTH ASIA	155.50	67.98	38.50	0.00	
DVA cofinancing		67.98	37.00	0.00	
Non-DVA cofinancing		–	1.50	0.00	
Bangladesh					
Emergency Disaster Damage Rehabilitation (Sector) (Supplementary) ^c	–	24.00 ^b			The Netherlands
Padma Multipurpose Bridge Design (Supplementary) ^c	10.00		1.50		WB
Participatory Small-Scale Water Resources Sector	55.00		22.00 ^b		International Fund for Agricultural Development (IFAD)
Post-Literacy and Continuing Education (Supplementary) ^c	–	2.50 ^b			Swiss Agency for Development and Cooperation (SDC), Switzerland
Second Primary Education Development Program (Supplementary) ^c	–	30.00 ^b			Canadian International Development Agency (CIDA), Canada
Nepal					
Energy Access and Efficiency Improvement	65.00	4.20 ^b			Multidonor Clean Energy Fund under the Clean Energy Financing Partnership Facility
South Asia Tourism Infrastructure Development – Nepal	25.50		15.00 ^b		OPEC Fund for International Development
Sri Lanka					
North East Community Restoration and Development Program II (Supplementary) ^c		7.28 ^b			AusAID
SOUTHEAST ASIA	1,880.06	58.64	4,880.97	220.00	
DVA cofinancing		58.64	380.97	120.00	
Non-DVA cofinancing		0.00	4,500.00	100.00	
Cambodia					
Greater Mekong Subregion: Cambodia Northwest Provincial Road Improvement	16.26		25.58 ^b		The Export-Import Bank of Korea (KEXIM), Republic of Korea
Greater Mekong Subregion: Rehabilitation of the Railway in Cambodia (Supplementary) ^c	42.00	21.50 ^b			AusAID
Tonle Sap Poverty Reduction and Smallholder Development	30.70	5.75 ^b 6.69 ^b	6.69 ^b		Finland IFAD

– = nil, CAREC = Central Asia Regional Economic Cooperation, DVA = direct value-added, OPEC = Organization of the Petroleum Exporting Countries, PRC = People's Republic of China.

a List excludes technical assistance projects.

b DVA cofinancing (i.e., cofinancing for projects with administrative or collaborative arrangements with ADB).

c Anchor project was approved in prior year(s) with cofinancing arranged this year.

d Nonsovereign private sector loan.

e Nonsovereign public sector loan.

f Combination of loans and guarantees.

	ADB	Cofinancing			Source of Cofinancing
		Official		Commercial	
		Grants	Loans		
Indonesia					
Public Expenditure Support Facility Program	1,000.00		1,000.00		Australia
			1,500.00 ^f		Japan Bank for International Cooperation
			2,000.00		WB
Lao People's Democratic Republic					
Small Towns Water Supply and Sanitation Sector	23.00	0.50 ^b			GDCF
		5.30 ^b			AusAID
Sustainable Natural Resource Management and Productivity Enhancement	20.00	15.00 ^b			IFAD
Philippines					
Enhancing Midwives' Entrepreneurial and Financial Literacy	50.00	0.40 ^b			GDCF
Development Policy Support Program, Subprogram 2 ^c	250.00		100.00 ^b		JICA
Local Government Financing and Budget Reform Program (Subprogram 2)	225.00		216.00 ^b		AFD, France
Philippine Energy Efficiency	31.10	1.50 ^b			Asian Clean Energy Fund under the Clean Energy Financing Partnership Facility, Japan
Visayas Base-Load Power Development ^d	120.00			100.00	Commercial banks
				120.00 ^b	KEXIM
Viet Nam					
Than Hoa City Comprehensive Socioeconomic Development	72.00		32.70 ^b		KEXIM
		1.20 ^b			MDTF-WFPF
		0.80 ^b			The Netherlands Trust Fund under the Water Financing Partnership Facility
TOTAL	3,587.73	154.12	7,555.32	1,494.42	
DVA cofinancing		154.12	2,767.97	396.20	
Non-DVA cofinancing		–	4,787.35	1,098.22	

– = nil, CAREC = Central Asia Regional Economic Cooperation, DVA = direct value-added, OPEC = Organization of the Petroleum Exporting Countries, PRC = People's Republic of China.

a List excludes technical assistance projects.

b DVA cofinancing (i.e., cofinancing for projects with administrative or collaborative arrangements with ADB).

c Anchor project was approved in prior year(s) with cofinancing arranged this year.

d Nonsovereign private sector loan.

e Nonsovereign public sector loan.

f Combination of loans and guarantees.

Statistical Annex 8

LOAN DISBURSEMENTS, 2008 and 2009

(amounts in \$ thousand)

	2 0 0 8					
	OCR	% of Total OCR	ADF	% of Total ADF	Total	% of Total Disbursements
Project ^a						
Nondevelopment Finance Institution	2,256,882	35	1,170,673	57	3,427,555	40
Development Finance Institution	127,860	2	–	–	127,860	2
Total Project Loans	2,384,742	37	1,170,673	57	3,555,415	42
Program ^b	2,733,977	42	713,296	35	3,447,273	40
Sector ^c	759,288	12	158,665	8	917,953	11
Private Sector ^d	594,382	9	–	–	594,382	7
TOTAL^e	6,472,389	100	2,042,634	100	8,515,023	100

	2 0 0 9						% Change (2009/2008)		
	OCR	% of Total OCR	ADF	% of Total ADF	Total	% of Total Disbursements	OCR	ADF	Total
Project ^a									
Nondevelopment Finance Institution	2,603,634	33	1,089,843	50	3,693,477	37	15	(7)	8
Development Finance Institution	213,943	3	23,774	1	237,717	2	67	NA	86
Total Project Loans	2,817,577	36	1,113,617	51	3,931,194	39	18	(5)	11
Program ^b	3,863,510	49	897,481	41	4,760,991	47	41	26	38
Sector ^c	767,694	10	189,679	9	957,373	9	1	20	4
Private Sector ^d	448,947	6	–	–	448,947	4	(24)	NA	(24)
TOTAL^e	7,897,728	100	2,200,777	100	10,098,505	100	22	8	19

– = nil, () = negative, NA = not applicable, ADF = Asian Development Fund, OCR = ordinary capital resources.

a A project loan is provided to finance specific projects. ADB uses development finance institutions in its developing member countries (DMCs) as vehicles to finance small to medium-sized projects in the private sector.

b A program loan is provided to support DMCs' efforts to improve the policy, institutional, and investment environment of sector development. It helps meet short-term costs that policy adjustments entail. For year 2009, the figure includes a \$2.0 billion disbursement under four Countercyclical Support Facility (CSF).

c A sector loan is provided to develop a specific sector or subsector. It finances a large number of subprojects in a single sector or subsector.

d Includes nonsovereign public sector loans and excludes equity investments.

Statistical Annex 9a

PROGRAM LOAN DISBURSEMENTS, 2009

(\$ million)

	OCR	ADF	Total
Afghanistan	–	24.11	24.11
Armenia	–	81.40	81.40
Bangladesh	560.00	89.29	649.29
Cambodia	–	11.96	11.96
Georgia	–	79.84	79.84
India	87.00	–	87.00
Indonesia	500.00	–	500.00
Kazakhstan	500.00	–	500.00
Kyrgyz Republic	–	8.72	8.72
Lao People's Democratic Republic	–	5.70	5.70
Mongolia	–	40.73	40.73
Nepal	–	15.90	15.90
Pakistan	441.51	347.57	789.08
Philippines	1,275.00	–	1,275.00
Viet Nam	500.00	192.25	692.25
TOTAL^a	3,863.51	897.48	4,760.99

– = nil, ADF = Asian Development Fund, OCR = ordinary capital resources.

a Totals may not add up because of rounding. Includes \$2.0 billion disbursement under four Countercyclical Support Facility (CSF).

Statistical Annex 9b

TRENDS IN PROGRAM LENDING AND GRANT, 1999–2009

Year	Program Loan and ADF Grant		Project Loan and ADF Grant ^a		Total
	\$ Million	%	\$ Million	%	\$ Million
1999	1,694.0	34	3,239.6	66	4,933.6
2000	1,102.0	20	4,480.6	80	5,582.6
2001	1,583.0	30	3,755.7	70	5,338.7
2002	1,702.2	30	3,955.7	70	5,657.9
2003	1,139.5	19	4,945.3	81	6,084.8
2004	1,121.4	22	3,917.6	78	5,039.0
2005	1,143.5	19	4,863.7	81	6,007.2
2006	3,204.6	43	4,331.6	57	7,536.2
2007	2,521.0	25	7,513.9	75	10,034.9
2008	2,631.1	24	8,200.2	76	10,831.3
2009	6,098.9	43	8,042.6	57	14,141.5

ADF = Asian Development Fund.

a Includes \$45 million loan under REG: Trade Facilitation Program approved in 2003.

Statistical Annex 10

NONSOVEREIGN APPROVALS AND TOTAL PROJECT COSTS BY COUNTRY, 2009^a

(\$ million)

	Loan	Equity Invest- ment	Total ADB Funds	Complementary Loan (B-Loan)	Partial Credit Guarantee	Political Risk Guarantee	TFFP	Total ADB Approvals	Project Cost/ Fund Size
China, People's Republic of									
Municipal Waste to Energy	100.00	–	100.00	100.00	–	–	–	200.00	650.00
Small Hydropower Development	58.57	25.00	83.57	120.00	–	–	–	203.57	585.72
Zhangbei Wind Power	34.30	–	34.30	56.20	–	–	–	90.50	137.10
India									
Public–Private Partnership for Renewable Energy Development	–	40.00	40.00	–	–	–	–	40.00	639.40
Small and Medium Enterprise Trade Finance Development Facility	100.00	–	100.00	–	–	–	–	100.00	100.00
Indonesia									
Indonesian Infrastructure Financing Facility Company	–	40.00	40.00	–	–	–	–	40.00	200.00
Papua New Guinea									
Digicel Mobile Telecommunication Expansion	25.00	–	25.00	–	–	–	–	25.00	85.30
Philippines									
Visayas Base-Load Power Development	120.00	–	120.00	–	–	–	–	120.00	486.00
Thailand									
Biomass Power	5.00	–	5.00	–	71.75	–	–	76.75	172.40
Regional									
Mekong Brahmaputra Clean Development Fund, L.P.	–	15.00	15.00	–	–	–	–	15.00	100.00
Islamic Infrastructure Fund, L.P.	–	100.00	100.00	–	–	–	–	100.00	500.00
Trade Finance Facilitation Program (TFFP) ^b	–	–	–	–	–	–	850.00	850.00	850.00
TOTAL	442.87	220.00	662.87	276.20	71.75	–	850.00	1,860.82	4,505.92

– = nil, DMC = developing member country.

a Includes projects processed by the Private Sector Operations Department and various regional operations departments of ADB.

b Major change in scope and amount bringing the total exposure limit to \$1 billion in 2009.

Statistical Annex 11

NONSOVEREIGN APPROVALS AND TOTAL PROJECT COSTS BY SECTOR, 2009^a

(\$ million)

Sector	Loan	Equity Investment	Total ADB Funds	Complementary Loan (B-Loan)	Partial Credit Guarantee	Political Risk Guarantee	Swap with DMCs	Total ADB Approvals	Total Project Cost
Energy	217.87	80.00	297.87	176.20	71.75	–	–	545.82	2,120.62
Finance ^b	100.00	140.00	240.00	–	–	–	850.00	1,090.00	1,650.00
Water Supply and Other									
Infrastructure and									
Municipal Services	100.00	–	100.00	100.00	–	–	–	200.00	650.00
Transport and Information and									
Communications Technology	25.00	–	25.00	–	–	–	–	25.00	85.30
TOTAL	442.87	220.00	662.87	276.20	71.75	–	850.00	1,860.82	4,505.92

– = nil, DMC = developing member country.

a Includes projects processed by the Private Sector Operations Department and various regional operations departments of ADB.

b Includes a major change in scope and amount for the Trade Finance Facilitation Program (TFFP).

Statistical Annex 12

NONSOVEREIGN APPROVALS BY YEAR, 1983–2009^{a, b}

(amounts in \$ million)

Year	No. of Projects	Loan	Equity Investment ^c	Total ADB Funds	Complementary Loan (B-Loan)	Partial Credit Guarantee	Political Risk Guarantee	TFFP	Total ADB Approvals	Total Project Cost
1983	2	–	2.96	2.96	–	–	–	–	2.96	36.00
1984	1	–	0.42	0.42	–	–	–	–	0.42	2.80
1985	3	–	3.40	3.40	–	–	–	–	3.40	26.50
1986	4	6.46	6.01	12.47	–	–	–	–	12.47	20.32
1987	7	20.50	27.61	48.11	5.00	–	–	–	53.11	519.24
1988	12	58.00	35.67	93.67	–	–	–	–	93.67	502.32
1989	16	95.70	67.59	163.29	51.10	–	–	–	214.39	1,038.66
1990	17	78.85	35.94	114.79	24.00	–	–	–	138.79	2,026.13
1991	10	156.80	20.52	177.32	–	–	–	–	177.32	1,325.18
1992	4	50.00	5.42	55.42	81.50	–	–	–	136.92	402.29
1993	8	182.10	20.70	202.80	19.30	–	–	–	222.10	1,505.70
1994	10	–	48.70	48.70	–	–	–	–	48.70	919.20
1995	7	68.00	99.41	167.41	5.83	–	–	–	173.24	1,050.32
1996	7	98.50	80.15	178.65	91.50	–	–	–	270.15	1,788.77
1997	6	45.00	49.50	94.50	–	50.00	–	–	144.50	1,239.69
1998	6	136.12	39.44	175.56	151.08	65.00	–	–	391.64	1,152.70
1999	3	101.50	7.40	108.90	61.50	–	–	–	170.40	847.70
2000	9	152.00	77.65	229.65	45.00	–	122.00	–	396.65	1,629.84
2001	6	37.50	30.36	67.86	–	–	–	–	67.86	648.00
2002	6	110.00	25.53	135.53	–	–	60.00	–	195.53	1,136.60
2003	7	167.00 ^d	35.65	202.65	170.00	170.00 ^e	–	–	542.65	2,300.00
2004	14	92.50	164.37	256.87	–	–	10.00	–	266.87	2,227.70
2005	13	513.02	176.50	689.52	–	18.40	50.00	–	757.92	8,676.42
2006	18	450.00	230.50	680.50	330.00	109.80	15.00	–	1,135.30	7,678.34
2007	21	650.27	79.75	730.02	200.00	251.00	–	–	1,181.02	3,494.54
2008	13	1,521.58	123.08	1,644.66	425.00	–	–	–	2,069.66	9,992.49
2009	12	442.87	220.00	662.87	276.20	71.75	–	850.00	1,860.82	4,505.92
TOTAL	232^f	5,234.27	1,714.23	6,948.51	1,937.01	735.95	257.00	850.00	10,728.46	56,693.37

– = data not applicable, TFFP = Trade Finance Facilitation Program.

a Includes nonsovereign projects processed by the Private Sector Operations Department and regional departments of ADB. Regional operations departments started nonsovereign operations in 2007.

b Net of facilities cancelled in full before signing.

c Includes equity investments, lines of equity, and equity underwriting.

d Includes \$45 million loan under REG: Trade Finance Facilitation Program.

e Includes \$105 million guarantee under REG: Trade Finance Facilitation Program.

f Supplementary approvals are not included in the cumulative count of projects.

Statistical Annex 13

NONSOVEREIGN APPROVALS BY COUNTRY, 1983–2009^{a, b}

(amounts in \$ million)

Country	No. of Projects ^c	Loan	Equity Investment ^d	Total ADB Funds	Complementary Loan (B-Loan)	Partial Credit Guarantee	Political Risk Guarantee	TFFP	Total ADB Approvals	Total Project Cost
Afghanistan	6	135.00	8.10	143.10	30.00	–	25.00	–	198.10	650.70
Azerbaijan	4	66.00	–	66.00	–	–	–	–	66.00	66.00
Bangladesh	8	137.20	14.98	152.18	20.00	–	70.00	–	242.18	890.36
Bhutan	1	–	0.53	0.53	–	–	–	–	0.53	0.79
Cambodia	1	8.00	–	8.00	–	–	–	–	8.00	32.00
China, People's Republic of	24	764.17	394.30	1,158.47	922.70	107.00	–	–	2,188.17	7,892.10
Georgia	1	25.00	–	25.00	–	–	–	–	25.00	125.00
India	35	1,621.97	277.30	1,899.27	230.00	–	–	–	2,129.27	15,208.70
Indonesia	15	557.00	63.85	620.85	288.50	9.80	–	–	919.15	7,672.02
Kazakhstan	4	175.00	–	175.00	–	200.00	–	–	375.00	925.00
Korea, Republic of	3	–	8.96	8.96	–	–	–	–	8.96	288.00
Lao People's Democratic Republic	1	50.00	–	50.00	–	–	50.00	–	100.00	1,450.00
Malaysia	2	10.00	2.00	12.00	–	–	–	–	12.00	29.24
Maldives	2	12.00	4.50	16.50	–	–	–	–	16.50	37.50
Mongolia	2	14.50	1.60	16.10	–	–	–	–	16.10	50.00
Nepal	4	49.55	3.26	52.81	5.83	–	–	–	58.64	218.03
Pakistan	24	429.10	53.38	482.48	129.90	109.00	–	–	721.38	2,997.01
Papua New Guinea	1	25.00	–	25.00	–	–	–	–	25.00	85.30
Philippines	26	595.32	40.85	636.17	113.58	18.40	–	–	768.15	4,284.72
Samoa	1	–	0.40	0.40	–	–	–	–	0.40	1.60
Sri Lanka	12	99.50	13.58	113.08	–	115.00	52.00	–	280.08	543.48
Thailand	10	76.46	77.07	153.53	170.00	71.75	–	–	395.28	3,239.95
Viet Nam	7	193.50	–	193.50	26.50	–	60.00	–	280.00	1,495.00
Regional	38	190.00 ^e	749.57	939.57	–	105.00 ^f	–	850.00	1,894.57	8,510.87
TOTAL	232	5,234.27	1,714.23	6,948.49	1,937.01	735.95	257.00	850.00	10,728.46	56,693.37

– = Data not applicable, TFFP = Trade Finance Facilitation Program.

^a Includes nonsovereign projects processed by the Private Sector Operations Department and regional departments of ADB. Regional departments started nonsovereign operations in 2007.^b Net of facilities cancelled in full before signing.^c Adjustments were made to the project count, i.e., supplementary projects were excluded.^d Includes equity investments, lines of equity, and equity underwriting.^e Includes \$45 million loan under REG: Trade Finance Facilitation Program approved in 2003.^f Refers to \$105 million guarantee under REG: Trade Finance Facilitation Program approved in 2003.

Statistical Annex 14

NUMBER OF LOANS AND PROJECTS APPROVED AND UNDER ADMINISTRATION, PROJECT COMPLETION REPORTS (PCRs) CIRCULATED, PROJECTS COMPLETED, LOANS CLOSED, AND PROJECT/PROGRAM PERFORMANCE EVALUATION REPORTS (PPERs) CIRCULATED

(as of 31 December 2009)

	Cumulative No. of Loans Approved ^a	Cumulative No. of Effective Loans	Cumulative No. of Projects Approved ^b	Cumulative No. of Blended Loan Projects ^c	Cumulative No. of Supplementary Loans	Cumulative No. of Cofinanced Projects ^d
Afghanistan	23	22	21	1	1	4
Armenia	6	5	4	—	1	—
Azerbaijan	14	14	10	3	—	—
Bangladesh	202	198	173	16	5	27
Bhutan	25	25	22	2	—	1
Cambodia	50	50	38	2	2	12
China, People's Republic of	169	165	164	—	—	31
Cook Islands	16	15	15	1	—	—
Fiji Islands	19	19	17	—	2	1
Georgia	7	7	6	—	—	—
Hong Kong, China	5	5	5	—	—	—
India	144	142	110	4	3	13
Indonesia	303	300	266	25	2	26
Kazakhstan	18	17	12	2	—	3
Kiribati	6	6	6	—	—	—
Korea, Republic of	81	81	80	—	—	—
Kyrgyz Republic	28	27	22	—	—	3
Lao People's Democratic Republic	68	68	60	1	3	9
Malaysia	77	77	75	1	1	—
Maldives	21	20	20	—	—	2
Marshall Islands	12	12	11	1	—	—
Micronesia, Federated States of	8	8	6	1	—	—
Mongolia	42	43	36	—	1	3
Myanmar	32	32	28	2	2	6
Nauru	1	1	1	—	—	—
Nepal	120	120	106	3	9	22
Pakistan	288	284	213	48	5	39
Papua New Guinea	68	68	51	13	2	8
Philippines	209	208	176	18	4	38
Samoa	33	32	28	—	4	3
Singapore	14	14	14	—	—	—
Solomon Islands	16	16	15	—	—	3
Sri Lanka	148	146	124	13	7	26
Taipei, China	12	12	12	—	—	—
Tajikistan	23	22	17	3	—	6
Thailand	86	85	82	2	2	8
Timor-Leste	—	—	—	—	—	—
Tonga	15	14	15	—	—	1
Turkmenistan	—	—	—	—	—	—
Tuvalu	3	3	2	—	1	—
Uzbekistan	30	28	25	4	—	4
Vanuatu	9	9	8	—	1	—
Viet Nam	106	103	89	4	1	18
Regional ^e	7	6	21	1	—	1
TOTAL	2,564	2,529	2,206	171	59	318

— = 0.

a Includes nonsovereign loans but excludes terminated loans.

b A project with multiple loans is counted as one project. Supplementary loans, special implementation assistance loans, and subprogram loans of program loan clusters are not counted as separate projects.

c Regional projects with loans to multiple countries are reported separately.

d These are non-ADB funds generated by ADB's financing partnership operations including loans, credit enhancements, and grants, fully or partially administered by ADB, and/or cofinanced under cooperation/sector-wide approach arrangements.

e Includes \$45 million loan under Trade Finance Facilitation Program approved in 2003.

No. of Loans Under Administration ^{a, f}	No. of Projects Under Administration ^{a, c, f}	Cumulative No. of PCRs Circulated ^h	No. of Projects Completed in 2009 ^{c, g}	No. of Loans Closed in 2009 ⁱ	No. of of PCRs Circulated in 2009 ^h	No. of PPERs Circulated in 2009 ^c	
14	14	3	2	–	3	–	Afghanistan
4	3	–	–	2	–	–	Armenia
14	10	1	1	–	1	–	Azerbaijan
62	46	127	5	1	2	3	Bangladesh
6	4	16	–	–	–	–	Bhutan
17	16	21	–	6	4	2	Cambodia
73	69	89	6	3	5	1	China, People's Republic of
4	3	12	1	–	–	–	Cook Islands
4	3	12	–	1	1	–	Fiji Islands
4	4	–	–	3	–	–	Georgia
–	–	5	–	–	–	–	Hong Kong, China
62	44	53	3	6	1	–	India
33	28	206	1	4	3	2	Indonesia
6	4	8	–	3	–	1	Kazakhstan
–	–	5	–	–	–	–	Kiribati
–	–	61	–	–	–	–	Korea, Republic of
7	7	16	1	2	–	1	Kyrgyz Republic
16	15	42	3	2	–	1	Lao People's Democratic Republic
–	–	56	–	–	–	–	Malaysia
11	10	10	1	1	2	–	Maldives
–	–	10	–	–	–	–	Marshall Islands
2	1	3	–	2	–	–	Micronesia, Federated States of
11	10	24	2	2	5	–	Mongolia
–	–	26	–	–	–	–	Myanmar
–	–	1	–	–	–	–	Nauru
20	19	83	3	4	1	–	Nepal
44	29	156	4	27	15	–	Pakistan
14	8	39	–	1	3	–	Papua New Guinea
14	14	139	3	7	5	–	Philippines
4	3	23	–	1	1	–	Samoa
–	–	7	–	–	–	–	Singapore
–	–	15	–	–	1	–	Solomon Islands
43	34	84	3	6	4	–	Sri Lanka
–	–	1	–	–	–	–	Taipei, China
11	11	9	2	2	2	–	Tajikistan
3	3	60	–	–	1	–	Thailand
–	–	5	–	–	–	–	Timor-Leste
–	–	16	–	–	–	–	Tonga
–	–	–	–	–	–	–	Turkmenistan
2	1	1	–	–	–	–	Tuvalu
20	18	8	1	–	1	–	Uzbekistan
–	–	8	–	–	–	–	Vanuatu
46	40	41	3	5	4	–	Viet Nam
2	2	6	–	–	1	–	Regional
573	473	1,508	45	91	66	11	TOTAL

f Includes projects/loans which have been approved but still awaiting effectivity, inactive loans, fully disbursed nonsovereign loans, but still under administration; excludes projects/loans exclusively financed from other sources.

g Projects which were physically completed in 2009.

h Regional projects with loans to multiple countries are reported separately. Includes Extended Annual Review Report.

i Covers sovereign lending.

Statistical Annex 15

AMOUNT OF LOANS APPROVED, CONTRACTS AWARDED, AND DISBURSEMENTS

(\$ million; as of 31 December 2009)

	Cumulative Loans Approved ^a	Cumulative Net Effective Loans ^{b, c}	Contracts Awarded in 2009 ^{c, d, e}	Cumulative Contracts Awarded ^{c, d, e}
Afghanistan	952.28	922.78	37.09	645.57
Armenia	223.92	166.89	117.21	138.55
Azerbaijan	660.40	570.55	148.99	235.30
Bangladesh	10,885.34	9,799.24	1,200.13	7,985.22
Bhutan	256.06	254.53	75.64	212.06
Cambodia	1,072.80	1,003.76	30.80	898.76
China, People's Republic of	22,959.11	19,594.25	1,112.51	15,158.38
Cook Islands	55.01	43.68	1.58	31.85
Fiji Islands	326.56	234.65	16.98	210.53
Georgia	363.80	362.19	111.13	180.98
Hong Kong, China	101.50	94.50	–	94.50
India	22,228.15	18,205.90	1,707.50	15,019.01
Indonesia	25,707.54	20,077.87	722.36	17,791.42
Kazakhstan	1,703.60	1,482.69	700.87	1,149.28
Kiribati	15.14	13.70	–	14.49
Korea, Republic of	6,338.33	5,560.33	–	5,572.55
Kyrgyz Republic	648.00	619.64	5.33	559.82
Lao People's Democratic Republic	1,211.46	1,216.72	24.13	1,130.30
Malaysia	1,997.54	1,413.98	–	1,422.40
Maldives	152.81	113.30	6.93	85.68
Marshall Islands	78.13	64.15	–	65.12
Micronesia, Federated States of	75.14	66.12	0.79	48.90
Mongolia	726.67	715.10	53.17	629.47
Myanmar	530.86	411.83	–	418.77
Nauru	5.00	2.30	–	2.30
Nepal	2,473.73	2,049.60	94.03	1,809.70
Pakistan	20,245.84	18,131.70	1,180.55	15,411.66
Papua New Guinea	1,271.99	1,013.94	23.58	751.48
Philippines	11,828.93	9,960.65	1,305.03	8,956.77
Samoa	159.37	152.14	5.10	125.49
Singapore	181.08	144.44	–	130.22
Solomon Islands	79.31	65.82	–	65.39
Sri Lanka	4,685.53	4,266.23	147.82	3,717.09
Taipei, China	100.39	91.14	–	90.28
Tajikistan	372.54	369.37	40.53	336.71
Thailand	5,470.17	4,207.65	–	4,158.08
Tonga	57.79	52.26	–	58.18
Tuvalu	7.82	8.15	0.13	7.99
Uzbekistan	1,290.90	1,067.17	137.43	676.62
Vanuatu	51.25	48.99	–	47.91
Viet Nam	8,194.97	6,960.72	1,776.48	4,477.24
Regional ^f	191.50	185.51	0.05	1.35
TOTAL^g	155,938.23	131,786.16	10,783.85	110,523.39

– = nil or data not applicable, () = negative.

^a Data include nonsovereign loans but exclude terminated loans. The US dollar equivalent is in accordance with the exchange rate prevailing within ADB at the time of loan approval.^b Net refers to effective loan amounts less cancellations.^c The US dollar equivalent is in accordance with the exchange rate prevailing in ADB on 31 December 2009.^d Data exclude nonsovereign loans.^e Contracts awarded for financial intermediation loans are based on the amount of subloan disbursements.^f Includes \$45 million loan under Trade Finance Facilitation Program approved in 2003.

% of Cumulative Contracts Awarded to Cumulative Net Effective Loans	Disbursements in 2009	Cumulative Disbursements ^h	% of Cumulative Disbursements to Cumulative Net Effective Loans	
69.96	100.92	660.42	71.57	Afghanistan
83.02	119.13	127.16	76.20	Armenia
41.24	58.55	146.43	25.66	Azerbaijan
81.49	1,068.03	7,924.08	80.86	Bangladesh
83.31	31.01	147.60	57.99	Bhutan
89.54	61.12	850.46	84.73	Cambodia
77.36	1,468.23	14,905.77	76.07	China, People's Republic of
72.91	(0.31)	27.61	63.20	Cook Islands
89.72	5.27	197.80	84.29	Fiji Islands
49.97	111.39	206.25	56.94	Georgia
100.00	–	94.50	100.00	Hong Kong, China
82.50	1,551.74	13,557.16	74.47	India
88.61	739.93	19,140.92	95.33	Indonesia
77.51	542.52	1,161.56	78.34	Kazakhstan
105.74	–	13.70	100.00	Kiribati
100.22	–	5,560.32	100.00	Korea, Republic of
90.35	24.01	576.16	92.98	Kyrgyz Republic
92.90	36.99	1,171.32	96.27	Lao People's Democratic Republic
100.60	–	1,413.98	100.00	Malaysia
75.63	9.35	80.83	71.34	Maldives
101.51	–	64.15	100.00	Marshall Islands
73.97	0.80	47.15	71.31	Micronesia, Federated States of
88.03	58.67	638.14	89.24	Mongolia
101.68	–	411.83	100.00	Myanmar
100.00	–	2.30	100.00	Nauru
88.30	73.49	1,777.19	86.71	Nepal
85.00	1,099.61	15,334.17	84.57	Pakistan
74.12	35.43	746.01	73.58	Papua New Guinea
89.92	1,317.46	9,706.94	97.45	Philippines
82.48	6.33	114.62	75.34	Samoa
90.15	–	144.44	100.00	Singapore
99.35	–	65.82	100.00	Solomon Islands
87.13	253.05	3,414.76	80.04	Sri Lanka
99.06	–	91.14	100.00	Taipei, China
91.16	67.10	290.20	78.57	Tajikistan
98.82	–	4,207.65	100.00	Thailand
111.32	–	52.26	100.00	Tonga
97.94	0.43	7.59	93.06	Tuvalu
63.40	125.89	659.89	61.84	Uzbekistan
97.80	–	48.99	100.00	Vanuatu
64.32	1,118.36	3,752.02	53.90	Viet Nam
0.73	14.02	176.86	95.33	Regional
83.87	10,098.50	109,718.14	83.25	TOTAL

g The cumulative disbursements may exceed the cumulative contracts awarded due to disbursements without contracts, e.g., interest during construction, contingencies, and nonsovereign loans which do not require procurement.

h Totals may not add up because of rounding.

Statistical Annex 16

TECHNICAL ASSISTANCE GRANT APPROVALS BY COUNTRY AND REGIONAL ACTIVITIES,^{a, b} 1967–2009, 2008, 2009

(amounts in \$ thousand)

	1 9 6 7 – 2 0 0 9			2 0 0 8							
	No.	Amount	%	No.	TASF Financing	JSF Financing	RCIF Financing	CCF Financing	Other Sources	Total	%
Afghanistan	62	67,072.70	1.76	3	1,155.00	1,800.00	–	–	–	2,955.00	1.08
Armenia	7	3,875.00	0.10	1	1,000.00	–	–	–	–	1,000.00	0.37
Azerbaijan	23	13,122.00	0.34	2	1,150.00	–	–	–	–	1,150.00	0.42
Bangladesh	348	195,151.17	5.12	8	2,925.00	990.00	–	600.00	–	4,515.00	1.65
Bhutan	108	44,443.15	1.17	3	950.00	650.00	888.00	–	–	2,488.00	0.91
Brunei Darussalam	1	600.00	0.02	1	–	–	–	–	600.00 ^c	600.00	0.22
Cambodia	158	107,259.60	2.82	8	3,221.00	1,800.00	–	–	–	5,021.00	1.84
China, People's Republic of	597	334,947.11	8.79	31	15,900.00	–	–	1,400.00	2,150.00	19,450.00	7.12
Cook Islands	30	10,595.00	0.28	2	350.00	–	–	–	–	350.00	0.13
Fiji Islands	80	27,349.80	0.72	2	125.00	–	–	–	–	125.00	0.05
Georgia	3	2,100.00	0.06	1	600.00	–	–	–	–	600.00	0.22
India	272	199,364.86	5.23	25	14,165.00	9,800.00	–	–	3,450.00	27,415.00	10.03
Indonesia	504	282,909.17	7.43	8	3,950.00	1,300.00	–	–	7,700.00	12,950.00	4.74
Kazakhstan	60	27,002.00	0.71	1	300.00	–	–	–	–	300.00	0.11
Kiribati	37	13,690.70	0.36	1	–	800.00	–	–	–	800.00	0.29
Korea, Republic of	33	5,010.15	0.13	–	–	–	–	–	–	–	–
Kyrgyz Republic	74	42,201.40	1.11	3	1,250.00	–	–	–	–	1,250.00	0.46
Lao People's Democratic Republic	240	122,632.08	3.22	9	3,545.00	600.00	–	–	977.00	5,122.00	1.87
Malaysia	93	25,352.30	0.67	–	–	–	–	–	–	–	–
Maldives	57	22,525.00	0.59	–	–	–	–	–	–	–	–
Marshall Islands	47	18,982.00	0.50	–	–	–	–	–	–	–	–
Micronesia, Federated States of	42	24,428.00	0.64	1	–	750.00	–	–	–	750.00	0.27
Mongolia	144	76,570.65	2.01	6	1,300.00	3,200.00	–	–	1,000.00	5,500.00	2.01
Myanmar	38	10,716.00	0.28	–	–	–	–	–	–	–	–
Nauru	7	1,946.81	0.05	1	225.00	–	–	–	–	225.00	0.08
Nepal	286	137,887.70	3.62	10	2,600.00	1,300.00	–	–	646.00	4,546.00	1.66
Pakistan	328	189,781.13	4.98	9	5,402.00	1,600.00	–	–	80.00	7,082.00	2.59
Palau	5	3,300.00	0.09	1	–	400.00	–	–	–	400.00	0.15
Papua New Guinea	142	58,176.12	1.53	4	225.00	2,800.00	–	–	–	3,025.00	1.11
Philippines	344	164,785.25	4.33	11	3,850.00	3,160.00	–	–	2,400.00	9,410.00	3.44
Samoa	87	28,681.50	0.75	1	–	1,200.00	–	–	–	1,200.00	0.44
Singapore	2	577.42	0.02	–	–	–	–	–	–	–	–
Solomon Islands	60	18,895.24	0.50	1	1,000.00	–	–	–	600.00	1,600.00	0.59
Sri Lanka	238	104,798.10	2.75	6	1,550.00	300.00	–	–	50.00	1,900.00	0.70
Taipei, China	1	100.00	0.003	–	–	–	–	–	–	–	–
Tajikistan	60	34,611.06	0.91	2	240.00	–	650.00	–	–	890.00	0.33
Thailand	162	61,619.60	1.62	4	1,270.00	–	–	–	1,500.00	2,770.00	1.01
Timor-Leste	31	29,110.90	0.76	2	–	1,300.00	–	–	–	1,300.00	0.48
Tonga	57	17,051.50	0.45	1	–	700.00	–	–	–	700.00	0.26
Turkmenistan	4	715.00	0.02	–	–	–	–	–	–	–	–
Tuvalu	20	5,914.75	0.16	2	800.00	–	–	–	327.75	1,127.75	0.41
Uzbekistan	74	40,830.00	1.07	3	350.00	1,200.00	–	–	–	1,550.00	0.57
Vanuatu	57	18,214.76	0.48	–	–	–	–	–	–	–	–
Viet Nam	245	188,444.16	4.95	22	6,465.00	5,600.00	–	–	14,790.00	26,855.00	9.83
All DMCs	5,268	2,783,340.84	73.07	196	75,863.00	41,250.00	1,538.00	2,000.00	36,270.75	156,921.75	57.44
Regional	1,595	1,025,925.57	26.93	102	42,641.97	13,700.00	8,920.00	3,000.00	48,017.63	116,279.60	42.56
TOTAL	6,863	3,809,266.40	100.00	298	118,504.97	54,950.00	10,458.00	5,000.00	84,288.38	273,201.35	100.00

– = nil or data not applicable, CCF = Climate Change Fund, DMC = developing member country, JSF = Japan Special Fund, RCIF = Regional Cooperation and Integration Fund, TASF = Technical Assistance Special Fund.

a Excludes technical assistance financed under loans that are included in ADB's loan data.

b Data are adjusted to exclude technical assistance projects withdrawn by governments.

c Reimbursable technical assistance.

No.	2009							
	TASF Financing	JSF Financing	RCIF Financing	CCF Financing	Other Sources	Total	%	
2	1,425.00	–	–	–	–	1,425.00	0.53	Afghanistan
2	1,175.00	–	–	–	500.00	1,675.00	0.63	Armenia
1	1,000.00	–	–	–	–	1,000.00	0.37	Azerbaijan
17	6,050.00	5,680.00	–	–	265.00	11,995.00	4.49	Bangladesh
3	400.00	1,600.00	–	–	–	2,000.00	0.75	Bhutan
–	–	–	–	–	–	–	–	Brunei Darussalam
8	1,925.00	750.00	600.00	–	4,600.00	7,875.00	2.95	Cambodia
38	17,010.00	–	–	2,400.00	5,215.46	24,625.46	9.22	China, People's Republic of
1	–	600.00	–	–	–	600.00	0.22	Cook Islands
–	–	–	–	–	–	–	–	Fiji Islands
2	1,380.00	–	–	–	–	1,380.00	0.52	Georgia
22	6,855.00	5,900.00	–	750.00	6,025.00	19,530.00	7.31	India
7	1,600.00	4,200.00	–	–	500.00	6,300.00	2.36	Indonesia
2	825.00	–	–	–	–	825.00	0.31	Kazakhstan
1	350.00	–	–	–	500.00	850.00	0.32	Kiribati
–	–	–	–	–	–	–	–	Korea, Republic of
3	550.00	–	–	–	700.00	1,250.00	0.47	Kyrgyz Republic
7	225.00	3,000.00	–	–	1,300.00	4,525.00	1.69	Lao People's Democratic Republic
–	–	–	–	–	–	–	–	Malaysia
1	3,000.00	–	–	–	–	3,000.00	1.12	Maldives
1	225.00	–	–	–	–	225.00	0.08	Marshall Islands
–	–	–	–	–	–	–	–	Micronesia, Federated States of
10	3,700.00	2,000.00	–	–	1,500.00	7,200.00	2.70	Mongolia
–	–	–	–	–	–	–	–	Myanmar
–	–	–	–	–	–	–	–	Nauru
9	2,475.00	1,970.00	–	1,030.00	273.00	5,748.00	2.15	Nepal
4	2,250.00	–	–	–	400.00	2,650.00	0.99	Pakistan
2	500.00	700.00	–	–	–	1,200.00	0.45	Palau
5	1,125.00	2,400.00	–	–	–	3,525.00	1.32	Papua New Guinea
11	3,750.00	1,930.00	–	–	841.00	6,521.00	2.44	Philippines
2	1,100.00	–	–	–	500.00	1,600.00	0.60	Samoa
–	–	–	–	–	–	–	–	Singapore
1	400.00	–	–	–	250.00	650.00	0.24	Solomon Islands
9	3,950.00	2,800.00	–	700.00	950.00	8,400.00	3.14	Sri Lanka
–	–	–	–	–	–	–	–	Taipei, China
2	725.00	–	–	–	–	725.00	0.27	Tajikistan
3	–	1,000.00	–	–	320.00	1,320.00	0.49	Thailand
1	560.00	–	–	–	–	560.00	0.21	Timor-Leste
2	500.00	500.00	–	–	–	1,000.00	0.37	Tonga
–	–	–	–	–	–	–	–	Turkmenistan
–	–	–	–	–	–	–	–	Tuvalu
3	2,900.00	–	–	–	850.00	3,750.00	1.40	Uzbekistan
2	1,100.00	–	–	–	750.00	1,850.00	0.69	Vanuatu
14	7,440.00	–	–	2,100.00	1,099.70	10,639.70	3.98	Viet Nam
198	76,470.00	35,030.00	600.00	6,980.00	27,339.16	146,419.16	54.81	All DMCs
115	60,509.00	6,600.00	11,500.00	5,315.00	36,806.96	120,730.96	45.19	Regional
313	136,979.00	41,630.00	12,100.00	12,295.00	64,146.11	267,150.11	100.00	TOTAL

Statistical Annex 17

TECHNICAL ASSISTANCE GRANT APPROVALS, 2009

(\$ thousand)

	TA Type	Sector	TASF	JSF	RCIF	CCF	Others	Source	Total
Afghanistan									
Railway Development Study	PA	TAI	1,200.00	–	–	–	–		1,200.00
Kabul Distribution Network Rehabilitation	PP	ENE	225.00	–	–	–	–		225.00
Subtotal			1,425.00	–	–	–	–		1,425.00
Armenia									
Yerevan Sustainable Urban Transport Institutional Modernization to Improve the Business Environment	PP	TAI	1,100.00	–	–	–	–		1,100.00
	CD	PSM	75.00	–	–	–	500.00	EAKPF	575.00
Subtotal			1,175.00	–	–	–	500.00		1,675.00
Azerbaijan									
Power Distribution Development Investment Program	PP	ENE	1,000.00	–	–	–	–		1,000.00
Subtotal			1,000.00	–	–	–	–		1,000.00
Bangladesh									
Second Crop Diversification	PP	ANR	–	500.00	–	–	–		500.00
City Region Development	PP	WMS	–	1,400.00	–	–	–		1,400.00
Power System Efficiency Improvement	PP	ENE	–	1,200.00	–	–	–		1,200.00
Developing Innovative Approaches to Management of Major Irrigation Systems Supporting Implementation of the Bangladesh Climate Change Strategy and Action Plan (Subproject 1)	CD	ANR	750.00	–	–	–	–		750.00
	CD	ENE	–	680.00	–	–	–		680.00
Capacity Development of Urban Public and Environmental Health	CD	WMS	500.00	–	–	–	–		500.00
Strengthening Macroeconomic and Fiscal Monitoring at the Ministry of Finance	CD	PSM	225.00	–	–	–	–		225.00
Sustainable Rural Infrastructure Improvement	PP	ANR	–	500.00	–	–	–		500.00
Priority Roads	PP	TAI	800.00	–	–	–	–		800.00
Khulna Water Supply	PP	WMS	800.00	–	–	–	–		800.00
Capacity Building and Support to the Transport Sector Coordination Wing of the Planning Commission	CD	TAI	500.00	–	–	–	–		500.00
Port and Logistics Efficiency Improvement	PP	TAI	800.00	–	–	–	–		800.00
Greater Dhaka Sustainable Urban Transport Corridor	PP	TAI	1,000.00	–	–	–	–		1,000.00
Governance Management Program	PP	PSM	600.00	–	–	–	–		600.00
Second Chittagong Hill Tracts Rural Development (CHTRDP II)	PP	ANR	–	900.00	–	–	265.00	MDTF-WFPF	1,165.00
Teaching Quality Improvement II in Secondary Education (TQI II)	PP	EDU	–	500.00	–	–	–		500.00
Land Use Mapping of the Chittagong Hill Tracts Using Remote Sensing	CD	ANR	75.00	–	–	–	–		75.00
Subtotal			6,050.00	5,680.00	–	–	265.00		11,995.00
Bhutan									
Rural Renewable Energy Development	PP	ENE	–	900.00	–	–	–		900.00
Capacity Building of the Department of Roads	CD	TAI	400.00	–	–	–	–		400.00

– = nil or data not applicable, ANR = agriculture and natural resources, CCF = Climate Change Fund, CD = capacity development, EAKPF = Republic of Korea e-Asia and Knowledge Partnership Fund, EDU = education, ENE = energy, ICT = information and communication technology, JSF = Japan Special Fund, MDTF-WFPF = Multidonor Trust Fund under the Water Financing Partnership Facility, PA = policy and advisory, PP = project preparatory, PSM = public sector management, RCIF = Regional Cooperation and Integration Fund, TA = technical assistance, TAI = transport and ICT, TASF = Technical Assistance Special Fund, WMS = water supply and other municipal infrastructure and services.

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	TA Type	Sector	TASF	JSF	RCIF	CCF	Others	Source	Total
Capacity Building of the National Environment Commission in Climate Change	CD	MUL	–	700.00	–	–	–		700.00
Subtotal			400.00	1,600.00	–	–	–		2,000.00
Cambodia									
Restructuring of the Railway in Cambodia (Supplementary)	PA	TAI	–	–	600.00	–	–		600.00
Capacity Development for National Economic Policy Analysis and Development Management, Phase III	CD	PSM	150.00	–	–	–	500.00	PRC RPRF	650.00
Tonle Sap Technology Demonstrations for Productivity Enhancement	CD	ANR	250.00	–	–	–	3,200.00	Finland/ EAKPF	3,450.00
Capacity Development for Income Restoration Programs	CD	HSP	500.00	–	–	–	–		500.00
Developing an Institutional Framework for Decentralization Reforms	PA	PSM	800.00	–	–	–	–		800.00
Support for the Preparation of Harmonized Sector Assessments, Strategies, and Roadmaps for Cambodia	PA	PSM	225.00	–	–	–	–		225.00
Outcome Monitoring and Procurement Review	CD	TAI	–	–	–	–	400.00	Australia	400.00
Implementation of Subprogram 4 of the Financial Sector Program II	CD	FIN	–	750.00	–	–	500.00	Luxembourg	1,250.00
Subtotal			1,925.00	750.00	600.00	–	4,600.00		7,875.00
People's Republic of China									
Strengthening Flood Management Sustainability in Hunan Province (Supplementary)	CD	ANR	–	–	–	–	60.00	NET-WFPF	60.00
Integrated Renewable Biomass Energy Development (Supplementary)	PP	ANR	–	–	–	–	210.00	GEF	210.00
Silk Road Ecosystem Restoration (Supplementary)	PP	ANR	–	–	–	–	335.00	GEF	335.00
Chongqing Urban–Rural Infrastructure Development Demonstration (Supplementary)	PP	WMS	100.00	–	–	–	–		100.00
Improving Corporate Governance and Enhancing Institutional Capacity of Environmental and Social Management	CD	ENE	700.00	–	–	–	–		700.00
Providing Capacity Building Support for Wenchuan Earthquake Reconstruction	CD	MUL	700.00	–	–	–	–		700.00
Strategy for Drought Management	PA	ANR	400.00	–	–	–	230.00	MDTF-WFPF	630.00
Risk Mitigation and Strengthening of Endangered Reservoirs in Shandong Province	PP	ANR	500.00	–	–	–	–		500.00
Carbon Dioxide Capture and Storage Demonstration-Strategic Analysis and Capacity Strengthening	CD	ENE	250.00	–	–	–	1,000.00	CCS	1,250.00
Municipal Waste to Energy	CD	WMS	–	–	–	–	653.00	CEF	653.00
Energy Efficiency and Emission Reduction in Shandong Province	PP	ENE	700.00	–	–	–	–		700.00
Improving Road Safety through the Application of Intelligent Transportation Systems	PA	TAI	500.00	–	–	–	–		500.00
Policy Study on Government Public Expenditure in Agricultural Production	PA	ANR	500.00	–	–	500.00	–		1,000.00
Agricultural Infrastructure Comprehensive Development	PP	ANR	800.00	–	–	–	–		800.00

– = nil or data not applicable, ANR = agriculture and natural resources, CCF = Climate Change Fund, CCS = Carbon Capture and Storage Fund, CD = capacity development, CEF = Clean Energy Fund, EAKPF = Republic of Korea e-Asia and Knowledge Partnership Fund, ENE = energy, FIN = finance, GEF = Global Environment Facility, HSP = health and social protection, ICT = information and communication technology, JSF = Japan Special Fund, MDTF-WFPF = Multidonor Trust Fund under the Water Financing Partnership Facility, MUL = multisector, NET-WFPF = The Netherlands Trust Fund for the Water Financing Partnership Facility, PA = policy and advisory, PP = project preparatory, PRC RPRF = People's Republic of China Regional Cooperation and Poverty Reduction Fund, PSM = public sector management, RCIF = Regional Cooperation and Integration Fund, TA = technical assistance, TAI = transport and ICT, TASF = Technical Assistance Special Fund, WMS = water supply and other municipal infrastructure and services.

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	TA Type	Sector	TASF	JSF	RCIF	CCF	Others	Source	Total
Hai River Estuary Pollution Control and Ecosystem Rehabilitation	PP	MUL	700.00	–	–	–	–		700.00
Facility for Policy Reform and Capacity Building III	PA	PSM	1,200.00	–	–	–	–		1,200.00
Rural Pension Reform and Development	PA	FIN	500.00	–	–	–	–		500.00
Rural Finance Innovation and Rural and Agriculture Financial Statistical System Development	PA	FIN	500.00	–	–	–	–		500.00
Xinjiang Altay Urban Infrastructure and Environment Improvement	PP	MUL	800.00	–	–	–	–		800.00
Recycling Waste Coal for Power Generation	PA	ENE	500.00	–	–	–	–		500.00
ADB–PRC Platform for Knowledge Sharing and Pilot Workshop on Sustainable Urbanization	CD	WMS	225.00	–	–	–	–		225.00
Hunan Xiangjiang Inland Waterway	PP	MUL	1,135.00	–	–	–	–		1,135.00
Gansu Tianshui Urban Infrastructure Development	PP	MUL	700.00	–	–	–	–		700.00
Provincial Development Strategies for Chongqing Municipality and Guizhou Province	PA	PSM	800.00	–	–	–	–		800.00
Guangxi Beibu Gulf Cities Development	PP	MUL	700.00	–	–	–	–		700.00
Strengthening Enforcement of Environmental Laws and Regulations	PA	ANR	300.00	–	–	–	–		300.00
Strengthening Equitable Provision of Public Employment Services in Sichuan Province	PA	PSM	400.00	–	–	–	–		400.00
Concentrating Solar Thermal Power Development	CD	ENE	–	–	–	1,000.00	–		1,000.00
Inner Mongolia Road Development	PP	TAI	600.00	–	–	–	–		600.00
Institutional and Capacity Development	CD	TAI	600.00	–	–	–	–		600.00
Management and Policy Support to Combat Land Degradation	CD	ANR	200.00	–	–	–	2,727.46	GEF	2,927.46
Strengthening the Antipoverty Effects of Social Assistance	CD	HSP	350.00	–	–	–	–		350.00
Xi'an Urban Road Network Improvement	PP	TAI	1,000.00	–	–	–	–		1,000.00
Developing a Low-Carbon Economy in Yunnan Province	CD	ENE	–	–	–	400.00	–		400.00
Energy Efficiency Improvements in Inner Mongolia Autonomous Region	CD	ENE	–	–	–	500.00	–		500.00
Strengthening the Legal Framework for Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)	PA	FIN	200.00	–	–	–	–		200.00
Financing Road Construction and Maintenance after Fuel Tax Reform	PA	TAI	225.00	–	–	–	–		225.00
Country Environmental Analysis	PA	ANR	225.00	–	–	–	–		225.00
Subtotal			17,010.00	–	–	2,400.00	5,215.46		24,625.46
Cook Islands									
Infrastructure Services Delivery Improvement	CD	MUL	–	600.00	–	–	–		600.00
Subtotal			–	600.00	–	–	–		600.00
Georgia									
Ajara Bypass Roads Development (Supplementary)	PP	TAI	280.00	–	–	–	–		280.00
Georgian Sustainable Urban Transport	PP	TAI	1,100.00	–	–	–	–		1,100.00
Subtotal			1,380.00	–	–	–	–		1,380.00

– = nil or data not applicable, ANR = agriculture and natural resources, CCF = Climate Change Fund, CD = capacity development, ENE = energy, FIN = finance, GEF = Global Environment Facility, HSP = health and social protection, ICT = information and communication technology, JSF = Japan Special Fund, MUL = multisector, PA = policy and advisory, PP = project preparatory, PRC = People's Republic of China, PSM = public sector management, RCIF = Regional Cooperation and Integration Fund, TA = technical assistance, TAI = transport and ICT, TASF = Technical Assistance Special Fund, WMS = water supply and other municipal infrastructure and services.

	TA Type	Sector	TASF	JSF	RCIF	CCF	Others	Source	Total
India									
Water Users' Association Empowerment for Improved Irrigation Management in Chhattisgarh (Supplementary)	CD	ANR	–	–	–	–	550.00	MDTF-WFPF	550.00
Sustainable Coastal Protection and Management (Supplementary)	PP	ANR	200.00	–	–	–	–		200.00
Strengthening Implementation of Social and Environmental Safeguard Requirements in Projects in India	CD	HSP	225.00	–	–	–	–		225.00
Rural Roads Sector III	PP	TAI	130.00	1,000.00	–	–	–		1,130.00
Study on Cross-Sectoral Implications of Biofuel Production and Use	PA	ENE	500.00	–	–	–	–		500.00
Capacity Development to Enhance Project Readiness and Results Monitoring for Transport Projects	CD	TAI	–	1,500.00	–	–	–		1,500.00
Karnataka State Highway Network Improvement Strategy	CD	TAI	–	1,500.00	–	–	–		1,500.00
Kolkata Environmental Improvement Phase II	PP	WMS	–	400.00	–	–	–		400.00
India Municipal Finance Study	PA	PSM	–	–	–	–	500.00	EAKPF	500.00
Supporting an Initiative for Mainstreaming Public-Private Partnerships for Providing Urban Amenities in Rural Areas	CD	MUL	–	1,500.00	–	–	–		1,500.00
Advanced Project Preparedness for Poverty Reduction – Madhya Pradesh State Roads III (Subproject 1)	PP	TAI	–	–	–	–	600.00	United Kingdom	600.00
Advanced Project Preparedness for Poverty Reduction – Support for the Jawaharlal Nehru National Urban Renewal Mission (Phase II) (Subproject 2)	CD	WMS	–	–	–	–	2,200.00	United Kingdom	2,200.00
Advanced Project Preparedness for Poverty Reduction – Capacity Development for Sustainable Coastal Protection and Management (Subproject 3)	CD	ANR	–	–	–	–	200.00	United Kingdom	200.00
Advanced Project Preparedness for Poverty Reduction – Capacity Development of Bihar Power Sector Entities (Subproject 4)	CD	ENE	–	–	–	–	500.00	United Kingdom	500.00
Small and Medium Enterprise Trade Finance Development Facility	CD	FIN	1,550.00	–	–	–	–		1,550.00
Capacity Development of the Assam Power Sector Utilities	CD	ENE	1,000.00	–	–	–	–		1,000.00
Support for the National Action Plan on Climate Change	PA	MUL	–	–	–	750.00	–		750.00
Integrated Water Resources Management and Sustainable Water Service Delivery in Karnataka	CD	ANR	700.00	–	–	–	–		700.00
Multistate and Multisector Project Management Capacity Building	CD	MUL	750.00	–	–	–	–		750.00
Sustaining the Government of India-ADB Initiative for Mainstreaming Public-Private Partnerships	CD	MUL	800.00	–	–	–	–		800.00

– = nil or data not applicable, ANR = agriculture and natural resources, CCF = Climate Change Fund, CD = capacity development, EAKPF = Republic of Korea e-Asia and Knowledge Partnership Fund, ENE = energy, FIN = finance, HSP = health and social protection, ICT = information and communication technology, JSF = Japan Special Fund, MDTF-WFPF = Multidonor Trust Fund under the Water Financing Partnership Facility, MUL = multisector, PA = policy and advisory, PP = project preparatory, PSM = public sector management, RCIF = Regional Cooperation and Integration Fund, TA = technical assistance, TAI = transport and ICT, TASF = Technical Assistance Special Fund, WMS = water supply and other municipal infrastructure and services.

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	TA Type	Sector	TASF	JSF	RCIF	CCF	Others	Source	Total
Addressing Social and Health Issues Associated with Road Improvement in Selected North Eastern States (Assam, Meghalaya, Mizoram, Manipur, and Nagaland)	CD	TAI	–	–	–	–	1,475.00	HIV	1,475.00
Assisting in Framework Development for Mainstreaming Public–Private Partnerships	PA	PSM	1,000.00	–	–	–	–		1,000.00
Subtotal			6,855.00	5,900.00	–	750.00	6,025.00		19,530.00
Indonesia									
Enhancing the Legal and Administrative Framework for Land (Supplementary)	PA	PSM	100.00	–	–	–	–		100.00
Java–Bali 500kV Power Transmission Crossing	PP	ENE	–	1,000.00	–	–	–		1,000.00
Strengthening Indonesia's Economic Early Warning System	CD	PSM	–	–	–	–	500.00	EAKPF	500.00
Flood Management in Selected River Basins (Phase II)	PP	ANR	–	1,000.00	–	–	–		1,000.00
Strengthening Indonesia's Capital Market	CD	FIN	1,500.00	–	–	–	–		1,500.00
Support for Local Government Finance and Governance Reform 2	PA	PSM	–	1,000.00	–	–	–		1,000.00
Polytechnic Development	PP	EDU	–	1,200.00	–	–	–		1,200.00
Subtotal			1,600.00	4,200.00	–	–	500.00		6,300.00
Kazakhstan									
Capacity Development for Due-Diligence Assessments of Projects	CD	TAI	225.00	–	–	–	–		225.00
Aktau–Beineu Road	PP	TAI	600.00	–	–	–	–		600.00
Subtotal			825.00	–	–	–	–		825.00
Kiribati									
Tarawa Sanitation Improvement	PP	WMS	350.00	–	–	–	500.00	Australia	850.00
Subtotal			350.00	–	–	–	500.00		850.00
Kyrgyz Republic									
Issyk-Kul Sustainable Development Growth Diagnostic and Impact Evaluation in the Kyrgyz Republic	PP	WMS	100.00	–	–	–	700.00	MDTF-WFPF	800.00
Transmission and Distribution Metering	PA	MUL	225.00	–	–	–	–		225.00
	PP	ENE	225.00	–	–	–	–		225.00
Subtotal			550.00	–	–	–	700.00		1,250.00
Lao People's Democratic Republic									
Updating the National Water Policy and Strategy (Supplementary)	CD	ANR	–	–	–	–	300.00	Australia	300.00
Small and Mini Hydroelectric Development	PP	ENE	–	–	–	–	1,000.00	Finland	1,000.00
Sustainable Natural Resource Management and Productivity Enhancement Project	CD	ANR	–	700.00	–	–	–		700.00
Strengthening Technical Vocational Education and Training	PP	EDU	–	1,000.00	–	–	–		1,000.00
Northern Rural Infrastructure Development	PP	ANR	–	800.00	–	–	–		800.00

– = nil or data not applicable, ANR = agriculture and natural resources, CCF = Climate Change Fund, CD = capacity development, EAKPF = Republic of Korea e-Asia and Knowledge Partnership Fund, EDU = education, ENE = energy, FIN = finance, HIV = Cooperation Fund for Fighting HIV/AIDS in Asia and the Pacific, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome, ICT = information and communication technology, JSF = Japan Special Fund, kV = kilovolt, MDTF-WFPF = Multidonor Trust Fund under the Water Financing Partnership Facility, MUL = multisector, PA = policy and advisory, PP = project preparatory, PSM = public sector management, RCIF = Regional Cooperation and Integration Fund, TA = technical assistance, TAI = transport and ICT, TASF = Technical Assistance Special Fund, WMS = water supply and other municipal infrastructure and services.

	TA Type	Sector	TASF	JSF	RCIF	CCF	Others	Source	Total
Building Capacity for the Health Sector Program Approach	CD	HSP	–	500.00	–	–	–		500.00
Support for the Preparation of Harmonized Sector Assessments, Strategies, and Roadmaps	PA	MUL	225.00	–	–	–	–		225.00
Subtotal			225.00	3,000.00	–	–	1,300.00		4,525.00
Maldives									
Institutional Strengthening for Economic Management	CD	PSM	3,000.00	–	–	–	–		3,000.00
Subtotal			3,000.00	–	–	–	–		3,000.00
Marshall Islands									
Responding to Economic Crisis	PP	PSM	225.00	–	–	–	–		225.00
Subtotal			225.00	–	–	–	–		225.00
Mongolia									
Support Public–Private Partnerships	PA	PSM	200.00	–	–	–	–		200.00
Road Database Development Using Geographic Information System	CD	TAI	–	–	–	–	500.00	EAKPF	500.00
Strategic Capacity Development for Social Sectors	CD	MUL	700.00	–	–	–	–		700.00
Fourth Health Sector Development: Improving Sector Governance	PP	HSP	600.00	–	–	–	–		600.00
Strengthening Higher and Vocational Education	PP	EDU	600.00	–	–	–	–		600.00
Capacity Building Program on Clean Development Mechanism	CD	MUL	–	–	–	–	500.00	EAKPF	500.00
Policy and Institutional Support for Banking Sector Systemic Risk Management	PA	FIN	–	2,000.00	–	–	–		2,000.00
Ulaanbaatar Clean Air	PA	ENE	–	–	–	–	500.00	ACEF	500.00
Regional Transport Development	PP	TAI	1,200.00	–	–	–	–		1,200.00
Transformational Mobile Banking Services	PA	FIN	400.00	–	–	–	–		400.00
Subtotal			3,700.00	2,000.00	–	–	1,500.00		7,200.00
Nepal									
Kathmandu Valley Water Distribution, Sewerage, and Urban Development (Supplementary)	PP	WMS	–	–	–	–	273.00	PPIAF	273.00
Strengthening Capacity for Managing Climate Change and the Environment (Supplementary)	CD	PSM	–	–	–	300.00	–		300.00
Community Irrigation	PP	ANR	–	750.00	–	–	–		750.00
High Mountain Agribusiness and Livelihood Improvement (HIMALI)	PP	ANR	–	620.00	–	730.00	–		1,350.00
Crop Diversification and Commercialization	PP	ANR	400.00	–	–	–	–		400.00
Support to Local Governance and Community Development Program	CD	PSM	550.00	–	–	–	–		550.00
Institutional Strengthening of Municipalities	CD	WMS	900.00	–	–	–	–		900.00
Institutional Strengthening of the National Planning Commission	CD	PSM	625.00	–	–	–	–		625.00
Road Connectivity	PP	TAI	–	600.00	–	–	–		600.00
Subtotal			2,475.00	1,970.00	–	1,030.00	273.00		5,748.00

– = nil or data not applicable, ACEF = Asian Clean Energy Fund, ANR = agriculture and natural resources, CCF = Climate Change Fund, CD = capacity development, AKPF = Republic of Korea e-Asia and Knowledge Partnership Fund, EDU = education, ENE = energy, FIN = finance, HSP = health and social protection, ICT = information and communication technology, JSF = Japan Special Fund, MUL = multisector, PA = policy and advisory, PP = project preparatory, PPIAF = Public–Private Infrastructure Advisory Facility, PSM = public sector management, RCIF = Regional Cooperation and Integration Fund, TA = technical assistance, TAI = transport and ICT, TASF = Technical Assistance Special Fund, WMS = water supply and other municipal infrastructure and services.

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	TA Type	Sector	TASF	JSF	RCIF	CCF	Others	Source	Total
Pakistan									
Punjab Cities Improvement Investment Program	PP	WMS	1,000.00	–	–	–	400.00	MDTF-WFPF	1,400.00
Ensure Due Diligence and Prepare PFRs for Islam, Khanki, Sulemanki, and Trimmu Barrages of MFF 2299/2300-PAK: Punjab Irrigated Agriculture Investment Program	PP	ANR	225.00	–	–	–	–		225.00
Pakistan Energy Sector Task Force	PA	ENE	225.00	–	–	–	–		225.00
Post-Conflict Needs Assessment	PA	MUL	800.00	–	–	–	–		800.00
Subtotal			2,250.00	–	–	–	400.00		2,650.00
Palau									
Sanitation Sector Development	PP	WMS	–	700.00	–	–	–		700.00
Implementing a Medium-Term Budget Framework	CD	PSM	500.00	–	–	–	–		500.00
Subtotal			500.00	700.00	–	–	–		1,200.00
Papua New Guinea									
Civil Aviation Development Investment Program	PP	TAI	225.00	–	–	–	–		225.00
Trade and Investment Institutional Strengthening	CD	IAT	900.00	–	–	–	–		900.00
Strengthening Rural Primary Health Services Delivery	PP	HSP	–	600.00	–	–	–		600.00
Improving Road User Charges and Private Sector Participation in Road Development	PA	TAI	–	800.00	–	–	–		800.00
Supporting Public Financial Management	CD	PSM	–	1,000.00	–	–	–		1,000.00
Subtotal			1,125.00	2,400.00	–	–	–		3,525.00
Philippines									
Integrated Natural Resources and Environmental Management Sector Development Program (Supplementary)	PP	ANR	–	–	–	–	291.00	GEF	291.00
Strengthening the Philippine Government Electronic Procurement System	PA	PSM	600.00	–	–	–	–		600.00
Agusan River Basin Integrated Water Resources Management	PP	ANR	–	930.00	–	–	250.00	GEF	1,180.00
Public–Private Partnership in Health	CD	HSP	–	1,000.00	–	–	–		1,000.00
Support to Policy Formulation to the Philippines	PA	PSM	225.00	–	–	–	–		225.00
Improving Public Expenditure Management 2	PA	PSM	800.00	–	–	–	–		800.00
Pasig River Catchment Sewerage	PP	WMS	–	–	–	–	300.00	MDTF-WFPF	300.00
Strengthening Transparency and Accountability in the Road Subsector	CD	TAI	1,000.00	–	–	–	–		1,000.00
Support for the Preparation of Harmonized Sector Assessments, Strategies, and Roadmaps for the Philippines	PA	MUL	225.00	–	–	–	–		225.00
Support to Local Government Financing	PA	PSM	700.00	–	–	–	–		700.00
Support for Conditional Cash Transfers	PP	HSP	200.00	–	–	–	–		200.00
Subtotal			3,750.00	1,930.00	–	–	841.00		6,521.00
Samoa									
Water Supply, Sanitation and Drainage	PP	WMS	600.00	–	–	–	500.00	Australia	1,100.00
Promoting Economic Use of Customary Land, Phase II	CD	PSM	500.00	–	–	–	–		500.00
Subtotal			1,100.00	–	–	–	500.00		1,600.00

– = nil or data not applicable, ANR = agriculture and natural resources, CCF = Climate Change Fund, CD = capacity development, ENE = energy, GEF = Global Environment Facility, HSP = health and social protection, IAT = industry and trade, ICT = information and communication technology, JSF = Japan Special Fund, MDTF-WFPF = Multidonor Trust Fund under the Water Financing Partnership Facility, MFF = multitranchise financing facility, MUL = multisector, PA = policy and advisory, PAK = Pakistan, PFR = periodic financing request, PP = project preparatory, PSM = public sector management, RCIF = Regional Cooperation and Integration Fund, TA = technical assistance, TAI = transport and ICT, TASF = Technical Assistance Special Fund, WMS = water supply and other municipal infrastructure and services.

	TA Type	Sector	TASF	JSF	RCIF	CCF	Others	Source	Total
Solomon Islands									
Transport Sector Development	PP	TAI	400.00	–	–	–	250.00	Australia	650.00
Subtotal			400.00	–	–	–	250.00		650.00
Sri Lanka									
Strengthening Road Development Authority in Implementation of the Environmental Management Plan of the Southern Transport Development Project	CD	TAI	150.00	–	–	–	–		150.00
Capacity Development for Power Sector Regulation	CD	ENE	1,000.00	–	–	–	–		1,000.00
Rural Household Connection	CD	ENE	–	2,000.00	–	–	–		2,000.00
Demand-Side Management for Municipal Street Lighting	CD	ENE	–	–	–	–	800.00	CEF	800.00
Supporting Capacity Development for Wastewater Management Services in Colombo	CD	WMS	500.00	–	–	–	150.00	MDTF-WFPF	650.00
Strengthening Capacity for Climate Change Adaptation	CD	MUL	–	–	–	700.00	–		700.00
Capacity Development of the Provincial Road Agencies	CD	TAI	800.00	–	–	–	–		800.00
Sustainable Power Sector Support II	PP	ENE	–	800.00	–	–	–		800.00
Umbrella Technical Assistance Capacity Development Fund	CD	PSM	1,500.00	–	–	–	–		1,500.00
Subtotal			3,950.00	2,800.00	–	700.00	950.00		8,400.00
Tajikistan									
Cotton Processing and Market Development	PP	ANR	225.00	–	–	–	–		225.00
Regional Power Rehabilitation	PP	ENE	500.00	–	–	–	–		500.00
Subtotal			725.00	–	–	–	–		725.00
Thailand									
Lamthakong Wind Farm Development	PP	ENE	–	–	–	–	160.00	ACEF	160.00
Chaiyapun Wind Farm Development	PP	ENE	–	–	–	–	160.00	ACEF	160.00
Implementation Plan for Strategic Intercity Motorway Network	PA	TAI	–	1,000.00	–	–	–		1,000.00
Subtotal			–	1,000.00	–	–	320.00		1,320.00
Timor-Leste									
Statistical and Macroeconomic Capacity Building	CD	PSM	560.00	–	–	–	–		560.00
Subtotal			560.00	–	–	–	–		560.00
Tonga									
Reforming Public Enterprises	PA	PSM	500.00	–	–	–	–		500.00
Support for Economic and Strategic Management	CD	PSM	–	500.00	–	–	–		500.00
Subtotal			500.00	500.00	–	–	–		1,000.00

– = nil or data not applicable, ACEF = Asian Clean Energy Fund, ANR = agriculture and natural resources, CCF = Climate Change Fund, CD = capacity development, CEF = Clean Energy Fund, ENE = energy, ICT = information and communication technology, JSF = Japan Special Fund, MDTF-WFPF = Multi-donor Trust Fund under the Water Financing Partnership Facility, MUL = multisector, PA = policy and advisory, PP = project preparatory, PSM = public sector management, RCIF = Regional Cooperation and Integration Fund, TA = technical assistance, TAI = transport and ICT, TASF = Technical Assistance Special Fund, WMS = water and other municipal infrastructure and services.

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	TA Type	Sector	TASF	JSF	RCIF	CCF	Others	Source	Total
Uzbekistan									
Water Supply and Sanitation Services	PP	WMS	500.00	–	–	–	850.00	MDTF-WFPF	1,350.00
CASAREM–Talimarjan Power Generation and Transmission	PP	ENE	1,500.00	–	–	–	–		1,500.00
CAREC Corridor 2 Road Investment Program	PP	TAI	900.00	–	–	–	–		900.00
Subtotal			2,900.00	–	–	–	850.00		3,750.00
Vanuatu									
Interisland Shipping Support	PP	TAI	500.00	–	–	–	–		500.00
Port Vila Urban Development	PP	WMS	600.00	–	–	–	750.00	Australia	1,350.00
Subtotal			1,100.00	–	–	–	750.00		1,850.00
Viet Nam									
Expressway Network Development Plan Project (Supplementary)	PA	TAI	215.00	–	–	–	–		215.00
Hanoi Metro Rail System (Supplementary)	PP	TAI	500.00	–	–	–	–		500.00
Central Mekong Delta Region Connectivity (Supplementary)	PP	TAI	–	–	–	–	240.00	Australia	240.00
Skills Enhancement (Supplementary)	PP	EDU	–	–	–	–	59.70	Belgium	59.70
Transport Connections in Northern Mountainous Provinces	PP	TAI	1,000.00	–	–	–	–		1,000.00
Strengthening Project Management and Developing Strategies and Options for Biogas Development Program Expansion	PA	ENE	1,500.00	–	–	–	–		1,500.00
Capacity Building of Renewable Energy Development	CD	ENE	900.00	–	–	1,600.00	–		2,500.00
Economic and Financial Reassessment of the Greater Mekong Subregion (GMS): Kunming–Hai Phong Transport Corridor – Noi Bai–Lao Cai Highway	PP	TAI	200.00	–	–	–	–		200.00
Ho Chi Minh City Urban Mass Rapid Transit Line 2	PP	TAI	500.00	–	–	–	–		500.00
Training in Monetary Policy and Exchange Rate Management	CD	PSM	225.00	–	–	–	–		225.00
Climate Change Impact and Adaptation Study in the Mekong Delta	CD	ANR	–	–	–	500.00	800.00	Australia	1,300.00
Capacity Building for Investment Support Program for Vietnam Electricity	CD	ENE	600.00	–	–	–	–		600.00
Third Financial Sector Program – Subprogram II	PP	FIN	1,000.00	–	–	–	–		1,000.00
Northern Chu and Southern Ma Rivers Irrigation System	PP	ANR	800.00	–	–	–	–		800.00
Subtotal			7,440.00	–	–	2,100.00	1,099.70		10,639.70
TOTAL			76,470.00	35,030.00	600.00	6,980.00	27,339.16		146,419.16

– = nil or data not applicable, ANR = agriculture and natural resources, CAREC = Central Asia Regional Economic Cooperation, CASAREM = Central Asia–South Asia Regional Electricity Market, CCF = Climate Change Fund, CD = capacity development, EDU = education, ENE = energy, FIN = finance, ICT = information and communication technology, JSF = Japan Special Fund, MDTF-WFPF = Multidonor Trust Fund under the Water Financing Partnership Facility, PA = policy and advisory, PP = project preparatory, PSM = public sector management, RCIF = Regional Cooperation and Integration Fund, TA = technical assistance, TAI = transport and ICT, TASF = Technical Assistance Special Fund, WMS = water supply and other municipal infrastructure and services.

Statistical Annex 18

TECHNICAL ASSISTANCE GRANT APPROVALS BY SECTOR^{a, b} 1967–2009, 2008, 2009

Sector	1967–2009			2008			2009		
	No.	\$ thousand	%	No.	\$ thousand	%	No.	\$ thousand	%
Agriculture and									
Natural Resources	1,235	622,383.06	22.36	26	21,635.00	13.79	33	24,398.46	16.66
Education	304	150,685.42	5.41	10	6,967.00	4.44	5	3,359.70	2.29
Energy	563	288,621.11	10.37	23	16,503.00	10.52	31	25,525.00	17.43
Finance	498	240,087.22	8.63	12	6,025.00	3.84	9	8,900.00	6.08
Health and Social Protection	192	101,603.42	3.65	10	4,971.00	3.17	8	3,975.00	2.71
Industry and Trade	263	120,412.50	4.33	5	12,350.00	7.87	1	900.00	0.61
Public Sector Management	945	524,202.30	18.83	36	27,172.75	17.32	32	21,085.00	14.40
Transport and ICT	716	368,938.30	13.26	40	25,445.00	16.22	41	29,115.00	19.88
Water Supply and Other Municipal									
Infrastructure and Services	443	238,606.15	8.57	26	22,353.00	14.24	19	15,951.00	10.89
Multisector	109	127,801.37	4.59	8	13,500.00	8.60	19	13,210.00	9.02
TOTAL	5,268	2,783,340.84	100.00	196	156,921.75	100.00	198	146,419.16	100.00

ICT = information and communication technology.

a Excludes technical assistance financed under loans that are included in ADB's loan data and regional activities.

b Data are adjusted to exclude technical assistance projects withdrawn by governments.

Statistical Annex 19

LOAN-FINANCED CONSULTING SERVICES AND TA GRANTS^{a, b} BY SECTOR, 2009

(amounts in \$ thousand)

Sector	TA Loans			TA Grants		
	No.	\$ thousand	%	No.	\$ thousand	%
Agriculture and Natural Resources	3	10,590.71	5.50	33	24,398.46	16.66
Education	1	2,000.16	1.04	5	3,359.70	2.29
Energy	7	31,130.49	16.17	31	25,525.00	17.43
Finance	0	–	0.00	9	8,900.00	6.08
Health and Social Protection	0	–	0.00	8	3,975.00	2.71
Industry and Trade	1	3,489.22	1.81	1	900.00	0.61
Public Sector Management	2	2,203.00	1.14	32	21,085.00	14.40
Transport and ICT	21	74,025.82	38.46	41	29,115.00	19.88
Water Supply and Other Municipal Infrastructure and Services	10	53,984.58	28.04	19	15,951.00	10.89
Multisector	6	15,070.62	7.83	19	13,210.00	9.02
TOTAL	51	192,494.59	100.00	198	146,419.16	100.00

– = nil, ICT = information and communication technology, TA = technical assistance.

Statistical Annex 20

REGIONAL TECHNICAL ASSISTANCE ACTIVITIES, 2009

(\$ thousand)

	TASF	JSF	RCIF	CCF	Others	Source	Total
CAPACITY DEVELOPMENT							
Mainstreaming Managing for Development Results in Support of Poverty Reduction in South Asia (Supplementary)	–	–	–	–	100.00	MfDRCF	100.00
Implementation of the Greater Mekong Subregion Cross-Border Transport Agreement (Supplementary)	–	–	–	–	935.00	Australia	935.00
Promoting Effective Water Management Policies and Practices – Phase 5 (Supplementary)	–	–	–	–	583.00	CFWS	583.00
Results-Focused Project Design and Management 2 (Supplementary)	280.00	–	–	–	–		280.00
Seminars on Capacity Building for Project Implementation and Administration for 2007–2009 (Supplementary)	220.00	–	–	–	–		220.00
Greater Mekong Subregion Phnom Penh Plan for Development Management III (Supplementary)	–	–	–	–	1,400.00	AFD/EAKPF	1,400.00
Supporting Regional Capacities for Financial Asset and Liability and Risk Management (Supplementary)	–	–	300.00	–	–		300.00
Enhancing Engagement with Pacific Developing Member Countries (Supplementary)	–	–	–	–	1,440.00	Australia	1,440.00
Adopting the Supply and Use Framework Towards 1993 System of National Accounts Compliance in Selected Developing Member Countries (Supplementary)	220.00	–	–	–	–		220.00
Knowledge Sharing on Infrastructure Public–Private Partnerships in Asia (Supplementary)	500.00	–	–	–	–		500.00
Knowledge and Innovation Support for ADB's Water Financing Program (Supplementary)	–	–	–	–	1,500.00	MDTF-WFPF/NET-WFPF	1,500.00
Partnership for Good Governance and Knowledge on Urban Water Management	–	–	–	–	500.00	EAKPF	500.00
Climate Impacts and Responses: A Multimedia Campaign Project	–	–	–	450.00	–		450.00
Strengthening the Implementation of the Asian Development Fund Grant Framework in ADB's Developing Member Countries	400.00	–	–	–	–		400.00
Support for the Asia-Pacific Economic Cooperation Financial Regulators Training Initiative	900.00	–	–	–	–		900.00
Strengthening the Capacity of the ASEAN Secretariat in Regional Economic Integration and Policy Dialogue – Phase 2	–	–	1,200.00	–	–		1,200.00
Trade Finance Capacity Development	4,000.00	2,000.00	–	–	–		6,000.00
Regional Public Goods for Health: Combating Dengue in ASEAN	–	–	1,000.00	–	–		1,000.00
Supporting ADB's Engagement in Fragile Situations	750.00	–	–	–	–		750.00
Enabling Climate Change Interventions in Central and West Asia	5,000.00	–	–	–	–		5,000.00
Supporting Investments in Water-Related Disaster Management	–	2,000.00	–	–	–		2,000.00
Achieving Urban Water Security for South Asia	–	–	–	–	850.00	ICFF	850.00
Procurement Capacity Development for Project Implementation and Administration for 2009–2011	1,500.00	–	–	–	–		1,500.00
Promoting Access to Renewable Energy in the Pacific	–	–	–	–	3,000.00	CEF	3,000.00
Higher Education in Dynamic Asia	800.00	–	–	–	–		800.00

– = nil or data not applicable, AFD = France through Agence Francaise de Developpement, ASEAN = Association of Southeast Asian Nations, CCF = Climate Change Fund, CEF = Clean Energy Fund, CFWS = Cooperation Fund for the Water Sector, EAKPF = Republic of Korea e-Asia and Knowledge Partnership Fund, ICFF = Investment Climate Facilitation Fund, JSF = Japan Special Fund, MDTF-WFPF = Multidonor Trust Fund under the Water Financing Partnership Facility, MfDRCF = Cooperation Fund in Support of Managing for Development Results, NET-WFPF = The Netherlands Trust Fund for the Water Financing Partnership Facility, RCIF = Regional Cooperation and Integration Fund, TASF = Technical Assistance Special Fund.

	TASF	JSF	RCIF	CCF	Others	Source	Total
Capacity Development in Results-Based Monitoring and Evaluation for Countries under the Asian Development Bank's Central Asia Regional Economic Cooperation Program	–	–	–	–	500.00	PRC RPRF	500.00
Improving Public Services through Information and Communication Technology	–	–	–	–	500.00	EAKPF	500.00
Establishment of e-Systems in Support of Infrastructure Finance in Asia	–	–	–	–	500.00	EAKPF	500.00
Strengthening the Capacity of Pacific Developing Member Countries to Respond to Climate Change (Phase 1)	1,775.00	–	–	1,365.00	325.00	CCFCC	3,465.00
Support to the Confederation of Asian and Pacific Accountants (CAPA) Train the Trainers Workshops	100.00	–	–	–	–		100.00
Greater Mekong Subregion Phnom Penh Plan for Development Management Phase IV	1,400.00	–	–	–	–		1,400.00
Mainstreaming Land Acquisition and Resettlement Safeguards in the Central and West Asia Region	5,000.00	–	–	–	–		5,000.00
Support to 14th International Anticorruption Conference	200.00	–	–	–	–		200.00
Asia Pacific Procurement Partnership Initiative	800.00	–	–	–	500.00	PRC RPRF	1,300.00
Strengthening of Judicial Capacity to Adjudicate Upon Environmental Laws and Regulations	225.00	–	–	–	–		225.00
Enhancing Participation with Civil Society Organizations and Civil Society in ADB Operations	225.00	–	–	–	–		225.00
Designing Demand-Based Technical and Vocational Education and Training Frameworks for the Pacific	745.00	–	–	–	–		745.00
Housing Finance Capacity Development in South and Southeast Asia	1,300.00	–	–	–	–		1,300.00
Solar Energy Development in South Asia – Opportunity Assessment (Subproject 1)	540.00	–	–	–	–		540.00
Subtotal	26,880.00	4,000.00	2,500.00	1,815.00	12,633.00		47,828.00
POLICY AND ADVISORY							
Promoting Gender Equality and Women's Empowerment (Supplementary)	500.00	–	–	–	1,000.00	GDCF	1,500.00
Aviation Legislative and Regulatory Review (Supplementary)	–	–	–	–	132.00	New Zealand	132.00
Enhancing the Development Effectiveness of the Greater Mekong Subregion Economic Cooperation Program (Supplementary)	–	–	450.00	–	–		450.00
Private Sector Development Initiative (Supplementary)	–	–	–	–	160.00	Australia	160.00
Enhancing Effective Regulation of Water and Energy Infrastructure and Utility Services (Supplementary)	225.00	–	–	–	400.00	ICFF	625.00
Supporting Strategic Knowledge Products and Research Networking (Supplementary)	1,250.00	–	–	–	–		1,250.00
Bond Financing for Infrastructure Projects in the ASEAN+3 Region (Supplementary)	–	–	–	–	340.00	FSDP	340.00
Preparing a Response in the Pacific to High Prices (Supplementary)	–	–	–	–	94.73	Australia/ New Zealand	94.73
Establishment of the Pacific Infrastructure Advisory Center	–	–	–	–	1,800.00	Australia	1,800.00
Development of Prudential and Supervision Standards for Islamic Financial Markets	425.00	–	–	–	425.00	IFSB	850.00

– = nil or data not applicable; ASEAN+3 = Association of Southeast Asian Nations, plus the People's Republic of China, Japan, and the Republic of Korea; CCF = Climate Change Fund; CCFCC = Canadian Cooperation Fund on Climate Change; EAKPF = Republic of Korea e-Asia and Knowledge Partnership Fund; FSDP = Financial Sector Development Partnership Fund; GDCF = Gender and Development Cooperation Fund; ICFF = Investment Climate Facilitation Fund; IFSB = Islamic Financial Services Board; JSF = Japan Special Fund; PRC RPRF = People's Republic of China Regional Cooperation and Poverty Reduction Fund; RCIF = Regional Cooperation and Integration Fund; TASF = Technical Assistance Special Fund.

	TASF	JSF	RCIF	CCF	Others	Source	Total
South Asia Strategic Framework for Aid for Trade Road Map	–	–	–	–	600.00	ICFF	600.00
Greater Mekong Subregion: Railway Strategy Study	225.00	–	–	–	–		225.00
Governance and Capacity Development Initiative (Phase 2)	1,550.00	–	–	–	500.00	EAKPF	2,050.00
Implementing the Greater Mekong Subregion Human Resource Development Strategic Framework and Action Plan	–	–	750.00	–	500.00	PRC RPRF	1,250.00
Support to the 3rd International Tax Dialogue Global Conference	220.00	–	–	–	–		220.00
Carbon Dioxide Capture and Storage Demonstration in Developing Countries – Analysis of Key Policy Issues and Barriers	–	–	–	–	350.00	CCS	350.00
Pacific Economic Management – Response to the Global Crisis (Subproject 1)	2,000.00	–	–	–	–		2,000.00
Regional Cooperation on Knowledge Management, Policy, and Institutional Support to the Coral Triangle Initiative	–	–	500.00	–	1,200.00	GEF	1,700.00
Deposit Insurance Establishment	–	–	–	–	500.00	PRC RPRF	500.00
Central Asia Regional Economic Cooperation: Working with the Private Sector in Trade Facilitation	–	–	1,500.00	–	500.00	PRC RPRF	2,000.00
Developing Cross-Border Economic Zones between the People’s Republic of China and Viet Nam	–	–	800.00	–	–		800.00
Enhancing Border Trade Services and Rules for Small and Medium-Sized Enterprises	–	–	1,500.00	–	–		1,500.00
Communities Threatened by Legacy or Artisanal Pollution	900.00	–	–	–	–		900.00
Information and Communication Technology-Based Inclusive Growth and Poverty Reduction in the Pacific	70.00	–	–	–	500.00	EAKPF	570.00
Regional Economics of Climate Change in South Asia Part II: Adaptation and Impact Assessment	500.00	–	–	–	700.00	United Kingdom	1,200.00
Managing Climate Impacts on Health in Water and Agriculture Sectors and Disaster Risk Reduction	–	–	–	–	140.00	Sweden	140.00
Pacific Private Sector Development Initiative Phase II	3,000.00	–	–	–	9,000.00	Australia	12,000.00
Asia Pacific Observatory on Health Systems and Policies	100.00	–	–	–	–		100.00
Public Sector Accounting Standards (Fourth Phase)	300.00	–	–	–	–		300.00
ASEAN+3 Regional Guarantee and Investment Mechanism (Phase 3)	–	–	–	–	1,370.00	ICFF	1,370.00
Subtotal	11,265.00	–	5,500.00	–	20,211.73		36,976.73
PROJECT PREPARATORY							
Implementation of the Technical Support Facility under the Carbon Market Initiative (Supplementary)	–	–	–	–	1,000.00	Finland	1,000.00
Implementation of Asian City Transport – Promoting Sustainable Urban Transport in Asia	–	–	–	2,800.00	–		2,800.00
Second Greater Mekong Subregion Regional Communicable Diseases Control	500.00	–	–	–	–		500.00

– = nil or data not applicable; ASEAN+3 = Association of Southeast Asian Nations, plus the People's Republic of China, Japan, and the Republic of Korea; CCF = Climate Change Fund; CCS = Carbon Capture and Storage Fund; EAKPF = Republic of Korea e-Asia and Knowledge Partnership Fund; GEF = Global Environment Facility; ICFF = Investment Climate Facilitation Fund; JSF = Japan Special Fund; PRC RPRF = People's Republic of China Regional Cooperation and Poverty Reduction Fund; RCIF = Regional Cooperation and Integration Fund; TSF = Technical Assistance Special Fund.

	TASF	JSF	RCIF	CCF	Others	Source	Total
Creation of the Pacific Information Superhighway with the University of the South Pacific Network	–	–	–	–	1,000.00	India	1,000.00
Establishment of a Market Place for Transfer of Low Carbon Technologies to Asia and Pacific	225.00	–	–	–	–		225.00
Greater Mekong Subregion Biodiversity Conservation Corridors	–	–	1,000.00	–	–		1,000.00
Subtotal	725.00	–	1,000.00	2,800.00	2,000.00		6,525.00
RESEARCH AND DEVELOPMENT							
Greater Mekong Subregion Phnom Penh Plan for Development Management II (Reallocation of Funding)	310.00	–	–	–	–		310.00
Rolling Out Air Quality Management in Asia (Supplementary)	–	–	–	–	12.22	Sweden	12.22
Managing the Cities in Asia (Supplementary)	–	–	–	–	530.00	NDF	530.00
Transboundary Animal Disease Control for Poverty Reduction in the Greater Mekong Subregion (Supplementary)	–	–	1,000.00	–	200.00	PRC RPRF	1,200.00
Supporting the Achievement of the Millennium Development Goals in the Asia and Pacific Region, Phase III (Supplementary)	1,500.00	–	–	–	–		1,500.00
Energy for All Initiative (Reallocation of Funding)	500.00	–	–	–	–		500.00
Asian Bonds Online Website Project, Phase II (Supplementary)	500.00	–	–	–	–		500.00
Improving Price Collection of Non-Household Expenditure Components and Updating Purchasing Power Parity Estimates for Selected Developing Member Countries (Supplementary)	220.00	–	–	–	–		220.00
South Asia Forum on the Impact of Global Economic and Financial Crisis (Supplementary)	1,000.00	–	–	–	–		1,000.00
Asian Development Review Workshop	100.00	–	–	–	–		100.00
Key Indicators for Asia and the Pacific 2009	150.00	–	–	–	–		150.00
Global and Regional Financial Market Integration	750.00	–	–	–	–		750.00
Enhancing Gender Equality Results in South Asia Developing Member Countries	–	–	–	–	120.00	Denmark	120.00
Institutions for Regionalism: Enhancing Economic Cooperation and Integration in Asia and the Pacific	–	–	1,500.00	–	–		1,500.00
Preparation of the 2010 Asian Environment Outlook	500.00	–	–	–	–		500.00
Competition Policy in Southeast Asia – A Stock Take of Recent Development and Performance	220.00	–	–	–	–		220.00
Selected Evaluation Studies for 2009 – Phase I	700.00	–	–	–	–		700.00
Regional Consultative Process on Prioritization of Agriculture Research and Development Agenda for Asia and Pacific	125.00	–	–	–	–		125.00
Capturing Economic Benefits from Ecosystem Services	–	600.00	–	–	–		600.00
Regional Economic Integration in Central Asia: Stocktaking and Experience Sharing	900.00	–	–	–	–		900.00
Sustainable Fuel Partnership Study: Exploring an Innovative Market Scheme to Advance Sustainable Transport and Fuel Security	950.00	–	–	–	300.00	Austria	1,250.00
The Future Global Reserve System—an Asian Perspective	950.00	–	–	–	–		950.00
Piloting of a Community of Practice for Independent Accountability Mechanisms	150.00	–	–	–	–		150.00
Developing Asia's Pension Systems: Overview and Reform Directions	400.00	–	–	–	–		400.00

– = nil or data not applicable, CCF = Climate Change Fund, JSF = Japan Special Fund, NDF = Nordic Development Fund, PRC RPRF = People's Republic of China Regional Cooperation and Poverty Reduction Fund, RCIF = Regional Cooperation and Integration Fund, TASF = Technical Assistance Special Fund.

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	TASF	JSF	RCIF	CCF	Others	Source	Total
Asian Development Outlook 2010	500.00	–	–	–	–		500.00
Workshops on The Economics of Infrastructure in a Globalized World	225.00	–	–	–	–		225.00
Asia Regional Integration Center, Phase III	1,250.00	–	–	–	–		1,250.00
Selected Evaluation Studies for 2009, Phase 2	1,269.00	–	–	–	–		1,269.00
Contribution to the Technical Assistance Facility of the Private Infrastructure Development Group	1,000.00	–	–	–	–		1,000.00
Economics of Climate Change and Low Carbon Growth Strategies in Northeast Asia	1,000.00	–	–	–	800.00	Korea	1,800.00
Policy Options to Support Climate-Induced Migration	–	–	–	700.00	–		700.00
Contribution to the Public–Private Infrastructure Advisory Facility	500.00	–	–	–	–		500.00
Monitoring Finance, Food, and Fuel Markets for Development	500.00	–	–	–	–		500.00
Sustaining Asia's Growth and Investment in a Changing World	800.00	–	–	–	–		800.00
Global Crisis, Remittances, and Poverty in Asia	200.00	–	–	–	–		200.00
Project Preparation Support for Livable Cities in Asia	–	2,000.00	–	–	–		2,000.00
Assessing Financial Landscape and Formulating Milestones for Monetary and Financial Integration in ASEAN	225.00	–	–	–	–		225.00
Effective Deployment of Distributed Small Wind Power Systems in Asian Rural Areas	3,870.00	–	–	–	–		3,870.00
Procurement and Analysis of Survey Data	150.00	–	–	–	–		150.00
Long-term Projections of Asian GDP and Trade	225.00	–	–	–	–		225.00
Subtotal	21,639.00	2,600.00	2,500.00	700.00	1,962.22		29,401.22
TOTAL	60,509.00	6,600.00	11,500.00	5,315.00	36,806.96		120,730.96

– = nil or data not applicable, ASEAN = Association of Southeast Asian Nations, CCF = Climate Change Fund, GDP = gross domestic product, JSF = Japan Special Fund, RCIF = Regional Cooperation and Integration Fund, TASF = Technical Assistance Special Fund.

Statistical Annex 21

NET TRANSFER OF RESOURCES

(ORDINARY CAPITAL RESOURCES AND ASIAN DEVELOPMENT FUND),^{a, b} 2007–2009

(\$ million)

	OCR			ADF		
	2007	2008	2009	2007	2008	2009
Afghanistan	4.92	8.37	4.95	91.08	46.78	69.22
Armenia	–	–	–	–	8.03	119.05
Azerbaijan	42.35	2.87	34.58	12.98	8.62	14.73
Bangladesh	20.07	87.47	667.08	79.19	237.99	93.15
Bhutan	–	–	8.02	6.43	0.87	18.00
Cambodia	–	6.95	(0.63)	45.65	89.16	38.61
China, People's Republic of	607.60	703.60	903.19	–	–	–
Cook Islands	–	–	–	(0.72)	0.40	(1.24)
Fiji Islands	1.89	1.69	(1.58)	–	–	–
Georgia	24.75	(1.76)	(9.65)	–	69.86	110.83
Hong Kong, China	–	–	–	–	–	–
India	1,154.77	1,246.38	1,164.77	–	–	–
Indonesia	156.68	(69.88)	(409.30)	91.50	13.37	77.70
Kazakhstan	35.15	(47.04)	512.07	(49.32)	(0.26)	(0.27)
Kiribati	–	–	–	(0.25)	(0.29)	(0.50)
Korea, Republic of	(20.47)	(26.23)	(30.40)	–	–	–
Kyrgyz Republic	–	–	–	21.35	11.19	5.70
Lao People's Democratic Republic	14.77	0.72	(2.27)	47.60	13.86	(3.66)
Malaysia	(37.11)	(51.10)	(53.20)	–	–	–
Maldives	1.46	(0.18)	6.01	3.72	0.56	2.99
Marshall Islands	(0.68)	(0.47)	(0.68)	(2.17)	(1.24)	(3.28)
Micronesia, Federated States of	–	0.05	–	2.83	2.22	(0.63)
Mongolia	(0.68)	7.17	(4.32)	12.02	8.97	37.55
Myanmar	–	–	–	–	–	–
Nauru	–	(2.32)	(0.13)	–	–	–
Nepal	(6.11)	(11.93)	(5.91)	43.98	(2.40)	(1.00)
Pakistan	345.29	1,037.63	338.97	228.84	377.72	152.46
Papua New Guinea	(30.21)	(2.62)	22.38	(5.92)	(10.90)	(12.17)
Philippines	80.96	237.15	967.70	(35.08)	(42.14)	(48.03)
Samoa	–	–	–	(2.47)	(1.81)	1.61
Singapore	–	–	–	–	–	–
Solomon Islands	–	–	–	1.70	(2.23)	(3.45)
Sri Lanka	(15.54)	67.38	72.95	58.07	52.24	34.53
Taipei, China	–	–	–	–	–	–
Tajikistan	–	–	–	36.80	46.87	59.86
Thailand	(50.87)	(13.56)	(10.43)	(4.19)	(4.63)	(46.67)
Timor-Leste	–	–	–	–	–	–
Tonga	–	–	–	(1.55)	(1.63)	(1.59)
Turkmenistan	–	–	–	–	–	–
Tuvalu	–	–	–	1.07	0.28	0.07
Uzbekistan	12.81	7.01	69.34	(0.03)	2.51	18.40
Vanuatu	–	–	–	(1.28)	(1.74)	(1.98)
Viet Nam	27.55	(14.34)	652.43	138.85	187.03	364.23
Regional	7.71	17.63	(1.88)	0.31	0.55	0.43
TOTAL^c	2,377.04	3,190.63	4,894.05	820.98	1,109.79	1,094.67

– = nil, () = negative, ADF = Asian Development Fund, OCR = ordinary capital resources.

^a Net transfer of resources for OCR defined as loan disbursements less principal repayments/prepayments and interest/charges received. Includes nonsovereign loans and net equity investments.^b Net transfer of resources for ADF defined as loan disbursements less principal repayments and interest/charges received.^c Totals may not add up because of rounding.

Statistical Annex 22

NET TRANSFER OF RESOURCES

(ORDINARY CAPITAL RESOURCES AND ASIAN DEVELOPMENT FUND),^a 1999–2009

(\$ million)

	1999–2004 Average	2005	2006	2007	2008	2009
Afghanistan	29.94	54.17	73.16	96.00	55.15	74.17
Armenia	–	–	–	–	8.03	119.05
Azerbaijan	–	0.50	7.95	55.33	11.49	49.31
Bangladesh	101.46	81.17	106.64	99.26	325.46	760.23
Bhutan	5.71	10.34	0.47	6.43	0.87	26.02
Cambodia	56.04	76.73	45.06	45.65	96.11	37.98
China, People's Republic of	(137.31)	544.64	517.25	607.60	703.60	903.19
Cook Islands	0.28	0.53	(0.34)	(0.72)	0.40	(1.24)
Fiji Islands	(1.50)	8.30	2.62	1.89	1.69	(1.58)
Georgia	–	–	–	24.75	68.10	101.18
Hong Kong, China	–	–	–	–	–	–
India	(415.92)	457.20	264.28	1,154.77	1,246.38	1,164.77
Indonesia	20.50	142.80	79.59	248.18	(56.51)	(331.61)
Kazakhstan	(24.45)	(153.85)	116.78	(14.17)	(47.30)	511.80
Kiribati	1.25	1.36	(0.10)	(0.25)	(0.29)	(0.50)
Korea, Republic of	(528.82)	(1,756.33)	(19.32)	(20.47)	(26.23)	(30.40)
Kyrgyz Republic	41.56	25.10	35.76	21.35	11.19	5.70
Lao People's Democratic Republic	37.35	72.84	60.70	62.37	14.58	(5.93)
Malaysia	(49.20)	(52.99)	(66.85)	(37.11)	(51.10)	(53.20)
Maldives	2.21	3.66	3.63	5.18	0.38	9.00
Marshall Islands	5.53	(0.26)	(0.73)	(2.85)	(1.71)	(3.96)
Micronesia, Federated States of	2.55	1.24	1.94	2.83	2.27	(0.63)
Mongolia	32.93	20.56	13.36	11.34	16.14	33.23
Myanmar	(0.25)	–	–	–	–	–
Nauru	0.35	–	–	–	(2.32)	(0.13)
Nepal	17.48	(2.79)	56.46	37.87	(14.33)	(6.91)
Pakistan	(107.34)	242.91	461.01	574.13	1,415.35	491.44
Papua New Guinea	(8.00)	(9.52)	(35.45)	(36.13)	(13.52)	10.21
Philippines	(170.50)	(118.94)	268.45	45.88	195.01	919.66
Samoa	(0.79)	(0.35)	(1.99)	(2.47)	(1.81)	1.61
Singapore	–	–	–	–	–	–
Solomon Islands	(0.99)	1.16	2.35	1.70	(2.23)	(3.45)
Sri Lanka	98.36	122.70	73.38	42.53	119.62	107.48
Taipei, China	–	–	–	–	–	–
Tajikistan	11.97	25.22	34.05	36.80	46.87	59.86
Thailand	(372.42)	(394.42)	(120.78)	(55.06)	(18.19)	(57.10)
Timor-Leste	–	–	–	–	–	–
Tonga	1.83	(1.37)	(1.46)	(1.55)	(1.63)	(1.59)
Turkmenistan	–	–	–	–	–	–
Tuvalu	0.66	0.06	1.14	1.07	0.28	0.07
Uzbekistan	37.02	69.49	27.54	12.78	9.52	87.74
Vanuatu	2.65	(0.93)	(1.08)	(1.28)	(1.74)	(1.98)
Viet Nam	208.66	181.62	132.13	166.40	172.69	1,016.66
Regional	0.31	(27.65)	14.35	8.02	18.18	(1.45)
TOTAL^b	(1,100.87)	(375.08)	2,151.98	3,198.02	4,300.42	5,988.72

– = nil, () = negative.

^a Net transfer of resources defined as loan disbursements less principal repayments/prepayments and interest/charges received. Includes private sector loans and net equity investments.^b Totals may not add up because of rounding.

Statistical Annex 23

ASIAN DEVELOPMENT FUND RESOURCES AND COMMITMENT AUTHORITY

ADF-CONTRIBUTED RESOURCES

(\$ million; as of 31 December 2009)

	Valued as of 31 December 2009 (\$ equivalent)	Change in 2009			Valued as of 31 December 2009	
		Addition (\$ equivalent)	Exchange Rate Adjustment (\$ equivalent)	Net Change (\$ equivalent)	(\$ equivalent)	(SDR equivalent) ^a
Australia	1,317.49	61.70	393.10	454.80	1,772.29	1,134.64
Austria	253.49	24.94	5.59	30.53	284.02	181.83
Belgium	232.94	6.73	4.93	11.66	244.60	156.60
Brunei Darussalam	9.50	1.14	0.04	1.18	10.68	6.84
Canada	1,620.66	43.33	249.07	292.40	1,913.06	1,224.76
China, People's Republic of	28.00	8.05	—	8.05	36.05	23.08
Denmark	264.26	0.55	5.78	6.33	270.59	173.23
Finland	146.64	0.29	2.95	3.24	149.89	95.96
France	1,359.36	34.06	27.35	61.41	1,420.77	909.59
Germany	1,931.74	61.52	39.77	101.29	2,033.03	1,301.56
Hong Kong, China	54.46	6.03	—	6.03	60.49	38.73
Indonesia	14.96	—	—	0.00	14.96	9.58
Ireland	32.47	9.10	0.77	9.87	42.34	27.11
Italy	915.63	—	18.42	18.42	934.05	597.99
Japan	15,759.89	419.90	(340.22)	79.68	15,839.57	10,140.63
Korea, Republic of	217.59	27.50	30.97	58.47	276.06	176.74
Luxembourg	47.82	0.99	1.00	1.99	49.81	31.89
Malaysia	12.43	1.29	0.25	1.54	13.97	8.94
Nauru	1.93	—	—	0.00	1.93	1.24
The Netherlands	798.35	25.08	15.08	40.16	838.51	536.82
New Zealand	100.33	0.16	24.96	25.12	125.45	80.31
Norway	183.44	9.22	39.38	48.60	232.04	148.55
Portugal	93.71	6.12	2.03	8.15	101.86	65.21
Singapore	9.13	—	0.21	0.21	9.34	5.98
Spain	379.21	26.94	8.16	35.10	414.32	265.25
Sweden	279.19	12.53	24.79	37.32	316.51	202.63
Switzerland	444.56	11.22	10.65	21.87	466.43	298.61
Taipei, China	60.99	4.70	—	4.70	65.69	42.06
Thailand	9.02	0.81	0.41	1.22	10.23	6.55
Turkey	108.00	1.50	0.03	1.53	109.52	70.12
United Kingdom	868.02	41.84	99.31	141.15	1,009.17	646.08
United States	3,489.20	98.01	—	98.01	3,587.21	2,296.56
TOTAL	31,044.41	945.23	664.79	1,610.04	32,654.45	20,905.67

SDR = special drawing rights.

a SDR equivalent of the US dollar amount valued at \$1.56199 per SDR as of 31 December 2009.

ADF COMMITMENT AUTHORITY

(\$ million; as of 31 December 2009)

	2008	2009
Carryover of ADFVII Commitment Authority ^a	124.43	
Carryover of ADF IX Commitment Authority ^b		123.74
ADF X Contributions		837.61
ADF IX Contributions	2,976.46	112.82 ^c
ADF VIII Contributions	161.62	8.32 ^d
Reflow-based Resources	3,895.73	3,345.78 ^e
OCR Net Income Transfer	160.00	120.00
Savings and Cancellations	1,133.27	314.38
Credits from Accelerated Note Encashment Program	62.97	
Less: Provision for Disbursement Risk ^f	158.42	
Provision for Foreign Exchange Volatility ^g	15.23	
Total ADF X Commitment Authority	8,371.29	4,862.65
Less: Loans and Grants Committed	8,248.68	3,129.45
ADF Commitment Authority Available for Future Commitments	122.61 ^b	1,733.20

ADF = Asian Development Fund, OCR = ordinary capital resources.

Note: Totals may not add up because of rounding.

a The US dollar equivalent of SDR80.4 million at the year-end exchange rate.

b The US dollar equivalent of SDR79.2 million at the year-end exchange rate which reflects the cumulative commitment authority for ADF IX.

c Represents the balance of the third installment and 27.59% of the fourth installment payment of the United States. Amounts withheld due to the pro rata exercise have been released correspondingly.

d Represents the 99.16% of Austria's fourth installment payment which was released and made available for operational commitment.

e Includes the (i) liquidity drawdown of SDR1.1 billion, and (ii) additional liquidity of SDR270.0 million released from the foreign exchange provision.

f Amount applied to contribution and net income transfer received prior to the adoption of the new ADF Financial Framework in December 2007.

g Represents an allowance used to cover the shortfall in the commitment authority due to exchange rate fluctuation during the last 3 months of ADF IX.

Statistical Annex 24

TECHNICAL ASSISTANCE SPECIAL FUND

(\$ thousand; as of 31 December 2009)

	Total Contributions	Amount Utilized
Direct Voluntary Contributions		
Australia	2,484	2,484
Austria	159	159
Bangladesh	47	47
Belgium	1,394	1,394
Canada	3,346	3,346
China, People's Republic of	1,600	1,600
Denmark	1,963	1,963
Finland	237	237
France	1,697	1,697
Germany	3,315	3,315
Hong Kong, China	100	100
India	3,511	3,511
Indonesia	250	250
Italy	774	774
Japan	47,710	47,710
Korea, Republic of	1,900	1,900
Malaysia	909	909
The Netherlands	1,338	1,338
New Zealand	1,096	1,096
Norway	3,279	3,279
Pakistan	1,736	1,736
Singapore	1,100	1,100
Spain	190	190
Sri Lanka	6	6
Sweden	862	862
Switzerland	1,035	1,035
Taipei, China	200	200
United Kingdom	5,617	5,617
United States	1,500	1,500
Subtotal	89,355	89,355
Regularized Replenishment Contributions^a	720,643	495,442
Transfer to Asian Development Fund	(3,472)	(3,472)
Allocation from OCR Net Income^b	909,728	812,221
Subtotal	1,626,899	1,304,191
TOTAL	1,716,254	1,393,546

() = negative, OCR = ordinary capital resources.

a Represents Technical Assistance Special Fund (TASF) portion of contributions to the replenishment of the Asian Development Fund and the TASF authorized by Board of Governors' Resolutions 182, 214, 300, and 333 at historical values.

b Includes income, repayments, and reimbursements to the TASF since 1980, including investment holding gains (losses).

Statistical Annex 25

JAPAN SPECIAL FUND—Regular and Supplementary Contributions

Statement of Activities and Change in Net Assets

(\$ million)

	1988–2003 ^a	2004	2005	2006	2007	2008	2009	Total
Contributions Committed	852.6	24.2	27.3	24.5	27.7	17.4	–	973.7
Revenue	132.3	4.3	7.1	10.7	12.0	6.6	1.2	174.2
Total	984.9	28.5	34.4	35.2	39.7	24.0	1.2	1,147.9
Transfer to Cooperation Fund for Regional Trade and Financial Security Initiative	–	(1.0)	–	–	–	–	–	(1.0)
Expenses	806.8	19.7	35.9	51.1	33.7	55.1	39.2	1,041.5
Exchange Gain (Loss)	(25.5)	1.2	(0.8)	(0.1)	–	0.2	(0.1)	(25.1)
Translation Adjustments	(12.5)	–	–	–	–	–	–	(12.5)
Change in Net Assets	140.1	9.0	(2.3)	(16.0)	6.0	(30.9)	(38.1)	67.8

– = nil, () = negative.

a Prior years' amounts have been restated to conform with the 1995 presentation.

Statistical Annex 26

JAPAN SPECIAL FUND—Asian Currency Crisis Support Facility

Statement of Activities and Change in Net Assets

(\$ million)

	1999–2004	2005	2006	2007	2008	2009	Total
Contributions Committed	241.0 ^a	–	–	–	–	–	241.0
Revenue	3.3	1.1	1.7	1.8	1.1	0.2	9.2
Total	244.3	1.1	1.7	1.8	1.1	0.2	250.2
Transfer to Japan Fund for Poverty Reduction	(90.0)	–	–	–	–	–	(90.0)
Interest Payment Assistance Written Back	33.2	–	–	–	–	–	33.2
Expenses	130.6	(0.8)	(0.4)	–	(0.4)	(0.2)	128.8
Exchange Gain (Loss)	(1.7)	–	–	–	–	–	(1.7)
Translation Adjustments	(26.3)	–	–	–	–	–	(26.3)
Change in Net Assets	28.9	1.9	2.1	1.8	1.5	0.4	36.6

– = nil, () = negative.

a A guarantee facility is provided under the Asian Currency Crisis Support Facility for which the Government of Japan has made available noninterest-bearing, nonnegotiable notes in the amount of 360 billion yen, encashable by ADB at any time to meet a call on any guarantee. In the absence of any concluded guarantee, the note was returned to the Government of Japan on 25 March 2002.

Statistical Annex 27

JAPAN FUND FOR POVERTY REDUCTION, 2009

Project Name	Amount (\$ thousand)
Bangladesh	
Developing Inclusive Insurance Sector	2,000
Cambodia	
Piloting the Post-Harvest Technology and Skills Bridging Program for Rural Poor	2,000
India	
Capacity Building and Livelihood Enhancement of Poor Water Users	2,000
Indonesia	
Rice Fortification for the Poor	2,000
Lao People's Democratic Republic	
Developing Model Healthy Villages in Northern Lao People's Democratic Republic	3,000
Mongolia	
Reducing Persistent Chronic Malnutrition in Children in Mongolia	2,000
Protecting the Health Status of the Poor during the Financial Crisis	3,000
Early Childhood Education for Rural, Nomadic, and Migrant Children	2,890
Demonstration Project for Improved Electricity Services to the Low-Income Communities in Rural Areas	2,400
Nepal	
Establishing Women and Children Service Centers	750
Capacity Building for the Promotion of Legal Identity Among the Poor in Nepal	2,000
Flour Fortification in Chakki Mills	1,800
Papua New Guinea	
Extending the Socioeconomic Benefits of an Improved Road Network to Roadside Communities	2,000
Sri Lanka	
Improving Connectivity to Support Livelihoods and Gender Equality	3,000
Timor-Leste	
Our Roads Our Future – Supporting Local Governance and Community-Based Infrastructure Works	3,000
Viet Nam	
Formalizing Microfinance Institutions	1,500
TOTAL	35,340

Statistical Annex 28

PROJECTS WITH ADB-ADMINISTERED GRANT FINANCING, 2009 APPROVALS

Project Name		Amount (\$ thousand)	
		Technical Assistance	Project Component
BILATERAL TRUST FUNDS			
Australia			
CAM	Greater Mekong Subregion Rehabilitation of the Railway in Cambodia		21,500.00
CAM	Outcome Monitoring and Procurement Review	400.00	
KIR	Tarawa Sanitation Improvement	500.00	
LAO	Updating the National Water Policy and Strategy (Supplementary)	300.00	
LAO	Small Towns Water Supply and Sanitation Sector		5,300.00
SAM	Water Supply, Sanitation and Drainage	500.00	
SOL	Transport Sector Development	250.00	
SOL	Road Improvement (Sector) (Supplementary)		207.00
SOL	Road Improvement (Sector)		1,873.00
SOL	Second Road Improvement (Sector)		4,500.00
SRI	North East Community Restoration and Development II (Supplementary)		7,280.00
VAN	Port Vila Urban Development	750.00	
VIE	Central Mekong Delta Region Connectivity (Supplementary)	240.00	
VIE	Climate Change Impact and Adaptation Study in the Mekong Delta	800.00	
REG	Implementation of the GMS Cross-Border Transport Agreement (Supplementary)	935.00	
REG	Enhancing Engagement with Pacific Developing Member Countries (Supplementary)	1,440.00	
REG	Preparing a Response in the Pacific to High Prices (Supplementary)	84.73	
REG	Establishment of the Pacific Infrastructure Advisory Center	1,800.00	
REG	Private Sector Development Initiative (Supplementary)	160.00	
REG	Pacific Private Sector Development Initiative Phase II	9,000.00	
	Subtotal	17,159.73	40,660.00
Australia–Carbon Capture and Storage Fund under the Clean Energy Financing Partnership Facility			
PRC	Carbon Dioxide Capture and Storage Demonstration – Strategic Analysis and Capacity Strengthening	1,000.00	
REG	Carbon Dioxide Capture and Storage Demonstration in Developing Countries – Analysis of Key Policy Issues and Barriers	350.00	
	Subtotal	1,350.00	
Austria			
REG	Sustainable Fuel Partnership Study: Exploring and Innovative Market Scheme to Advance Sustainable Transport and Fuel Security	300.00	
	Subtotal	300.00	
Belgium			
VIE	Skills Enhancement (Supplementary)	59.70	
	Subtotal	59.70	
Canada			
BAN	Second Primary Education Development Program (Supplementary)		30,000.00
	Subtotal		30,000.00
Canada–Canadian Cooperation Fund on Climate Change			
REG	Strengthening the Capacity of Pacific Developing Member Countries to Respond to Climate Change (Phase 1)	325.00	
	Subtotal	325.00	
Denmark			
REG	Enhancing Gender Equality Results in South Asia Developing Member Countries	120.00	
	Subtotal	120.00	
Finland			
CAM	Tonle Sap Technology Demonstration for Productivity Enhancement	2,700.00	
CAM	Tonle Sap Poverty Reduction and Smallholder Development		5,748.00
LAO	Small and Mini Hydroelectric Development	1,000.00	
REG	Implementation of the Technical Support Facility under the Carbon Market Initiative (Supplementary)	1,000.00	
	Subtotal	4,700.00	5,748.00
France			
REG	Greater Mekong Subregion Phnom Penh Plan for Development Management III	900.00	
	Subtotal	900.00	

BAN = Bangladesh, CAM = Cambodia, KIR = Kiribati, LAO = Lao People's Democratic Republic, PRC = People's Republic of China, REG = regional, SAM = Samoa, SOL = Solomon Islands, SRI = Sri Lanka, VAN = Vanuatu, VIE = Viet Nam.

CONTINUED

		Amount (\$ thousand)	
	Project Name	Technical Assistance	Project Component
India			
REG	Creation of the Pacific Information Superhighway with the University of the South Pacific Network	1,000.00	
	Subtotal	1,000.00	
Japan-Asian Clean Energy Fund under the Clean Energy Financing Partnership Facility			
MON	Ulaanbaatar Clean Air	500.00	
PHI	Philippine Energy Efficiency		1,500.00
THA	Lamthakong Wind Farm	160.00	
THA	Chaiyapun Wind Farm Development	160.00	
	Subtotal	820.00	1,500.00
Japan-Investment Climate Facilitation Fund under the Regional Cooperation and Integration Financing Partnership Facility			
REG	ASEAN+3 Regional Guarantee and Investment Mechanism (Phase 3)	1,375.00	
REG	Enhancing Effective Regulation of Water and Energy Infrastructure and Utility Services (Supplementary)	400.00	
REG	South Asia Strategic Framework for Aid for Trade Road Map	600.00	
REG	Achieving Urban Water Security for South Asia	850.00	
	Subtotal	3,220.00	
Republic of Korea			
REG	Economics of Climate Change and Low Carbon Growth Strategies in Northeast Asia	800.00	
	Subtotal	800.00	
Republic of Korea e-Asia and Knowledge Partnership Fund			
ARM	Institutional Modernization to Improve the Business Environment	500.00	
CAM	Tonle Sap Technology Demonstrations for Productivity Enhancement	500.00	
IND	India Municipal Finance Study	500.00	
INO	Strengthening Indonesia's Economic Early Warning System	500.00	
MON	Road Database Development Using Geographic Information System	500.00	
MON	Capacity Building Program on Clean Development Mechanism	500.00	
REG	Establishment of e-Systems in Support of Infrastructure in Asia	500.00	
REG	Greater Mekong Subregion Phnom Penh Plan for Development Management III (2nd Supplementary)	500.00	
REG	Partnership for Good Governance and Knowledge on Urban Water Management	500.00	
REG	Governance and Capacity Development Initiative (Phase 2)	500.00	
REG	Improving Public Services through Information and Communication Technology	500.00	
REG	Information and Communication Technology-Based Inclusive Growth and Poverty Reduction in the Pacific	500.00	
	Subtotal	6,000.00	
Luxembourg			
CAM	Implementation of Subprogram 4 of the Financial Sector Program II	500.00	
	Subtotal	500.00	
The Netherlands			
BAN	Emergency Disaster Damage Rehabilitation (Sector) (Supplementary)		24,000.00
	Subtotal		24,000.00
The Netherlands Trust Fund for the Water Financing Partnership Facility			
PRC	Strengthening Flood Management Sustainability in Hunan Province (Supplementary)	60.00	
VIE	Than Hoa City Comprehensive Socioeconomic Development		800.00
REG	Knowledge and Innovation Support for ADB's Water Financing Program (Supplementary)	300.00	
	Subtotal	360.00	800.00
New Zealand			
REG	Aviation Legislative and Regulatory Review (Supplementary)	132.00	
REG	Preparing a Response in the Pacific to High Prices (Supplementary)	10.00	
	Subtotal	142.00	
People's Republic of China Regional Cooperation and Poverty Reduction Fund			
CAM	Capacity Development for National Economic Policy Analysis and Development Management, Phase III	500.00	
REG	Transboundary Animal Disease Control for Poverty Reduction in the GMS (Supplementary)	200.00	
REG	Implementing the Greater Mekong Subregion Human Resource Development Strategic Framework and Action Plan	500.00	

ARM = Armenia; ASEAN+3 = Association of Southeast Asian Nation plus the People's Republic of China, Japan, and the Republic of Korea; BAN = Bangladesh; CAM = Cambodia; IND = India; INO = Indonesia; MON = Mongolia; PHI = Philippines; PRC = People's Republic of China, REG = regional; THA = Thailand; VIE = Viet Nam.

Project Name		Amount (\$ thousand)	
		Technical Assistance	Project Component
REG	Deposit Insurance Establishment	500.00	
REG	Capacity Development in Results-Based Monitoring and Evaluation for Countries under the Asian Development Bank's Central Asia Regional Economic Cooperation Program	500.00	
REG	Central Asia Regional Economic Cooperation: Working with the Private Sector in Trade Facilitation	500.00	
REG	Asia Pacific Procurement Partnership Initiative	500.00	
	Subtotal	3,200.00	
Sweden			
REG	Rolling Out Air Quality Management in Asia (Supplementary)	12.22	
REG	Managing Climate Impacts on Health in Water and Agriculture Sectors and Disaster Risk Reduction	140.00	
	Subtotal	152.22	
Switzerland			
BAN	Post-Literacy and Continuing Education (Supplementary)		2,500.00
	Subtotal		2,500.00
United Kingdom			
AFG	Water Resources Development Investment Program – Tranche 1		3,300.00
REG	Regional Economics of Climate Change in South Asia Part II: Adaptation and Impact Assessment	700.00	
	Subtotal	700.00	3,300.00
United Kingdom–ADB Partnership for India 2009–2013			
IND	Advanced Project Preparedness for Poverty Reduction – Madhya Pradesh State Roads III (Subproject 1)	600.00	
IND	Advanced Project Preparedness for Poverty Reduction – Support for the Jawaharlal Nehru National Urban Renewal Mission (Phase II) (Subproject 2)	2,200.00	
IND	Advanced Project Preparedness for Poverty Reduction – Capacity Development for Sustainable Coastal Protection and Management (Subproject 3)	200.00	
IND	Advanced Project Preparedness for Poverty Reduction – Capacity Development of Bihar Power Sector Entities (Subproject 4)	500.00	
	Subtotal	3,500.00	
United States			
TAJ	Regional Customs Modernization and Infrastructure Development		1,600.00
	Subtotal		1,600.00
MULTIDONOR COOPERATION FUNDS/PARTNERSHIPS			
Multidonor Trust Fund under the Clean Energy Financing Partnership Facility			
PRC	Municipal Waste to Energy	653.00	
NEP	Energy Access and Efficiency Improvement		4,200.00
SRI	Demand-Side Management for Municipal Street Lighting	800.00	
REG	Promoting Access to Renewable Energy in the Pacific	3,000.00	
	Subtotal	4,453.00	4,200.00
Cooperation Fund for Fighting HIV/AIDS in Asia and the Pacific			
IND	Addressing Social and Health Issues Associated with Road Improvement in Selected North Eastern States (Assam, Meghalaya, Mizoram, Manipur, and Nagaland)	1,475.00	
	Subtotal	1,475.00	
Cooperation Fund in Support of Managing for Development Results			
REG	Mainstreaming Managing for Development Results in Support of Poverty Reduction in South Asia (Supplementary)	100.00	
	Subtotal	100.00	
Cooperation Fund for the Water Sector			
REG	Promoting Effective Water Management Policies and Practices 5	583.00	
	Subtotal	583.00	
European Commission			
SOL	Emergency Assistance (Supplementary)		4,040.00
SOL	Second Road Improvement (Sector)		3,340.00
	Subtotal		7,380.00

AFG = Afghanistan, BAN = Bangladesh, CAM = Cambodia, GMS = Greater Mekong Subregion, IND = India, NEP = Nepal, PRC = People's Republic of China, REG = regional, SRI = Sri Lanka, TAJ = Tajikistan.

CONTINUED

Project Name		Amount (\$ thousand)	
		Technical Assistance	Project Component
Financial Sector Development Partnership Fund			
REG	Bond Financing for Infrastructure Projects in the ASEAN+3 Region (Supplementary)	340.00	
	Subtotal	340.00	
Gender and Development Cooperation Fund			
PRC	Women's Economic Empowerment Pilot Project		195.00
LAO	Small Towns Water Supply and Sanitation Sector		500.00
PHI	Enhancing Midwives' Entrepreneurial and Financial Literacy		400.00
REG	Promoting Gender Equality and Women's Empowerment (Supplementary)	1,000.00	
	Subtotal	1,000.00	1,095.00
Global Environment Facility			
PHI	Integrated Natural Resources and Environmental Management Sector Development Program (Supplementary)	291.00	
PHI	Agusan River Basin Integrated Water Resources Management	250.00	
PRC	Integrated Renewable Biomass Energy Development (Supplementary)	210.00	
PRC	Management and Policy Support to Combat Land Degradation	2,727.46	
PRC	Silk Road Ecosystem Restoration (Supplementary)	335.00	
PRC	Shaanxi Qinling Biodiversity Conservation and Demonstration		4,270.00
PRC	Integrated Ecosystem and Water Resources Management in the Baiyangdian Basin		2,930.00
REG	Regional Cooperation on Knowledge Management, Policy, and Institutional Support to the Coral Triangle Initiative	1,200.00	
	Subtotal	5,013.46	7,200.00
International Fund for Agricultural Development			
CAM	Tonle Sap Poverty Reduction and Smallholder Development		6,690.00
LAO	Sustainable Natural Resource Management and Productivity Enhancement		15,000.00
	Subtotal		21,690.00
Islamic Financial Services Board			
REG	Development of Prudential and Supervision Standards for Islamic Financial Markets	425.00	
	Subtotal	425.00	
Nordic Development Fund			
REG	Managing the Cities in Asia (Supplementary)	530.00	
	Subtotal	530.00	
Public-Private Infrastructure Advisory Facility			
NEP	Kathmandu Valley Water Distribution, Sewerage and Urban Development (Supplementary)	273.00	
	Subtotal	273.00	
Multidonor Trust Fund under the Water Financing Partnership Facility			
BAN	Second Chittagong Hill Tracts Rural Development	265.00	
IND	Water Users Association Empowerment for Improved Irrigation Management in Chhattisgarh (Supplementary)	550.00	
KGZ	Issyk-Kul Sustainable Development	700.00	
PAK	Punjab Cities Improvement Investment Program	400.00	
PHI	Pasig River Catchment Sewerage	300.00	
PRC	Strategy for Drought Management	230.00	
PRC	Shanxi Small Cities and Towns Development Demonstration Sector		250.00
PRC	Liaoning Small Cities and Towns Development Demonstration Sector		250.00
PRC	Climate Change Adaptation through Groundwater Management		500.00
PRC	Hebei Small Cities and Towns Development Demonstration Sector		250.00
VIE	Than Hoa City Comprehensive Socioeconomic Development		1,200.00
SRI	Supporting Capacity Development for Wastewater Management Services in Colombo	150.00	
UZB	Water Supply and Sanitation Services	850.00	
REG	Knowledge and Innovation Support for ADB's Water Financing Program (Supplementary)	1,200.00	
	Subtotal	4,645.00	2,450.00
TOTAL		64,146.11	154,123.00

BAN = Bangladesh, CAM = Cambodia, IND = India, INO = Indonesia, KGZ = Kyrgyz Republic, LAO = Lao People's Democratic Republic, NEP = Nepal, PAK = Pakistan, PHI = Philippines, PRC = People's Republic of China, REG = regional, SOL = Solomon Islands, SRI = Sri Lanka, UZB = Uzbekistan, VIE = Viet Nam.

Statistical Annex 29

CONTRACTS AWARDED BY COUNTRY OF ORIGIN,^a 2009

PROJECT LOANS—ORDINARY CAPITAL RESOURCES (amounts in \$ million)

	Goods, Related Services, and Civil Works		Consulting Services		Total Procurement	
	Amount	% Distribution	Amount	% Distribution	Amount	% Distribution
Australia	—	—	6.43	6.69	6.43	0.14
Austria	3.76	0.09	—	—	3.76	0.08
Azerbaijan	37.06	0.85	0.09	0.09	37.15	0.84
Bangladesh	26.52	0.61	—	—	26.52	0.60
Belgium	2.19	0.05	—	—	2.19	0.05
Canada	0.68	0.02	3.12	3.25	3.80	0.09
China, People's Republic of	1,371.78	31.58	0.28	0.29	1,372.06	30.90
Fiji Islands	12.41	0.29	—	—	12.41	0.28
France	13.73	0.32	3.52	3.66	17.25	0.39
Germany	32.81	0.76	5.71	5.94	38.52	0.87
Hong Kong, China	—	—	—	—	—	—
India	1,415.20	32.57	49.28	51.30	1,464.48	32.98
Indonesia	123.42	2.84	2.32	2.42	125.74	2.83
Italy	64.33	1.48	1.26	1.31	65.59	1.48
Japan	40.36	0.93	2.06	2.14	42.42	0.96
Kazakhstan	122.35	2.82	—	—	122.35	2.76
Korea, Republic of	595.46	13.71	1.70	1.77	597.16	13.45
Malaysia	39.82	0.92	—	—	39.82	0.90
Mongolia	2.27	0.05	—	—	2.27	0.05
The Netherlands	0.08	0.00	—	—	0.08	0.00
New Zealand	0.16	0.00	1.63	1.70	1.79	0.04
Pakistan	124.25	2.86	0.86	0.90	125.11	2.82
Papua New Guinea	14.59	0.34	—	—	14.59	0.33
Philippines	26.39	0.61	0.26	0.27	26.65	0.60
Singapore	2.59	0.06	—	—	2.59	0.06
Spain	9.18	0.21	0.11	0.11	9.29	0.21
Sri Lanka	36.56	0.84	5.65	5.88	42.21	0.95
Sweden	1.15	0.03	—	—	1.15	0.03
Switzerland	5.12	0.12	0.99	1.03	6.11	0.14
Taipei, China	5.42	0.12	—	—	5.42	0.12
Thailand	—	—	—	—	—	—
Turkey	22.69	0.52	—	—	22.69	0.51
United Kingdom	0.33	0.01	3.97	4.13	4.30	0.10
United States	8.17	0.19	4.61	4.80	12.78	0.29
Uzbekistan	12.10	0.28	0.37	0.39	12.47	0.28
Viet Nam	171.53	3.95	1.84	1.92	173.37	3.90
TOTAL	4,344.46	100.00	96.06	100.00	4,440.52	100.00

— = nil, 0.00 = % is less than 0.01.

a Represents the country of origin where the goods are mined, produced, grown, and/or manufactured based on US dollar value equivalent of contract.

Statistical Annex 30

CONTRACTS AWARDED BY COUNTRY OF ORIGIN,^a 2009

PROJECT LOANS—ASIAN DEVELOPMENT FUND (amounts in \$ million)

	Goods, Related Services, and Civil Works		Consulting Services		Total Procurement	
	Amount	% Distribution	Amount	% Distribution	Amount	% Distribution
Afghanistan	9.40	0.77	—	—	9.40	0.68
Armenia	34.50	2.84	0.16	0.10	34.66	2.52
Australia	1.35	0.11	2.63	1.64	3.98	0.29
Austria	9.80	0.81	1.69	1.06	11.49	0.84
Azerbaijan	2.84	0.23	—	—	2.84	0.21
Bangladesh	159.43	13.13	17.96	11.23	177.39	12.91
Bhutan	3.76	0.31	0.01	0.01	3.77	0.27
Cambodia	17.87	1.47	1.60	1.00	19.47	1.42
Canada	1.09	0.09	0.88	0.55	1.97	0.14
China, People's Republic of	76.61	6.31	—	—	76.61	5.57
Denmark	—	—	9.45	5.91	9.45	0.69
Finland	—	—	3.22	2.01	3.22	0.23
France	0.04	0.00	2.51	1.57	2.55	0.19
Georgia	31.28	2.58	—	—	31.28	2.28
Germany	10.97	0.90	2.96	1.85	13.93	1.01
Hong Kong, China	0.01	0.00	—	—	0.01	0.00
India	141.83	11.68	3.25	2.03	145.08	10.56
Indonesia	77.91	6.42	20.46	12.79	98.37	7.16
Italy	1.04	0.09	—	—	1.04	0.08
Japan	7.44	0.61	3.58	2.24	11.02	0.80
Kazakhstan	0.06	0.00	—	—	0.06	0.00
Korea, Republic of	108.65	8.95	—	—	108.65	7.91
Kyrgyz Republic	3.57	0.29	0.22	0.14	3.79	0.28
Lao People's Democratic Republic	15.09	1.24	0.46	0.29	15.55	1.13
Malaysia	2.68	0.22	—	—	2.68	0.20
Maldives	6.81	0.56	0.03	0.02	6.84	0.50
Micronesia, Federated States of	0.75	0.06	—	—	0.75	0.05
Mongolia	11.31	0.93	0.18	0.11	11.49	0.84
Myanmar	—	—	0.07	0.04	0.07	0.01
Nepal	39.93	3.29	4.25	2.66	44.18	3.22
The Netherlands	0.39	0.03	0.20	0.13	0.59	0.04
New Zealand	6.08	0.50	20.67	12.93	26.75	1.95
Pakistan	73.69	6.07	26.34	16.47	100.03	7.28
Papua New Guinea	8.80	0.72	0.04	0.03	8.84	0.64
Philippines	0.42	0.03	—	—	0.42	0.03
Samoa	0.21	0.02	—	—	0.21	0.02
Singapore	1.01	0.08	—	—	1.01	0.07
Spain	0.32	0.03	22.15	13.85	22.47	1.64
Sri Lanka	82.85	6.82	3.26	2.04	86.11	6.27
Sweden	0.11	0.01	—	—	0.11	0.01
Switzerland	1.21	0.10	0.16	0.10	1.37	0.10
Taipei, China	0.53	0.04	—	—	0.53	0.04
Tajikistan	15.94	1.31	0.01	0.01	15.95	1.16
Thailand	0.97	0.08	—	—	0.97	0.07
Turkey	2.15	0.18	—	—	2.15	0.16
United Kingdom	3.39	0.28	2.05	1.28	5.44	0.40
United States	15.19	1.25	1.87	1.17	17.06	1.24
Uzbekistan	21.32	1.76	1.72	1.08	23.04	1.68
Vanuatu	0.05	0.00	—	—	0.05	0.00
Viet Nam	203.61	16.77	5.88	3.68	209.49	15.24
TOTAL^b	1,214.26	100.00	159.92	100.00	1,374.18	100.00

— = nil, 0.00 = % is less than 0.01.

^a Represents the country of origin where the goods are mined, produced, grown, and/or manufactured based on US dollar value equivalent of contract.^b Totals may not add up because of rounding.

Statistical Annex 31

CONTRACTS AWARDED BY COUNTRY OF ORIGIN,^a 2009

PROJECT LOANS—ORDINARY CAPITAL RESOURCES AND ASIAN DEVELOPMENT FUND COMBINED (amounts in \$ million)

	Goods, Related Services, and Civil Works		Consulting Services		Total Procurement	
	Amount	% Distribution	Amount	% Distribution	Amount	% Distribution
Afghanistan	9.40	0.17	—	—	9.40	0.16
Armenia	34.50	0.62	0.16	0.06	34.66	0.60
Australia	1.35	0.02	9.07	3.54	10.42	0.18
Austria	13.56	0.24	1.69	0.66	15.25	0.26
Azerbaijan	39.90	0.72	0.09	0.04	39.99	0.69
Bangladesh	185.95	3.35	17.96	7.01	203.91	3.51
Belgium	2.19	0.04	—	—	2.19	0.04
Bhutan	3.76	0.07	0.01	0.00	3.77	0.06
Cambodia	17.87	0.32	1.60	0.62	19.47	0.33
Canada	1.77	0.03	4.01	1.57	5.78	0.10
China, People's Republic of	1,448.39	26.06	0.28	0.11	1,448.67	24.91
Denmark	—	—	9.45	3.69	9.45	0.16
Fiji Islands	12.41	0.22	—	—	12.41	0.21
Finland	—	—	3.22	1.26	3.22	0.06
France	13.76	0.25	6.04	2.36	19.80	0.34
Georgia	31.28	0.56	—	—	31.28	0.54
Germany	43.78	0.79	8.67	3.39	52.45	0.90
Hong Kong, China	0.01	0.00	—	—	0.01	0.00
India	1,557.03	28.01	52.53	20.52	1,609.56	27.68
Indonesia	201.33	3.62	22.78	8.90	224.11	3.85
Italy	65.38	1.18	1.26	0.49	66.64	1.15
Japan	47.80	0.86	5.64	2.20	53.44	0.92
Kazakhstan	122.42	2.20	—	—	122.42	2.11
Korea, Republic of	704.11	12.67	1.70	0.66	705.81	12.14
Kyrgyz Republic	3.57	0.06	0.22	0.09	3.79	0.07
Lao People's Democratic Republic	15.09	0.27	0.46	0.18	15.55	0.27
Malaysia	42.50	0.76	—	—	42.50	0.73
Maldives	6.81	0.12	0.03	0.01	6.84	0.12
Micronesia, Federated States of	0.75	0.01	—	—	0.75	0.01
Mongolia	13.58	0.24	0.18	0.07	13.76	0.24
Myanmar	—	—	0.07	0.03	0.07	0.00
Nepal	39.93	0.72	4.25	1.66	44.18	0.76
The Netherlands	0.47	0.01	0.20	0.08	0.67	0.01
New Zealand	6.24	0.11	22.30	8.71	28.54	0.49
Pakistan	197.94	3.56	27.20	10.62	225.14	3.87
Papua New Guinea	23.39	0.42	0.04	0.02	23.43	0.40
Philippines	26.81	0.48	0.26	0.10	27.07	0.47
Samoa	0.21	0.00	—	—	0.21	0.00
Singapore	3.60	0.06	—	—	3.60	0.06
Spain	9.51	0.17	22.27	8.70	31.78	0.55
Sri Lanka	119.41	2.15	8.91	3.48	128.32	2.21
Sweden	1.26	0.02	—	—	1.26	0.02
Switzerland	6.32	0.11	1.15	0.45	7.47	0.13
Taipei, China	5.95	0.11	—	—	5.95	0.10
Tajikistan	15.94	0.29	0.01	0.00	15.95	0.27
Thailand	0.97	0.02	—	—	0.97	0.02
Turkey	24.84	0.45	—	—	24.84	0.43
United Kingdom	3.72	0.07	6.02	2.35	9.74	0.17
United States	23.35	0.42	6.48	2.53	29.83	0.51
Uzbekistan	33.42	0.60	2.10	0.82	35.52	0.61
Vanuatu	0.05	0.00	—	—	0.05	0.00
Viet Nam	375.13	6.75	7.72	3.02	382.85	6.58
TOTAL^b	5,558.71	100.00	256.03	100.00	5,814.74	100.00

— = nil, 0.00 = % is less than 0.01.

^a Represents the country of origin where the goods are mined, produced, grown, and/or manufactured based on US dollar value equivalent of contract.^b Totals may not add up because of rounding.

Statistical Annex 32

ESTIMATES OF PAYMENT TO SUPPLYING COUNTRIES FOR FOREIGN PROCUREMENT
UNDER PROGRAM LENDING,^a 2009

	Ordinary Capital Resources (OCR)		Asian Development Fund (ADF)		Combined OCR and ADF	
	\$ million	% Distribution	\$ million	% Distribution	\$ million	% Distribution
Afghanistan	3.33	0.09	1.20	0.14	4.53	0.10
Armenia	0.09	0.00	81.43	9.32	81.53	1.72
Australia	95.52	2.47	12.85	1.47	108.37	2.29
Austria	14.89	0.39	3.55	0.41	18.44	0.39
Azerbaijan	0.55	0.01	0.81	0.09	1.36	0.03
Bangladesh	5.46	0.14	1.64	0.19	7.10	0.15
Belgium	34.60	0.90	6.77	0.78	41.37	0.87
Bhutan	0.52	0.01	0.08	0.01	0.60	0.01
Brunei Darussalam	7.16	0.19	0.04	0.00	7.20	0.15
Cambodia	2.05	0.05	0.64	0.07	2.69	0.06
Canada	46.23	1.20	9.32	1.07	55.55	1.17
China, People's Republic of	683.81	17.70	182.14	20.84	865.95	18.28
Denmark	9.07	0.23	2.23	0.26	11.30	0.24
Fiji Islands	–	–	0.00	0.00	0.00	0.00
Finland	17.63	0.46	3.75	0.43	21.38	0.45
France	57.78	1.50	12.04	1.38	69.82	1.47
Georgia	0.00	0.00	79.87	9.14	79.87	1.69
Germany	141.50	3.66	31.97	3.66	173.46	3.66
Hong Kong, China	128.04	3.31	17.86	2.04	145.90	3.08
India	186.44	4.83	36.93	4.23	223.37	4.71
Indonesia	106.09	2.75	22.44	2.57	128.52	2.71
Ireland	25.71	0.67	0.89	0.10	26.61	0.56
Italy	59.66	1.54	15.64	1.79	75.30	1.59
Japan	464.41	12.02	61.78	7.07	526.19	11.11
Kazakhstan	0.60	0.02	2.39	0.27	3.00	0.06
Korea, Republic of	226.91	5.87	37.76	4.32	264.67	5.59
Kyrgyz Republic	–	–	1.09	0.12	1.09	0.02
Lao People's Democratic Republic	1.80	0.05	0.64	0.07	2.44	0.05
Luxembourg	0.53	0.01	0.14	0.02	0.67	0.01
Malaysia	181.87	4.71	31.86	3.64	213.73	4.51
Maldives	0.19	0.00	0.07	0.01	0.25	0.01
Myanmar	6.68	0.17	1.55	0.18	8.23	0.17
Nepal	3.02	0.08	0.44	0.05	3.46	0.07
The Netherlands	46.01	1.19	6.54	0.75	52.55	1.11
New Zealand	19.13	0.50	4.79	0.55	23.92	0.50
Norway	4.37	0.11	0.73	0.08	5.10	0.11
Pakistan	11.98	0.31	12.74	1.46	24.71	0.52
Papua New Guinea	4.66	0.12	0.01	0.00	4.67	0.10
Philippines	10.61	0.27	2.39	0.27	13.00	0.27
Portugal	0.71	0.02	0.18	0.02	0.89	0.02
Singapore	438.36	11.35	52.55	6.01	490.92	10.36
Solomon Islands	0.34	0.01	0.00	0.00	0.34	0.01
Spain	16.81	0.44	3.41	0.39	20.22	0.43
Sri Lanka	4.88	0.13	1.42	0.16	6.29	0.13
Sweden	29.51	0.76	6.56	0.75	36.07	0.76
Switzerland	45.41	1.18	9.42	1.08	54.82	1.16
Tajikistan	0.11	0.00	0.10	0.01	0.21	0.00
Thailand	171.79	4.45	36.30	4.15	208.10	4.39
Turkey	11.99	0.31	4.18	0.48	16.17	0.34
Turkmenistan	3.18	0.08	1.56	0.18	4.74	0.10
United Kingdom	73.12	1.89	17.48	2.00	90.60	1.91
United States	417.05	10.79	47.63	5.45	464.67	9.81
Uzbekistan	13.05	0.34	2.23	0.26	15.28	0.32
Vanuatu	0.18	0.00	–	–	0.18	0.00
Viet Nam	28.14	0.73	2.11	0.24	30.26	0.64
TOTAL	3,863.51	100.00	874.15	100.00	4,737.66	100.00

– = nil, 0.00 = % is less than 0.01.

^a Estimates are based on import data drawn from the latest information available on borrowers' trade statistics compiled by the International Monetary Fund Direction of Trade Statistics.

Statistical Annex 33

CUMULATIVE CONTRACTS AWARDED BY COUNTRY OF ORIGIN

TECHNICAL ASSISTANCE OPERATIONS (amounts in \$ million, as of 31 December 2009)

	ADB's Own Resources	% Distri- bution	Administered Trust Funds	% Distri- bution	Japan Special Fund	% Distri- bution	Total Contracts Awarded	% Distri- bution
Afghanistan	1.454	0.10	1.682	0.28	0.243	0.03	3.379	0.11
Australia	179.101	12.41	74.543	12.52	131.877	13.95	385.521	12.92
Austria	1.592	0.11	0.176	0.03	0.934	0.10	2.702	0.09
Azerbaijan	0.511	0.04	0.248	0.04	0.021	0.00	0.780	0.03
Bangladesh	20.018	1.39	6.418	1.08	6.519	0.69	32.955	1.10
Belgium	5.254	0.36	1.165	0.20	2.260	0.24	8.679	0.29
Bhutan	0.557	0.04	0.221	0.04	0.163	0.02	0.941	0.03
Cambodia	2.778	0.19	3.224	0.54	0.480	0.05	6.482	0.22
Canada	105.559	7.32	49.149	8.26	68.917	7.29	223.625	7.50
China, People's Republic of	26.605	1.84	8.027	1.35	8.037	0.85	42.669	1.43
Cook Islands	0.101	0.01	0.258	0.04	—	—	0.359	0.01
Denmark	12.937	0.90	5.045	0.85	18.657	1.97	36.639	1.23
Fiji Islands	1.601	0.11	1.306	0.22	0.365	0.04	3.272	0.11
Finland	10.367	0.72	6.433	1.08	9.631	1.02	26.431	0.89
France	34.246	2.37	19.918	3.35	23.303	2.47	77.467	2.60
Georgia	0.008	0.00	—	—	—	—	0.008	0.00
Germany	26.708	1.85	17.181	2.89	37.700	3.99	81.589	2.74
Hong Kong, China	32.67	2.26	7.954	1.34	22.022	2.33	62.646	2.10
India	67.58	4.68	28.367	4.77	29.599	3.13	125.546	4.21
Indonesia	19.481	1.35	13.588	2.28	12.295	1.30	45.364	1.52
Ireland	1.215	0.08	0.068	0.01	0.173	0.02	1.456	0.05
Italy	5.552	0.38	0.926	0.16	2.678	0.28	9.156	0.31
Japan	35.858	2.49	14.173	2.38	31.965	3.38	81.996	2.75
Kazakhstan	1.316	0.09	1.367	0.23	0.131	0.01	2.814	0.09
Kiribati	0.025	0.00	0.043	0.01	0.008	0.00	0.076	0.00
Korea, Republic of	6.035	0.42	2.026	0.34	4.028	0.43	12.089	0.41
Kyrgyz Republic	1.786	0.12	0.787	0.13	0.218	0.02	2.791	0.09
Lao People's Democratic Republic	3.431	0.24	2.024	0.34	1.030	0.11	6.485	0.22
Luxembourg	—	—	0.095	0.02	0.080	0.01	0.175	0.01
Malaysia	13.344	0.92	1.607	0.27	4.438	0.47	19.389	0.65
Maldives	0.118	0.01	0.056	0.01	0.026	0.00	0.200	0.01
Marshall Islands	0.204	0.01	0.180	0.03	0.010	0.00	0.394	0.01
Micronesia, Federated States of	0.007	0.00	—	—	0.018	0.00	0.025	0.00
Mongolia	1.879	0.13	0.840	0.14	0.825	0.09	3.544	0.12
Myanmar	0.94	0.07	0.697	0.12	0.011	0.00	1.648	0.06
Nauru	0.031	0.00	0.008	0.00	0.002	0.00	0.041	0.00
Nepal	12.308	0.85	6.264	1.05	3.260	0.34	21.832	0.73
The Netherlands	25.095	1.74	24.889	4.18	30.468	3.22	80.452	2.70
New Zealand	70.581	4.89	20.101	3.38	66.723	7.06	157.405	5.28
Norway	5.415	0.38	4.565	0.77	3.403	0.36	13.383	0.45
Pakistan	28.816	2.00	14.224	2.39	3.852	0.41	46.892	1.57
Palau	0.017	0.00	—	—	—	—	0.017	0.00
Papua New Guinea	1.299	0.09	0.471	0.08	1.539	0.16	3.309	0.11
Philippines	106.806	7.40	29.021	4.88	35.534	3.76	171.361	5.74
Portugal	0.154	0.01	0.026	0.00	0.099	0.01	0.279	0.01
Samoa	0.859	0.06	0.041	0.01	0.868	0.09	1.768	0.06
Singapore	19.649	1.36	6.937	1.17	10.702	1.13	37.288	1.25
Solomon Islands	0.550	0.04	0.183	0.03	0.217	0.02	0.950	0.03
Spain	7.291	0.51	3.911	0.66	1.014	0.11	12.216	0.41
Sri Lanka	14.111	0.98	4.202	0.71	3.908	0.41	22.221	0.74
Sweden	7.690	0.53	6.179	1.04	10.187	1.08	24.056	0.81
Switzerland	15.300	1.06	6.634	1.11	13.813	1.46	35.747	1.20
Taipei, China	1.075	0.07	0.069	0.01	2.710	0.29	3.854	0.13
Tajikistan	0.603	0.04	1.229	0.21	0.162	0.02	1.994	0.07
Thailand	14.596	1.01	9.059	1.52	12.040	1.27	35.695	1.20
Timor-Leste	0.978	0.07	0.178	0.03	0.102	0.01	1.258	0.04
Tonga	0.759	0.05	0.029	0.00	0.138	0.01	0.926	0.03
Turkey	0.421	0.03	0.282	0.05	0.048	0.01	0.751	0.03
Turkmenistan	0.138	0.01	0.048	0.01	—	—	0.186	0.01
Tuvalu	0.061	0.00	—	—	0.003	0.00	0.064	0.00
United Kingdom	186.04	12.90	73.892	12.41	138.255	14.63	398.187	13.35
United States	266.938	18.50	93.441	15.70	173.987	18.41	534.366	17.91
Uzbekistan	1.656	0.11	0.620	0.10	0.811	0.09	3.087	0.10
Vanuatu	0.759	0.05	0.009	0.00	1.202	0.13	1.970	0.07
Viet Nam	4.939	0.34	6.537	1.10	3.362	0.36	14.838	0.50
Regional	3.294	0.23	8.332	1.40	3.120	0.33	14.746	0.49
International Organizations	23.207	1.61	4.067	0.68	4.899	0.52	32.173	1.08
Others	0.417	0.03	—	—	—	—	0.417	0.01
TOTAL	1,442.69	100.00	595.24	100.00	945.09	100.00	2,983.02	100.00

— = nil, 0.00 = % is less than 0.01.

Statistical Annex 34

CONTRACTS AWARDED BY COUNTRY OF ORIGIN, 2007–2009

TECHNICAL ASSISTANCE OPERATIONS (amounts in \$ million)

	2007		2008		2009	
	Amount	%	Amount	%	Amount	%
Afghanistan	0.85	0.46	0.26	0.17	0.31	0.17
Armenia	0.23	0.12	0.10	0.06	0.07	0.04
Australia	32.33	17.46	23.72	15.62	28.66	15.63
Austria	–	–	0.08	0.05	0.18	0.10
Azerbaijan	–	–	0.01	0.01	0.01	0.00
Bangladesh	1.98	1.07	3.85	2.54	4.46	2.43
Belgium	0.07	0.04	0.37	0.24	0.63	0.35
Bhutan	0.10	0.06	0.09	0.06	0.15	0.08
Brunei Darussalam	–	–	–	–	–	–
Cambodia	0.37	0.20	0.77	0.51	0.37	0.20
Canada	10.63	5.74	8.84	5.82	8.94	4.87
China, People's Republic of	5.05	2.73	3.33	2.20	8.69	4.74
Cook Islands	–	–	0.10	0.06	0.13	0.07
Denmark	0.35	0.19	1.46	0.96	0.62	0.34
Fiji Islands	0.19	0.10	0.30	0.20	0.77	0.42
Finland	0.30	0.16	0.85	0.56	0.68	0.37
France	3.58	1.93	11.04	7.27	5.75	3.14
Georgia	–	–	–	–	–	–
Germany	1.39	0.75	8.84	5.82	3.72	2.03
Hong Kong, China	4.46	2.41	1.91	1.26	3.43	1.87
India	17.59	9.50	11.51	7.58	16.65	9.08
Indonesia	5.47	2.95	2.13	1.40	2.74	1.49
Ireland	0.12	0.06	0.05	0.03	0.82	0.45
Italy	0.11	0.06	0.29	0.19	0.39	0.21
Japan	3.52	1.90	6.13	4.04	9.69	5.28
Kazakhstan	0.17	0.09	0.12	0.08	0.13	0.07
Kiribati	0.02	0.01	–	–	0.02	0.01
Korea, Republic of	0.26	0.14	0.45	0.30	1.26	0.69
Kyrgyz Republic	0.16	0.08	0.22	0.14	0.58	0.32
Lao People's Democratic Republic	0.83	0.45	0.19	0.12	0.35	0.19
Luxembourg	–	–	–	–	0.13	0.07
Malaysia	1.48	0.80	1.90	1.25	0.80	0.43
Maldives	0.04	0.02	–	–	0.01	0.01
Marshall Islands	0.04	0.02	0.04	0.03	0.01	0.01
Micronesia, Federated States of	–	–	–	–	–	–
Mongolia	0.32	0.17	0.20	0.13	0.40	0.22
Myanmar	0.22	0.12	–	–	–	–
Nauru	–	–	–	–	0.02	0.01
Nepal	2.97	1.60	2.06	1.35	2.94	1.60
The Netherlands	2.17	1.17	0.95	0.63	8.67	4.73
New Zealand	7.91	4.27	8.74	5.75	6.66	3.63
Norway	0.12	0.06	0.11	0.07	0.13	0.07
Pakistan	4.78	2.58	4.15	2.73	2.99	1.63
Palau	0.02	0.01	–	–	–	–
Papua New Guinea	0.08	0.05	0.28	0.18	0.15	0.08
Philippines	11.74	6.34	6.80	4.48	10.81	5.89
Portugal	0.07	0.04	–	–	0.05	0.02
Samoa	0.03	0.02	0.01	0.00	–	–
Singapore	2.31	1.25	0.88	0.58	3.07	1.67
Solomon Islands	0.18	0.10	0.12	0.08	0.05	0.03
Spain	1.03	0.56	1.53	1.00	2.46	1.34
Sri Lanka	1.96	1.06	0.65	0.43	1.08	0.59
Sweden	2.79	1.51	1.71	1.13	1.08	0.59
Switzerland	0.24	0.13	0.19	0.13	5.75	3.14
Taipei, China	–	–	0.66	0.44	–	–
Tajikistan	0.94	0.51	0.04	0.03	0.10	0.05
Thailand	2.62	1.41	1.19	0.78	0.81	0.44
Timor-Leste	0.03	0.02	0.11	0.07	–	–
Tonga	0.03	0.01	0.06	0.04	0.42	0.23
Turkey	0.04	0.02	0.10	0.06	–	–
Turkmenistan	0.04	0.02	–	–	0.01	0.01
Tuvalu	–	–	–	–	–	–
United Kingdom	15.39	8.31	12.57	8.28	17.93	9.78
United States	26.87	14.51	16.84	11.09	15.18	8.28
Uzbekistan	0.72	0.39	0.26	0.17	0.61	0.33
Vanuatu	0.01	0.00	–	–	0.01	0.01
Viet Nam	2.23	1.20	2.10	1.38	0.85	0.46
Regional	5.67	3.06	–	–	–	–
International Organizations	–	–	0.59	0.39	–	–
TOTAL	185.17	100.00	151.83	100.00	183.40	100.00

– = nil, 0.00 = % is less than 0.01.

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