

U.K. MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**U.K. MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**U.K. MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

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

PRICING SUPPLEMENT



**ASIAN DEVELOPMENT BANK
GLOBAL MEDIUM-TERM NOTE PROGRAM**

Series No.: 1539-00-2

**COP600,000,000,000 11.20 per cent. Notes due 31 January 2025
payable in United States dollars**

Issue price: 100 per cent.

Manager

Morgan Stanley

The date of this Pricing Supplement is 27 July 2023.

This pricing supplement (the “Pricing Supplement”) is issued to give details of an issue of COP600,000,000,000 11.20 per cent. Notes due 31 January 2025 payable in United States dollars (the “Notes”) by the Asian Development Bank (“ADB”) under its Global Medium-Term Note Program and to provide information supplemental to the Prospectus referred to below.

This Pricing Supplement supplements the terms and conditions of the Notes set forth in the Prospectus dated 9 December 2020 (as amended and supplemented and together with the documents incorporated by reference therein, the “Prospectus”) and should be read in conjunction with the Prospectus. Unless otherwise defined in this Pricing Supplement, capitalized terms used herein have the meanings given to them in the Prospectus.

The issue of the Notes was authorized pursuant to a global borrowing authorization of the Board of Directors of ADB dated 7 December 2022.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The Notes are not required to be and have not been registered under the U.S. Securities Act of 1933, as amended. The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission or any state securities commission nor has the Commission or any state securities commission passed upon the accuracy or adequacy of this Pricing Supplement. Any representation to the contrary is a criminal offense in the United States.

The distribution of this Pricing Supplement or the Prospectus and the offer and sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Pricing Supplement or the Prospectus comes are required by ADB and the Manager to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of Notes and on the distribution of this Pricing Supplement or the Prospectus, see “Plan of Distribution” in the Prospectus.

The Notes are not the obligation of any government.

TERMS AND CONDITIONS

The following items are the particular terms and conditions of the Notes to which this Pricing Supplement relates. In case of any conflict between such terms and conditions and the terms and conditions set forth in the Prospectus, the terms and conditions set forth in this Pricing Supplement shall govern.

General Provisions

1. Issuer: Asian Development Bank (“ADB”).
2. Series Number: 1539-00-2.
3. (i) Specified Currency (Condition 1(c)): Colombian Peso (“COP”), being the lawful currency of the Republic of Colombia.
- (ii) Specified Principal Payment Currency if different from Specified Currency (Condition 1(c)): United States dollars (“U.S.\$” or “U.S. dollars”).
- (iii) Specified Interest Payment Currency if different from Specified Currency (Condition 1(c)): U.S. dollars.
- (iv) Alternative Currency (Condition 7(i)) (if applicable): Not applicable.
4. Aggregate Nominal Amount: COP600,000,000,000 payable in U.S.\$.
5. (i) Issue Price: 100 per cent. of the Aggregate Nominal Amount.
- (ii) Net proceeds: COP600,000,000,000 (payable in U.S.\$150,150,150.15 using the U.S.\$/COP exchange rate of 3,996).
6. Specified Denominations (Condition 1(a)): COP1,000,000 payable in U.S.\$.
7. (i) Issue Date (Condition 5(d)): 31 July 2023.
- (ii) Interest Commencement Date (if different from the Issue Date) (Condition 5(d)): Not applicable.

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| 8. | Maturity Date or Redemption Month (Condition 6(a)): | 31 January 2025, subject to the applicable Business Day Convention (which may be subject to adjustment under “ <u>Adjustments to Interest Payment Date, Early Redemption Date and Maturity Date</u> ” as set out in the Appendix). |
| 9. | Interest Basis (Condition 5): | Fixed Rate (Condition 5(a)) (further particulars specified below). |
| 10. | Redemption/Payment Basis (Condition 6(a)): | Redemption at par, provided that the Final Redemption Amount shall be payable in U.S.\$ determined in accordance with paragraph 23 below and the Appendix attached hereto. |
| 11. | Change of Interest or Redemption/Payment Basis: | Not applicable. |
| 12. | Put/Call Options (Conditions 6(e) and (f)): | Not applicable. |
| 13. | Status of the Notes (Condition 3): | Senior. |
| 14. | Listing: | Luxembourg Stock Exchange. |
| 15. | Method of distribution: | Non-syndicated. |

Provisions Relating to Interest Payable

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| 16. | Fixed Rate Note Provisions (Condition 5(a)): | Applicable. |
| (i) | Rate(s) of Interest: | 11.20 per cent. per annum, payable in arrear. |
| | | For avoidance of doubt, the interest payment per Specified Denomination shall be computed as follows: |
| | | (Specified Denomination x Rate of Interest x Day Count Fraction) with the entire amount rounded to the nearest second decimal place with COP0.005 being rounded upwards. Such amount shall be |

- converted to U.S.\$ in accordance with paragraph 16(xii) below.
- (ii) Interest Payment Date(s): The Maturity Date, subject to the applicable Business Day Convention (which may be subject to adjustment under “Adjustments to Interest Payment Date, Early Redemption Date and the Maturity Date” as set out in the Appendix).
- (iii) Interest Period End Date(s): The Maturity Date.
- (iv) Interest Period End Date(s) adjustment: Unadjusted.
- (v) Business Day Convention: Following Business Day Convention.
- (vi) Fixed Coupon Amount(s): COP168,000 per Specified Denomination payable in U.S.\$ on the Interest Payment Date, provided that the Fixed Coupon Amount shall be payable in U.S.\$ in accordance with paragraph 16(xii) below.
- (vii) Broken Amount(s): Not applicable.
- (viii) Relevant Financial Center: Bogotá.
- (ix) Additional Business Center(s) (Condition 5(d)): New York and London.
- (x) Day Count Fraction (Condition 5(d)): 30/360.
- (xi) Determination Date(s): Not applicable.
- (xii) Other terms relating to the method of calculating interest for Fixed Rate Notes: The interest payment will be paid on the relevant Interest Payment Date in U.S.\$ converted from COP at the applicable Reference Rate (as defined in the Appendix) on the relevant Reference Rate Fixing Date (as defined in the Appendix).
- The Fixed Coupon Amount per Specified Denomination payable in U.S.\$ shall be COP168,000 divided by the Reference Rate (as defined in the Appendix). Such

amount being rounded to the nearest cent, with U.S.\$0.005 being rounded upwards.

The resulting figure shall then be multiplied by the number of denominations (obtained by dividing the Aggregate Nominal Amount by the Specified Denomination) to arrive at the total Fixed Coupon Amount.

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| 17. Floating Rate Note Provisions (Condition 5(b)): | Not applicable. |
| 18. Zero Coupon/Deep Discount Note Provisions (Conditions 5(c) and 6(c)): | Not applicable. |
| 19. Index-Linked Interest Note Provisions: | Not applicable. |
| 20. Dual Currency Note Provisions: | Not applicable. |

Provisions Relating to Redemption

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| 21. Call Option (Condition 6(e)): | Not applicable. |
| 22. Put Option (Condition 6(f)): | Not applicable. |
| 23. Final Redemption Amount: | Aggregate Nominal Amount; <u>provided, however</u> , that the Final Redemption Amount will be paid on the Maturity Date in U.S.\$ converted from COP at the applicable Reference Rate (as defined in the Appendix) on the relevant Reference Rate Fixing Date (as defined in the Appendix). |

The Final Redemption Amount per Specified Denomination payable in U.S.\$ shall be: COP1,000,000 divided by the Reference Rate (as defined in the Appendix). Such amount being rounded to the nearest cent, with U.S.\$0.005 being rounded upwards.

The resulting figure shall then be multiplied by the number of denominations (obtained by dividing the Aggregate Nominal Amount by the Specified Denomination) to arrive at the total Final Redemption Amount payable on the Maturity Date.

- (i) Alternative Payment Mechanism (Conditions 7(a) and (c)): Not applicable.
- (ii) Long Maturity Note (Condition 7(f)): Not applicable.
- (iii) Variable Redemption Amount (Condition 6(d)): Not applicable.

24. Early Redemption Amount:

- (i) Early Redemption Amount(s) payable on an Event of Default (Condition 9) and/or the method of calculating the same (if required or if different from that set out in the Conditions): In the event that the Notes become due and payable as provided in Condition 9, the Early Redemption Amount with respect to each Specified Denomination will be a U.S.\$ amount equal to the Redemption Amount that is determined in accordance with “23. Final Redemption Amount” above plus accrued and unpaid interest, if any, as determined in accordance with “16. Fixed Rate Note Provisions (Condition 5(a))”; *provided* that for the purposes of such determination, the “Reference Rate Fixing Date” shall be the date that is no later than five (5) Valuation Business Days (as defined in the Appendix) prior to the date upon which the Notes become due and payable as provided in Condition 9.
- (ii) Unmatured Coupons to become void (Condition 7(f)): Not applicable.

Additional General Provisions Applicable to the Notes

25. Form of Notes: Registered Notes.

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| (i) | Definitive Registered Notes: | Registered Global Note available on Issue Date; not exchangeable for individual Definitive Registered Notes. |
| (ii) | New Safekeeping Structure (NSS Form): | No. |
| 26. | Talons for future Coupons to be attached to definitive Bearer Notes (and dates on which such Talons mature): | Not applicable. |
| 27. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of ADB to forfeit the Notes and interest due on late payment: | Not applicable. |
| 28. | Details relating to Installment Notes: | Not applicable. |
| 29. | Redenomination, renominalization and reconventioning provisions: | Not applicable. |
| 30. | Consolidation provisions: | Not applicable. |
| 31. | Other terms or special conditions: | Not applicable. |

Distribution

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| 32. | (i) If syndicated, names of Managers: | Not applicable. |
| | (ii) Stabilizing Manager (if any): | Not applicable. |
| | (iii) Commissions and Concessions: | 0.00 per cent. |
| 33. | If non-syndicated, name of Dealer: | Morgan Stanley & Co. International plc. |
| 34. | Additional selling restrictions: | <p>The following paragraph shall be deemed to be set out under the heading “Republic of Colombia” in the section entitled “Plan of Distribution” in the Prospectus:</p> <p>“The Dealer has represented, warranted and agreed that it has not offered, sold or</p> |

otherwise transferred and will not offer, sell or otherwise transfer the Notes as part of its initial distribution or at any time thereafter to or for the benefit of any person (including legal entities) resident, incorporated, established or having their usual residence in the Republic of Colombia or to any person located within the territory of the Republic of Colombia, unless to the extent otherwise permitted by the laws or regulations of the Republic of Colombia.”

Operational Information

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| 35. | (i) ISIN: | XS2656548943. |
| | (ii) CUSIP: | Not applicable. |
| | (iii) CINS: | Not applicable. |
| | (iv) Other: | Not applicable. |
| 36. | Common Code: | 265654894. |
| 37. | Details of benchmarks administrators and registration under Benchmarks Regulation: | Not applicable. |
| 38. | Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s): | Not applicable. |
| 39. | Delivery: | Delivery against payment. |
| 40. | Additional Paying Agent(s) (if any): | Not applicable. |
| 41. | Governing Law: | English. |
| 42. | Intended to be held in a manner which would allow Eurosystem eligibility: | Not applicable. |

Additional Information

The Notes are denominated in COP. Since the Republic of Colombia is not an ADB member country, ADB will not enjoy in the Republic of Colombia its usual rights, immunities, privileges and exemptions which are conferred upon ADB by the Agreement Establishing the Asian Development Bank and by statutes, laws and regulations of member countries. Such

privileges include immunity with respect to exchange controls and an exemption from withholding taxes with respect to payments on ADB's debt securities.

Listing Application

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the Global Medium-Term Note Program of ADB.

Material Adverse Change Statement

There has been no material adverse change in the financial position or prospects of ADB since the date of the financial statements included in the Information Statement of ADB, which was most recently published on 17 April 2023.

Responsibility

ADB accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Prospectus referred to above, contains all information that is material in the context of the issue of the Notes.

ASIAN DEVELOPMENT BANK

APPENDIX

Provisions Relating to U.S. Dollar Payments

The terms referenced below shall have the following specified meanings:

“Bogotá Business Day” means a day other than a Saturday or a Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Bogotá.

“Business Days for Payment” means a day other than a Saturday or a Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Bogotá, New York and London.

“Calculation Agent” means Morgan Stanley Capital Services LLC.

“Maximum Days of Postponement” means fourteen (14) calendar days.

“Price Source Disruption Event” means, it becomes impossible to obtain the COP02 (as defined below) on the Reference Rate Fixing Date (as defined below) (or, if different, the day on which rates for that Reference Rate Fixing Date would, in the ordinary course, be published or announced by the relevant price source). The Calculation Agent will in its sole discretion, acting in good faith and in a commercially reasonable manner, declare the occurrence of a Price Source Disruption Event on the Reference Rate Fixing Date.

“Reference Rate” means, in respect of a Reference Rate Fixing Date, the COP/U.S.\$ fixing rate for U.S.\$, expressed as the amount of COP per one U.S.\$, for settlement on the same day reported by the Superintendencia Financiera de Colombia (Colombian Financial Superintendency) on its webpage: (www.superfinanciera.gov.co) as the “Tasa Representativa del Mercado (TRM)” and published on Refinitiv Screen CO/COL03 Page opposite the caption “TCRM” below the heading “Hoy”, at approximately 5:00 p.m., Bogotá time, on the Reference Rate Fixing Date, but no later than 10:30 a.m., Bogotá time on the first Bogotá Business Day following the Reference Rate Fixing Date (“**COP02**”) (or such other page or service as may replace such page for the purposes of displaying the COP02), provided that the TCRM rate found on the website of the Colombian Financial Superintendency shall prevail in case of conflict with the COP02 rate published by Refinitiv, provided further that if a Price Source Disruption Event shall occur, the Calculation Agent shall apply the following procedures for the determination of the Reference Rate in respect of the Interest Payment Date, Maturity Date or other date on which an amount in respect of the Notes is due and payable in accordance with Condition 9 of the Prospectus (the “**Early Redemption Date**”), as the case may be, in the following order, until such Reference Rate can be determined:

- (i) Valuation Postponement as defined below; and
- (ii) Calculation Agent Determination of Reference Rate as set forth below.

The Calculation Agent shall notify the Issuer as soon as reasonably practicable that the Reference Rate is to be so determined.

If Annex A to the 1998 FX and Currency Option Definitions published by the International Swaps and Derivatives Association, Inc., the Emerging Markets Traders Association and the Foreign Exchange Committee (the “**FX Definitions**”) is amended such that COP02 is amended or replaced by a successor price source for the COP/U.S.\$ fixing rate in such Annex A to the FX Definitions (the “**Successor Price Source Definition**”), then the applicable COP/U.S.\$ fixing rate for the relevant Reference Rate Fixing Date will be determined in accordance with such Successor Price Source Definition.

“Reference Rate Fixing Date” means the relevant **Scheduled Reference Rate Fixing Date** (as defined below), provided:

(i) if such date is neither a Valuation Business Day (as defined below) nor an Unscheduled Holiday (as defined below), the Reference Rate Fixing Date shall be the first Valuation Business Day preceding the Scheduled Reference Rate Fixing Date;

(ii) in the event of an Unscheduled Holiday occurring on the Scheduled Reference Rate Fixing Date, the Reference Rate Fixing Date shall be the next succeeding Valuation Business Day; and

(iii) in the event that a Price Source Disruption Event occurs, the Reference Rate Fixing Date shall be subject to Valuation Postponement (as defined below).

In the event the Scheduled Reference Rate Fixing Date is postponed after the occurrence of an Unscheduled Holiday, and if the Reference Rate Fixing Date has not occurred on or before the 14th consecutive calendar day after the Scheduled Reference Rate Fixing Date (any such period being a “**Deferral Period**”), then the next day after the Deferral Period that would have been a Valuation Business Day but for the Unscheduled Holiday, shall be deemed to be the Reference Rate Fixing Date.

“Scheduled Reference Rate Fixing Date” means the date that is five (5) Valuation Business Days prior to the Interest Payment Date, Early Redemption Date or the Maturity Date, as the case may be, subject to adjustment in accordance with the Preceding Business Day Convention; provided however, that, in the event of an Unscheduled Holiday (as defined below), it is subject to adjustment in accordance with the Following Business Day Convention.

“Unscheduled Holiday” means a day that is not a Bogotá Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in Bogotá, two (2) Bogotá Business Days prior to the Reference Rate Fixing Date.

“Valuation Business Day” means a day other than a Saturday or a Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Bogotá and New York.

“Valuation Postponement” means, for purposes of obtaining the Reference Rate, that the Reference Rate will be determined by the Calculation Agent on the Valuation Business Day first succeeding the day on which the Price Source Disruption Event ceases to exist, unless the Price Source Disruption Event continues to exist (measured from the date, that, but for the occurrence of the Price Source Disruption Event, would have been the Scheduled Reference Rate Fixing Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Reference Rate will be determined on the next Valuation Business Day after the Maximum Days of Postponement in accordance with the Calculation Agent Determination of Reference Rate.

Adjustments to Interest Payment Date, Early Redemption Date and Maturity Date:

If a Scheduled Reference Rate Fixing Date is postponed as described in “Reference Rate Fixing Date” or “Reference Rate” above, then, in each such case, the Interest Payment Date, the Early Redemption Date or the Maturity Date relating to the Scheduled Reference Rate Fixing Date shall be as soon as practicable, but in no event later than five (5) Business Days for Payment after the date on which the Reference Rate is determined.

If any Interest Payment Date, Early Redemption Date or Maturity Date is adjusted in accordance with the preceding sentence, then such adjustment (and the corresponding payment obligations to be made on such dates) shall apply only to such Interest Payment Date, Early Redemption Date or Maturity Date, as applicable, and no further adjustment shall apply to the amount payable.

Calculation Agent Determination of Reference Rate

In the event that the Reference Rate cannot be determined pursuant to and within the time periods set forth in respect of the Valuation Postponement, then the Reference Rate shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, having taken into account relevant market practice.

Cumulative Events

Notwithstanding anything herein to the contrary, in no event shall the total number of consecutive calendar days during which either (i) valuation is deferred due to an Unscheduled Holiday, or (ii) a Valuation Postponement shall occur (or any combination of (i) and (ii)), exceed 14 consecutive calendar days in the aggregate. Accordingly, (x) if, upon the lapse of any such 14 day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period that otherwise would have been a Valuation Business Day, then such day shall be deemed to be the Reference Rate Fixing Date, and (y) if, upon the lapse of any such 14 day period, a Price Source Disruption Event shall have occurred or be continuing on the day following such period, then Valuation Postponement shall not apply and the Reference Rate shall be determined in accordance with the Calculation Agent Determination of Reference Rate.

ISSUER

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