

# Pricing Supplement

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Series No.: NZD-007-01-1

Tranche No.: 2



## ASIAN DEVELOPMENT BANK

### N.Z.\$5,000,000,000 Domestic Medium-Term Note Programme

Issue of

### N.Z.\$350,000,000 3.50 per cent. Notes due 30 May 2024

**(to be consolidated, form a single series and be fungible with the N.Z.\$250,000,000 3.50 per cent. Notes due 30 May 2024 issued on 30 May 2017)**

This Pricing Supplement (as referred to in the Information Memorandum dated 27 January 2010 and Deed Poll dated 27 January 2010 in relation to the above Programme) relates to the Tranche of Notes referred to above. The particulars to be specified in relation to such Tranche are as follows.

**The Issuer is not a registered bank in New Zealand pursuant to the Reserve Bank of New Zealand Act 1989. The Notes are not the obligations of any government and, in particular, are not guaranteed by the Government of New Zealand.**

This Pricing Supplement should be read in conjunction with the Conditions of the Notes as set out in the Information Memorandum.

1	Description of Notes:	Fixed Rate Notes
2	Issuer:	Asian Development Bank
3	Lead Managers and Dealers:	ANZ Bank New Zealand Limited Bank of New Zealand The Toronto-Dominion Bank
4	Registrar and Paying Agent:	Computershare Investor Services Limited
5	Type of Issue:	Underwritten sale

6	Currency:	
	(a) of Denomination	New Zealand dollars (N.Z.\$)
	(b) of payment	N.Z.\$
7	Aggregate principal amount of Tranche:	N.Z.\$350,000,000
8	If interchangeable with existing Series:	The Notes are to be consolidated, form a single series and be fungible with the N.Z.\$250,000,000 3.50 per cent. Notes due 30 May 2024 issued on 30 May 2017
9	Issue Date:	28 July 2017
10	Issue Price:	100.165895 per cent. of the aggregate principal amount of the Tranche plus N.Z.\$1,963,994.57 accrued interest from and including 30 May 2017 to but excluding the Issue Date
11	Denomination(s):	(a) Outside New Zealand, N.Z.\$1,000 and integral multiples thereof, and (b) within New Zealand, N.Z.\$100,000 and multiples of N.Z.\$1,000 thereafter, subject to the requirement that the amount payable by each person who subscribes for the Notes must be at least N.Z.\$750,000
12	Rating:	
	Programme Rating:	As at the date of this Pricing Supplement, the Programme has been rated AAA by S&P Global Ratings, a division of S&P Global Inc. (formerly Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc.), AAA by Fitch, Inc. and Aaa by Moody's Investors Service, Inc.
	Notes Rating:	As at the date of this Pricing Supplement, the Notes have been rated AAA by S&P Global Ratings, a division of S&P Global Inc., AAA by Fitch, Inc. and Aaa by Moody's Investors Service, Inc.
13	Business Day:	Wellington and Auckland
14	If the Notes are Fixed Rate Notes:	Condition 6 shall apply
	Fixed coupon amount:	The amount of interest payable to each Noteholder will be calculated by applying the Interest Rate to the outstanding nominal amount held by that Noteholder, multiplying such sum by the Day Count Fraction, and rounding the resultant figure to the nearest sub-unit being rounded upwards or otherwise in accordance with the applicable market convention. The Interest Rate is fixed and will remain the same from the Issue Date until the Maturity Date.
	Interest Rate:	3.50 per cent. per annum payable semi-annually in arrear

	Interest Commencement Date, if not the Issue Date:	30 May 2017
	Interest Payment Dates:	30 May and 30 November in each year, beginning 30 November 2017, up to and including the Maturity Date
	Interest Period End Dates:	30 May and 30 November in each year, beginning 30 November 2017, up to and including the Maturity Date, with no adjustment
	Business Day Convention:	
	(a) for Interest Payment Dates:	Following
	(b) for Maturity Date:	Following
	(c) for Interest Period End Dates:	No adjustment
	(d) for any other dates:	Following
	Day Count Fraction:	NZ Govt Bond Basis
15	Redemption Amount:	Redemption at par
16	Early Redemption Amount:	Not applicable
17	Early Redemption Date (Call):	Not applicable
18	Early Redemption Date (Put):	Not applicable
19	Maturity Date:	30 May 2024
20	Record Date:	10 calendar days before the relevant Interest Payment Date or, if not a Business Day, the immediately preceding Business Day
21	Listing:	Not applicable
22	Any Clearing System other than the NZClear System:	Euroclear and Clearstream
23	ISIN:	NZADBBDT007C4
24	Common Code:	162303058
25	Modification to selling restrictions:	The New Zealand selling restriction set out in clause 2 of Schedule 5 of the Programme Agreement is changed for the purpose of clause 7.4 of the Programme Agreement as set out in the Schedule to this Pricing Supplement.

For the purposes of paragraph (a) of the section of the Information Memorandum entitled "Documents Incorporated by Reference", the statements in the section of the Information Memorandum entitled "Selling Restrictions – New Zealand" are amended and supplemented as set out in the Schedule to this Pricing Supplement.

26 Recent Developments:

On 6 May 2017, ADB's Board of Governors approved the following with respect to its 2016 reported net loss of U.S.\$11.2 million after appropriation of guarantee fees to the special reserve:

- a. U.S.\$14.6 million, representing the adjustment to the loan loss reserve as of 31 December 2016, be added from the net income to the loan loss reserve;
- b. U.S.\$513.9 million, representing the ASC 815/825 adjustments and the unrealized portion of net income from equity investments accounted for under the equity method, for the year ended 31 December 2016, be added from the cumulative revaluation adjustments account;
- c. U.S.\$123.7 million be allocated to the ordinary reserve;
- d. U.S.\$259.4 million be allocated to the Asian Development Fund;
- e. U.S.\$60.0 million be allocated to the Technical Assistance Special Fund;
- f. U.S.\$20.0 million be allocated to the Asia Pacific Disaster Response Fund;
- g. U.S.\$15.0 million be allocated to the Climate Change Fund; and
- h. U.S.\$10.0 million be allocated to the Regional Cooperation and Integration Fund.

## Schedule – New Zealand selling restriction

The Notes must not be offered for sale or subscription in New Zealand in breach of the Financial Markets Conduct Act 2013 (the **FMC Act (N.Z.)**). Notes may not be offered or sold except in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. No offering document in respect of any Notes may be published, delivered, or distributed in or from any country or jurisdiction except under the circumstances that will result in compliance with all applicable laws and regulations. The Issuer does not intend that the Notes be offered for sale or subscription in New Zealand as a “regulated offer” within the meaning of the FMC Act (N.Z.). Accordingly, no product disclosure statement has been prepared or will be lodged in terms of the FMC Act (N.Z.), and no person may, directly or indirectly, subscribe for, offer, sell, transfer, deliver or distribute any Information Memorandum, information, advertisement or other offering material relating to the Notes, in breach of the FMC Act (N.Z.).

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (A) it has not offered, sold or transferred, and will not offer, sell or transfer, directly or indirectly, any Notes; and
- (B) it has not distributed, and will not distribute, directly or indirectly, the Information Memorandum, the relevant Pricing Supplement, any other offering memorandum or document or any advertisement in relation to any offer of the Notes,

in each case in New Zealand, other than:

- (a) to persons who are “wholesale investors” within the meaning of clause 3(2)(a), (c) or (d) or 3(3)(b) of Schedule 1 to the FMC Act (N.Z.), being persons who fall within one or more of the following categories of “wholesale investor”:
  - (i) a person who is required to pay a minimum subscription price of at least N.Z.\$750,000 for the Notes (disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or the Issuer) before the issue, sale or transfer of those Notes; or
  - (ii) a person who is:
    - (A) an “investment business”;
    - (B) “large”; or
    - (C) a “government agency”,in each case, as defined in Schedule 1 to the FMC Act (N.Z.); or
- (b) in other circumstances where there is no contravention of the FMC Act (N.Z.) (provided that Notes may not be offered, sold or transferred to any person that is a “wholesale investor” under the FMC Act (N.Z.) solely because that person is an “eligible investor” (as defined in clause 41 of Schedule 1 of the FMC Act (N.Z.)) or that person meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act (N.Z.)).

In addition, each Dealer will be required to represent and agree that Notes may only be transferred to persons who hold a certificate of exemption from resident withholding tax in New Zealand, a copy of which has been submitted to the Registrar.