



Asian Development Bank
A\$5,000,000,000
Australian Dollar Domestic
Medium Term Note Programme
Information Memorandum

*The Asian Development Bank is not a bank which is authorised
under the Banking Act 1959 of Australia*

*The Notes are not the obligations of any government and, in
particular, are not guaranteed by the Commonwealth of Australia*

*As Notes are offered by the Asian Development Bank only as an
offer that would not require disclosure to investors under Part 6D.2
of the Corporations Act 2001 of Australia (the “Corporations Act”)
and in compliance with the terms of Asian Development Bank’s
exemption from compliance with section 66 of the Banking Act
1959 of Australia, the Notes are issued in the denomination of
A\$500,000 or (if a larger principal amount) an integral multiple of
such other amount specified in the relevant Pricing Supplement
provided that the consideration payable by each person who
subscribes for Notes must be at least A\$500,000 (disregarding
moneys lent by the offeror or its associates) unless the Notes are
otherwise issued in a manner which would not require disclosure to
investors under Part 6D.2 of the Corporations Act 2001 of
Australia*

Arrangers

Royal Bank of Canada
Westpac Banking Corporation

The date of this information memorandum is 20 November 2006

Important Notice

This Information Memorandum relates solely to a Medium Term Note Programme (“**Programme**”) established for Asian Development Bank (“**Issuer**”), under which Medium Term Notes (“**Notes**”) may be issued up to a maximum aggregate amount of A\$5,000,000,000 (as that amount may be increased from time to time by the Issuer).

Date and currency of this Information Memorandum

This Information Memorandum has been prepared by the Issuer as at the Preparation Date (as defined below). The delivery of the Information Memorandum at any time after the Preparation Date does not imply the information contained in it is accurate, timely and complete at any time subsequent to the Preparation Date. Accordingly, neither the delivery of this Information Memorandum, nor any offer or issue of Notes, implies or should be relied upon as a representation or warranty that there has been no change since the Preparation Date in the affairs or financial condition of the Issuer or that the information contained in it is correct at any time after the Preparation Date.

Limited responsibility for information

This Information Memorandum has been prepared by and issued with the authority of the Issuer. The Issuer accepts responsibility for it.

The only role of the Arrangers (as defined in the “Programme Summary”) in the preparation of this Information Memorandum has been to confirm to the Issuer that the information as to their identity under the heading “Programme Summary” and their respective descriptions under the heading “Directory” are accurate as at the Preparation Date. The only role of the Registrar (as defined in the “Programme Summary”) in the preparation of this Information Memorandum has been to confirm to the Issuer that the information under its description under the heading “Directory” is accurate as at the Preparation Date. Apart from the foregoing, the Arrangers and the Registrar make no representation or warranty, express or implied, as to and assume no responsibility or liability for the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions in, any information, statement, opinion or forecast contained in this Information Memorandum or in any accompanying, previous or subsequent material or presentation.

Listing

Application will be made for Notes to be issued pursuant to the Programme to be listed on the Australian Stock Exchange. As at the Preparation Date, Notes which are listed on the Australian Stock Exchange will not be transferred through or registered on the Clearing House Electronic Subregister System (“**CHESS**”) although this may take place in the future.

No other material authorised

The Issuer has not authorised any person to give any information or make any representations in connection with the offering of the Notes other than those contained in this Information Memorandum. Any information or representation not contained in this Information Memorandum or as otherwise authorised in writing by the Issuer, must not be relied upon as having been authorised by or on behalf of the Issuer, the Arrangers, the Registrar, any Lead Manager or any Dealers.

No waiver of privileges and immunities

The issuance and distribution of this Information Memorandum and any offering and sale of the Notes is not a waiver by the Issuer or by any of its members, governors, alternate governors, executive directors, alternate executive directors, officers or employees of any other rights, immunities, privileges or exemptions conferred upon any of them by the Agreement Establishing the Asian Development Bank (“**Charter**”) or by any statute, law or regulation of any member of the Issuer or any political subdivision of any member, all of which are expressly reserved.

Not a bank

The Issuer is not a bank which is authorised under the Banking Act 1959 of the Commonwealth of Australia.

Intending purchasers to make independent investment decision and obtain tax advice

The information contained in this Information Memorandum is not a recommendation or a statement of opinion (or a report of either of those things) by the Issuer, the Arrangers, the Registrar, any Lead Manager or any Dealers that any person acquire Notes or any rights in respect of any Notes. Intending purchasers should:

- determine for themselves the relevance of the information contained in this Information Memorandum and must base their investment decision solely upon such independent assessment and investigation as they consider necessary; and
- consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.

The Arrangers, each Lead Manager, the Registrar and each Dealer do not undertake to review the financial condition or affairs of the Issuer at any time or to advise any holder of a Note of any information coming to their attention with respect to the Issuer.

Distribution to professional investors only

This Information Memorandum has been prepared on a confidential basis for institutions whose ordinary business includes the buying or selling of securities. This Information Memorandum is not intended for and should not be distributed to any other person. Its contents may not be reproduced or used in whole or in parts for any purpose other than in connection with the Programme, nor furnished to any other person without the express written permission of the Issuer.

Distribution and selling restrictions

The distribution and use of this Information Memorandum, and the offer or sale of the Notes, may be restricted by law in certain jurisdictions and intending purchasers should inform themselves about them and observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of the Notes and on distribution of this Information Memorandum, any Pricing Supplement or other offering material relating to the Notes see the “Selling Restrictions” section of this Information Memorandum. The Issuer, the Arrangers, each Lead Manager, each Dealer and the Registrar do not represent that this document may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering.

In particular, no action has been taken by any of those parties which would permit a public offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations and the Dealers have represented that they will comply with the laws of all applicable jurisdictions. Persons into whose possession this Information Memorandum or any Notes come must inform themselves about, and observe, any such restrictions. In particular, a person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Notes, nor distribute this Information Memorandum except if the offer or invitation complies with all applicable laws and regulations.

Stabilisation

In connection with any issue of Notes, the Dealer (if any) designated as stabilising manager in the relevant Pricing Supplement may over-allot or effect transactions outside Australia which stabilise or maintain the market price of the Notes of the relevant Series at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time. Such stabilising shall be in compliance with all relevant laws and regulations. Such stabilising activities are not permitted on a market operated in Australia.

Distribution arrangements

The Issuer has agreed to pay the Registrar fees for undertaking its role and reimburse it for certain of its expenses incurred in connection with the Programme. The Issuer may also agree to pay each Dealer a commission in respect of the Notes subscribed by it and has agreed to indemnify each Dealer against certain liabilities described in the Programme Agreement (as defined in the Programme Summary).

References to ratings

There are references in this Information Memorandum to credit ratings. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

Disclosure of interest

The Arrangers, each Lead Manager and each Dealer disclose that they, their subsidiaries, directors and employees:

- may have pecuniary or other interests in the securities mentioned in this Information Memorandum, and may also have interests pursuant to other arrangements; and
- will receive fees, brokerage and commissions, and may act as principal in any dealings in the Notes.

Documents incorporated by reference

Certain documents are incorporated in and deemed to form part of this Information Memorandum (see “Documents Incorporated by Reference”).

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of this Information Memorandum, shall be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Copies of documents incorporated by reference are available free of charge from the Issuer at its specified office as set out under the heading “Directory”.

Preparation Date

In this Important Notice section, “**Preparation Date**” means:

- in relation to this Information Memorandum, the date indicated on its face or, if the Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to financial statements incorporated in this Information Memorandum, the date up to or as at the date on which the financial statements relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release.

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Programme Summary

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and in conjunction with the relevant Pricing Supplement and, to the extent applicable, the Terms and Conditions of the Notes. Unless otherwise defined in this Programme Summary or the Important Notice, each capitalised term referred to in this Programme Summary has the meaning given to it in the Terms and Conditions of the Notes.

Issuer	Asian Development Bank.
Programme:	A non-underwritten revolving domestic medium term note program.
Arrangers:	Royal Bank of Canada (ABN 86 076 940 880) Westpac Banking Corporation (ABN 33 007 457 141)
Dealers:	Dealers will be appointed from time to time in accordance with the Programme Agreement dated 13 February 2006 for the Programme as supplemented by a Supplemental Programme Agreement dated 20 November 2006 (“ Programme Agreement ”).
Lead Manager:	The Issuer may appoint, in relation to any Tranche or Series of Notes, one or more Dealers as the Lead Manager of that Tranche or Series and the details of the appointment will be specified in the relevant Pricing Supplement and Subscription Agreement.
Registrar:	Reserve Bank of Australia or such other registrar as may be appointed.
Programme Limit:	A\$5,000,000,000. The Programme Limit may be increased by the Issuer from time to time.
Status:	The Notes of each series constitute direct and unsecured obligations of the Issuer ranking pari passu without any preference among themselves and with all other unsecured and unsubordinated obligations of the Issuer.
Governing law:	The Notes and all related documentation will be governed by the laws of New South Wales.
Use of Proceeds:	The net proceeds of any issue of Notes will be included in the ordinary capital resources of the Issuer and used in its ordinary operations.
Term:	The term of the Programme continues for a period of 30 years from the date of this Information Memorandum or, if earlier, until terminated by the Issuer. For the avoidance of doubt, the Issuer may issue Notes with any tenor, as specified in the relevant Pricing Supplement, (but not less than 365 days) on any date prior to the termination of the Programme.
Taxation:	Each payment (whether in respect of principal, interest or otherwise) will be subject to any fiscal or other laws and regulations applicable thereto.

As at the date of this Information Memorandum, payments of principal, interest and other amounts by the Issuer to the Registrar on any Note to be issued under the Programme are not subject to, and may be made without withholding or deduction for, or on account of, any tax or duty of whatever nature imposed or levied by or on behalf of the Commonwealth of Australia or any authority thereof having power to tax.

Payments in respect of the Notes will be made without gross-up for any present or future taxes, duties, assessments or governmental charges whatsoever.

Investors should obtain their own taxation advice regarding the taxation status of investing in Notes.

See also the “Australian Taxation” section of this Information Memorandum.

Rating:

As at the date of this Information Memorandum this Programme has been rated AAA by 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.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

Form:

Notes will be issued in inscribed form. They will be constituted by a Deed Poll made by the Issuer and dated 13 February 2006 and will take the form of entries on a register (“**Register**”) maintained by the Registrar. No certificate or other evidence of title will be issued. The Notes of any Series may be described as “Notes”, “Bonds”, “Instruments” or by any other marketing name specified in the relevant Pricing Supplement. There is no trustee for the holders of Notes.

Issuance in Series:

Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that:

- the issue date and the amount of the first payment of interest may be different in respect of different Tranches of a Series; and
- a Series may comprise Notes in more than one denomination.

Title:

Entry of the name of a person in the Register in respect of a Note constitutes the obtaining or passing of title to the Note and is conclusive evidence that the person so entered is the owner of the Note.

Denominations:

Notes will be issued in minimum denominations of A\$500,000 or (if a larger principal amount) an integral multiple of such other amount

specified in the relevant Pricing Supplement provided that the consideration payable to the Issuer is not less than A\$500,000.

Tenor: As specified in the relevant Pricing Supplement, but not less than 365 days.

Issue Price: Notes may be issued at any price on a fully or partly paid basis, as specified in the relevant Pricing Supplement.

Settlement Price: As specified in the relevant Pricing Supplement or as otherwise agreed between the parties.

Interest: Notes may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed or variable rate and may vary during the life of a Series.

Interest Payment Dates: Interest (if any) is payable on the date(s) specified in the relevant Pricing Supplement.

Transfer Procedure: The minimum aggregate price payable on each transfer of Notes (or any interest in them) which is subject to the Corporations Act must be at least A\$500,000 (disregarding moneys lent by the offeror or its associates) or the transfer must be otherwise effected in a manner which constitutes an offer that does not require disclosure to investors under Part 6D.2 of the Corporations Act and complies with the Banking (Exemption) Order No. 82 promulgated by the Banking Act 1959 of the Commonwealth of Australia, as if it applied to the Issuer *mutatis mutandis*. Banking (Exemption) Order No. 82 does not apply to transfers which occur outside Australia. Transfers must be made in a manner which will comply with all applicable laws.

Application for the transfer of Notes not in the Austraclear System must be made by lodgement of a duly completed and (if applicable) stamped transfer and acceptance form with the Registrar. Transfer and acceptance forms are obtainable from the Registrar. A transfer takes effect upon the transferee's name being entered in the Register.

Interests in Notes which have been entered in the Austraclear system will be transferred only in accordance with the rules and regulations of the Austraclear system.

Marking: A holder of Notes may request the Registrar to mark a transfer and acceptance form which has been completed by the holder as transferor.

Such marking will only be recognised by the Registrar for 42 days from and including the date of marking.

Payments: Payments of principal and interest under a Note will be made to the person whose name appears in the Register as a holder of the Note either to an account in Australia or an address in Australia and will be made by cheque or by transfer to an account specified by the holder of the Note in accordance with the latest payment instructions of that

person received by the Registrar. For joint holders, payments will be made to the holders in their joint names unless otherwise requested.

Austraclear:	Notes may be held within and traded under the Austraclear system.
Listing:	Application will be made for Notes to be issued pursuant to the Programme to be listed on the Australian Stock Exchange. Notes which are listed on the Australian Stock Exchange will not be transferred through or registered on the Clearing House Electronic Subregister System (“CHESS”) and will not be “Approved Financial Products” as defined for the purposes of CHESS. In the event that an interface between the Register maintained by the Registrar and CHESS is established the Transaction Documents may be amended to facilitate settlement on CHESS and so that the Notes will become “Approved Financial Products”. Notes may be transferred in the Austraclear system (see “Austraclear” above) and the Reserve Bank of Australia will maintain the register of holders (see “Registrar” and “Form” above).
Governing Law:	The law in force in New South Wales
Euroclear and Clearstream:	If accepted for admission to the respective system, an interest in a Note may be held through the Euroclear system (“Euroclear”) (which is operated by Euroclear Bank S.A./N.V.) or through Clearstream Banking, société anonyme (“Clearstream, Luxembourg”). In these circumstances, entitlements in respect of holdings of interests in Notes in Euroclear would be held in the Austraclear system by a nominee of Euroclear (currently Westpac Custodian Nominees Limited) while entitlements in respect of holdings of interests in Notes in Clearstream, Luxembourg would be held in the Austraclear system by a nominee of Clearstream, Luxembourg (currently ANZ Nominees Limited). The rights of a holder of interests in a Note held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear system. In addition any transfer of interests in a Note, which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear system, be subject to the Corporations Act and the requirements for minimum consideration summarised in the “Transfer Procedures” above. The Issuer will not be responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.
Selling Restrictions:	The Notes are subject to restrictions on their offering, sale and delivery (see “Selling Restrictions” below).

Documents Incorporated by Reference

The following documents are incorporated by reference in and form part of this Information Memorandum:

- (a) all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time;
- (b) the information statement of the Issuer dated 5 April 2006 which describes the Issuer including its capital, operations, administration, the Charter, the Issuer's legal status, its principal financial policies and contains the Issuer's audited financial statements as of 31 December 2005;
- (c) any subsequent information statement issued by the Issuer from time to time;
- (d) the most recent annual report of the Issuer and any subsequent annual report issued by the Issuer; and
- (e) all documents issued by the Issuer and stated to be incorporated in this Information Memorandum by reference, including, in the case of any series of Notes, the relevant Pricing Supplement.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum, shall be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Copies of documents incorporated by reference are available free of charge from the Issuer, the Arrangers and the Registrar at their respective offices specified in the "Directory".

Issuer Profile

ASIAN DEVELOPMENT BANK

The Asian Development Bank (“ADB”), a multilateral development bank, was established in 1966 under the Charter which is binding upon the member countries which are its shareholders. The purpose of ADB is to foster economic growth and cooperation in Asia and the Pacific region (“Region”) and to contribute to the economic development of the developing member countries in the Region collectively and individually. ADB’s vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve living conditions and quality of life. ADB’s strategy for reducing poverty rests on three pillars: pro-poor, sustainable economic growth, inclusive social development and good governance for effective policies and institutions.

As of 31 December 2005, ADB had 64 members consisting of 46 regional members, including Japan, Australia and New Zealand and 18 nonregional members, comprising the United States, Canada and 16 European countries. The regional members provided 63.4% of ADB’s capital and the nonregional members provided 36.6% of its capital during the previous fiscal year. The membership of ADB reflects the intention of the founders that, while its operations should be limited to the Region, it should incorporate the active participation and financial resources of developed nations outside the Region. The percentage of voting power in ADB’s affairs held by the respective members is related, but not directly proportional, to their capital subscriptions. As of 31 December 2005, the aggregate voting power of the developed member countries, which include all the nonregional members plus Japan, Australia and New Zealand, represented approximately 54.4% of the total. The members and their respective voting power and subscriptions to ADB’s capital stock as of 31 December 2005 are set forth in ADB’s financial statements.

ADB’s primary activity is making loans to finance projects or programmes located within the territories of its developing member countries. Such activity is divided into ordinary operations and special operations, for which separate financial statements are maintained. Ordinary operations are financed from ordinary capital resources and special operations are financed from special funds resources, most of which are contributed by members. Under the Charter, ADB’s ordinary capital resources and special funds resources must at all times be held and used entirely separately from each other.

In addition to its lending operations, ADB issues guarantees, makes equity investments and participates in underwriting equity funds. ADB also extends technical assistance in the form of grants or loans for project preparation and evaluation, development planning and other purposes. ADB also provides policy dialogues and advisory services and mobilises financial resources through its cofinancing operations tapping official, commercial and export credit sources to maximise the development impact of its assistance. To complement ADB’s activities in development research and training, ADB has established the ADB Institute, a subsidiary body of ADB, located in Tokyo, Japan.

The principal office of ADB is located in Manila, Philippines. ADB has 27 other offices including 19 resident missions located in Afghanistan, Azerbaijan, Bangladesh, Cambodia, People’s Republic of China, India, Indonesia, Kazakhstan, Kyrgyz Republic, Lao People’s Democratic Republic, Mongolia, Nepal, Pakistan, Papua New Guinea, Sri Lanka, Tajikistan,

Thailand, Uzbekistan and Viet Nam; a country office in the Philippines; a special liaison office in Timor-Leste; a field office in Almaty, Kazakhstan; two regional missions, located in Sydney, Australia, and Suva, Fiji Islands; and three representative offices located in Tokyo, Japan, Frankfurt, Germany and Washington D.C., U.S.A. As of 31 December 2005, ADB had a staff of 2,456 from 53 member countries. For more details on ADB, see www.adb.org (materials on the website are not incorporated by reference herein).

Recent Developments

The Board of Directors has approved the extension through 30 June 2007 of the waivers of the front-end fee of 1 per cent. for all new ordinary operations public sector loans and 20 basis points off the lending spread on ordinary operations public sector loans.

Effective 27 April 2006, Brunei Darussalam became the 65th Member of ADB.

On 6 May 2006, ADB's Board of Governors approved the following with respect to its 2005 ordinary capital resources net income:

- (a) U.S.\$308.7 million, representing the FAS133 adjustment at 31 December 2005, be added to the net income from the cumulative revaluation adjustments account;
- (b) U.S.\$36.9 million, representing the adjustment to the loan loss reserve at 31 December 2005, be added to the net income from the loan loss reserve;
- (c) U.S.\$70.8 million be allocated to ordinary reserve;
- (d) U.S.\$320.0 million be allocated to surplus;
- (e) U.S.\$20.0 million be allocated to the Technical Assistance Special Fund; and
- (f) U.S.\$40.0 million be allocated to the Asian Development Fund.

Effective 24 July 2006, Ireland became the 66th Member of ADB.

On 6 November 2006, Ursula Schäfer-Preuss succeeded Geert van der Linden as Vice President for Knowledge Management and Sustainable Development (VPKM).

Terms and Conditions of the Notes

The following are the Terms and Conditions of the Notes which, as amended, supplemented, modified or replaced in relation to any Notes by the relevant Pricing Supplement, will be applicable to each Series of Notes.

The Notes are not the obligations of any government and, in particular, are not guaranteed by the Commonwealth of Australia.

The Notes will be unsecured debt obligations of the Issuer owing under the Deed Poll and will take the form of entries in the Register. A copy of the Deed Poll is available for inspection by Noteholders during normal business hours at the offices of the Arrangers specified in this Information Memorandum as amended or supplemented from time to time.

Each Tranche will be the subject of a Pricing Supplement, copies of which are available for inspection by the holder of any Note of such Tranche at the offices of the Lead Manager.

Each Noteholder and any person claiming through or under a Noteholder is deemed to have notice of and is bound by these Terms and Conditions, the Deed Poll, the Information Memorandum and the Registry Services Agreement.

1 Interpretation

Definitions

- 1.1 The following words have these meanings in these terms and conditions unless the contrary intention appears:

Amortised Face Amount means in relation to a non-interest bearing Note, an amount equal to the sum of:

- (a) the Issue Price specified in the Pricing Supplement; and
- (b) the product of the Amortisation Yield specified in the Pricing Supplement (compounded as set out in the Pricing Supplement) being applied to the Issue Price from (and including) the Issue Date specified in the Pricing Supplement to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction specified in the Pricing Supplement for the purposes of this definition.

Applicable Business Day Convention means the Business Day Convention specified in the Pricing Supplement as applicable to any date in respect of the Note or, if none is specified, the Applicable Business Day Convention for such purpose is the Following Business Day Convention. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates, Interest Period End Dates and any other date or dates in respect of any Notes.

Austraclear means Austraclear Limited (ACN 002 060 773).

Austraclear Regulations means the regulations known as the “Regulations and Operating Manual” established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System.

Austraclear System means the system operated by Austraclear for holding securities and electronic recording and settling of transactions in those securities between members of that system.

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Pricing Supplement in relation to any date applicable to any Note, have the following meanings:

- (a) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (b) **Modified Following Business Day Convention** or Modified Business Day Convention means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is the first preceding day that is a Business Day; and
- (c) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day.

Business Day means a day (other than a Saturday or 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 such place(s) as may be specified in the relevant Pricing Supplement.

Calculation Agent means, in respect of a Series, the entity specified as such (if any) in the relevant Pricing Supplement.

Charter means the Agreement Establishing the Asian Development Bank.

Condition means the correspondingly numbered condition in these Terms and Conditions.

Corporations Act means the Corporations Act 2001 of Australia.

Day Count Fraction means, in respect of the calculation of an amount for any period of time (“**Calculation Period**”), the day count fraction specified in the Pricing Supplement and:

- (a) if **Actual/365** or **Actual/Actual** is specified, means the actual number of days in the Calculation Period divided by 365 or, if any portion of the Calculation Period falls in a leap year, the sum of:
 - (i) the actual number of days in the portion of the Calculation Period falling in a leap year divided by 366; and

- (ii) the actual number of days in the portion of the Calculation Period falling in a non-leap year divided by 365;
- (b) if **Actual/365 (Fixed)** is specified, means the actual number of days in the Calculation Period divided by 365;
- (c) if **Actual/360** is specified, means the actual number of days in the Calculation Period divided by 360;
- (d) if **30/360** or **Bond Basis** is specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless:
 - (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month; or
 - (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (e) if **30E/360** or **Eurobond Basis** is specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (f) if **RBA Bond Basis** is specified, means one divided by the number of Interest Payment Dates in a year.

Deed Poll means the deed poll (to which these Terms and Conditions form schedule 1) executed by the Issuer.

Early Termination Amount means in relation to a Note, the Outstanding Principal Amount or, if the Note is non-interest bearing, the Amortised Face Amount or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement.

Event of Default has the meaning given to it in Condition 8.

Extraordinary Resolution has the meaning given to it in the Meeting Provisions.

Information Memorandum means, in relation to a Note, the information memorandum, disclosure document (as defined in the Corporations Act) or other offering document referred to in the Pricing Supplement (and any supplements to it) prepared on behalf of, and approved by, the Issuer in connection with the issue of Notes and includes all documents incorporated by reference in it.

Interest Accrual Period means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided that the first Interest Accrual Period commences on and includes the Interest Commencement Date and the final Interest Accrual Period ends on but excludes the date of final maturity.

Interest Commencement Date means the date of issue of the Notes as specified in the Pricing Supplement or such other date as may be specified as such in the Pricing Supplement.

Interest Payment Date means the date or dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement and adjusted, if necessary, in accordance with the Applicable Business Day Convention.

Interest Period End Date means the dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement as adjusted, if necessary, in accordance with the Applicable Business Day Convention or, if no date or dates are specified in the Pricing Supplement, means the dates which correspond with the Interest Payment Dates in respect of the Notes.

Interest Period means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided that the first Interest Period commences on and includes the Interest Commencement Date and the final Interest Period ends on but excludes the date of final maturity.

Interest Rate means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

Issue Date means the issue date specified in or determined in accordance with the provisions of the Pricing Supplement.

Issue Price means the Issue Price specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

Issuer means Asian Development Bank of 6 ADB Avenue, Mandaluyong City, 1550 Metro Manila, Philippines.

Lead Manager means the Lead Manager specified in the Pricing Supplement.

Maturity Date means the maturity date specified in or determined in accordance with the provisions of, the Pricing Supplement.

Maturity Redemption Amount means in relation to a Note, the Outstanding Principal Amount or such other redemption amount as may be specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

Maximum Interest Rate means the Maximum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

Meetings Provisions means the provisions for the convening of meetings of, and passing of resolutions by, Noteholders set out in schedule 2 of the Deed Poll.

Minimum Interest Rate means the Minimum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

Note means medium term note being a debt obligation of the Issuer owing under the Deed Poll to a Noteholder, the details of which are recorded in, and evidenced by, inscription in the Register.

Noteholder means a person whose name is for the time being entered in the Register as the holder of a Note or, where a Note is owned jointly by one or more persons, the persons whose names appear in the Register as the joint owners of that Note.

Ordinary Resolution has the meaning given to it in the Meeting Provisions.

Outstanding Principal Amount means, in relation to a Note, the principal amount outstanding on that Note from time to time.

Pricing Supplement means the Pricing Supplement prepared in relation to the Notes of the relevant Tranche or Series, and confirmed in writing by the Issuer.

Record Date means, in the case of payments of interest or principal, the seventh clear calendar day before the relevant date for payment.

Register means, in respect of a Series, a register, including any branch register, of Noteholders established and maintained by the Issuer in which is entered the names and addresses of Noteholders whose Notes are carried on that register, the amount of Notes held by each Noteholder and the Tranche, Series and date of issue and transfer of those Notes, and any other particulars which the Issuer sees fit.

Registrar means, in respect of a Series, the Reserve Bank of Australia or such other person appointed by the Issuer to establish and maintain the Register for that Series on the Issuer's behalf from time to time.

Registry Services Agreement means, in respect of a Series, the agreement entitled "Registry Services Agreement" between the Issuer and the Registrar applicable to that Series, or any replacement of it as amended from time to time.

Resolution means an Extraordinary Resolution or Ordinary Resolution, as the context requires.

Series means a Tranche or Tranches of Notes which are identical, except that:

- (a) the Issue Date and the amount of the first payment of interest may be different in respect of different Tranches of a Series; and

- (b) a Series may comprise Notes in more than one denomination.

Tranche means Notes which are issued on the same Issue Date and the terms of which are identical in all respects (except that a Tranche may comprise Notes in more than one denomination).

Transaction Documents means each of the Deed Poll, each Note and each Registry Services Agreement.

Interpretation

- 1.2 In these terms and conditions unless the contrary intention appears:

- (a) a reference to these terms and conditions is a reference to these terms and conditions as modified, supplemented or replaced by the Pricing Supplement;
- (b) a reference to “Australian Dollars”, “A\$” or “dollars” is a reference to the lawful currency of the Commonwealth of Australia;
- (c) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) the singular includes the plural and vice versa;
- (e) the word “person” includes a firm, body corporate, an unincorporated association or an authority;
- (f) a reference to a person includes a reference to the person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns; and
- (g) a reference to any thing (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively and to each of them individually.

Headings

- 1.3 Headings are inserted for convenience and do not affect the interpretation of these terms and conditions.

2 Form, denomination and title

Constitution under Deed Poll

- 2.1 The Notes are debt obligations of the Issuer owing under the Deed Poll and take the form of entries in the Register. Each entry in the Register constitutes a separate and individual acknowledgment to the relevant Noteholder of the indebtedness of the Issuer to the relevant Noteholder.

Independent obligations

- 2.2 The obligations of the Issuer in respect of each Note constitute separate and independent obligations which the Noteholder to whom those obligations are owed is entitled to enforce without having to join any other Noteholder or any predecessor in title of a Noteholder.

Denomination

- 2.3 Unless otherwise specified in the Pricing Supplement, Notes are issued in the denomination of A\$500,000 or (if of a larger principal amount) an integral multiple of such other amount specified in the Pricing Supplement provided that the consideration payable to the Issuer is not less than A\$500,000 . Notes may only be issued if the consideration payable by the relevant Noteholder at the time of issue is at least A\$500,000 (disregarding moneys lent by the offeror or its associates) or if the Notes are otherwise issued in a manner which would not require disclosure to investors under Part 6D.2 of the Corporations Act and complies with the Banking (Exemption) Order No. 82 promulgated by the Banking Act 1959 of the Commonwealth of Australia, as if it applied to the Issuer *mutatis mutandis*.

Register conclusive

- 2.4 Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the registered owner of the Note subject to rectification for fraud or error. No Note will be registered in the name of more than 4 persons. A Note registered in the name of more than one person is held by those persons as joint tenants. Notes will be registered by name only without reference to any trusteeship. The person registered in the Register as a Noteholder of a Note will be treated by the Issuer and the Registrar as absolute owner of that Note and neither the Issuer nor the Registrar is, except as ordered by a court or as required by statute, obliged to take notice of any other claim to a Note.

Holder absolutely entitled

- 2.5 Upon a person acquiring title to any Note by virtue of becoming registered as the owner of that Note, all rights and entitlements arising by virtue of the Deed Poll in respect of that Note vest absolutely in the registered owner of the Note, such that no person who has previously been registered as the owner of the Note has or is entitled to assert against the Issuer or the Registrar or the registered owner of the Note for the time being and from time to time any rights, benefits or entitlements in respect of the Note.

Location of Register

- 2.6 The Register will be established and maintained in Sydney unless otherwise agreed with the Registrar.

Certificates

- 2.7 No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to a Note unless the Issuer determines that certificates should be

made available or it is required to do so pursuant to any applicable law or regulation.

3 Transfers

Limit on transfer

- 3.1 Notes, or interests in them, may only be transferred if the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place and:
- (a) the consideration payable at the time of transfer is a minimum amount of A\$500,000 (disregarding moneys lent by the offeror or its associates); or
 - (b) the transfer is made in a manner which would not require disclosure to investors under Part 6D.2 of the Corporations Act and complies with the Banking (Exemption) Order No. 82 promulgated by the Banking Act 1959 of the Commonwealth of Australia, as if it applied to the Issuer *mutatis mutandis*; or
 - (c) the transfer is made to a person who is not a retail client, within the meaning of section 761G of the Corporations Act; or
 - (d) for transfers of Notes, or interests in them, not subject to the Corporations Act, the consideration payable at the time of the transfer is for such minimum amount as specified in the relevant Pricing Supplement.

Interests in Notes which have been entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

Transfer forms

- 3.2 Unless Notes are lodged in the Austraclear System, application for the transfer of Notes must be made by the lodgement of a transfer form with the Registrar. Transfer forms are available from the Registrar. Each form must be accompanied by such evidence (if any) as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the Note and be signed by both the transferor and the transferee.

Marking

- 3.3 The Registrar will provide a marking service under which the Registrar will upon request mark transfers to evidence the transferor's title to Notes in the principal amount and of the type shown in the transfer. A marked transfer form will only be recognised by the Registrar for 42 days from and including the date of marking.

Registration of transfer

- 3.4 The transferor of a Note is deemed to remain the holder of that Note until the name of the transferee is entered in the Register in respect of that Note. Transfers will not be registered later than 7 days prior to the Maturity Date of the Notes.

No charge on transfer

- 3.5 Transfers will be registered without charge provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid.

Estates

- 3.6 A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

Unincorporated associations

- 3.7 A transfer to an unincorporated association is not permitted and a purported transfer to an unincorporated association is not effective.

Transfer of unidentified Notes

- 3.8 Where the transferor executes a transfer of less than all Notes of the relevant Tranche or Series registered in its name, and the specific Notes to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the Notes of the relevant Tranche or Series registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the Notes registered as having been transferred equals the aggregate principal amount of the Notes expressed to be transferred in the transfer.

4 Status

The Notes of each Series constitute direct and unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves and with all other unsecured and unsubordinated obligations of the Issuer.

5 Negative Pledge

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

6 Interest

- 6.1 Notes may be interest-bearing or non interest-bearing, as specified in the Pricing Supplement.

Interest-bearing Notes

- 6.2 Notes which are specified in the Pricing Supplement as being interest bearing bear interest from their Interest Commencement Date at the Interest Rate and such interest is payable in arrears on each Interest Payment Date.

Interest accrues from the Interest Commencement Date on the Outstanding Principal Amount. Interest will cease to accrue on the date of final maturity of a Note unless payment of any principal amount is improperly withheld or refused or if default is otherwise made in respect of payment thereof in which case interest continues to accrue on such principal amount (as well after as before any demand or judgment) at the Interest Rate then applicable up to but excluding the date on which the relevant payment is made.

Non-interest bearing Notes

- 6.3 If any Maturity Redemption Amount in respect of any Note which is non-interest bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortisation Yield specified in, or determined in accordance with the provisions of, the Pricing Supplement.

Calculations and adjustments

- 6.4 The amount of interest payable in respect of any interest-bearing Note for any period is calculated by multiplying the product of the Interest Rate and the Outstanding Principal Amount by the Day Count Fraction, save that if the Pricing Supplement specifies an amount in respect of such period, the amount of interest payable in respect of such Note for such period is equal to such specified amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period is the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

If any Maximum Interest Rate or Minimum Interest Rate is specified in the relevant Pricing Supplement, then the Interest Rate will not in any event exceed the maximum or be less than the minimum so specified.

For the purposes of any calculations referred to in these terms and conditions and unless otherwise specified in these terms and conditions or the Pricing Supplement:

- (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundredth of a percentage point (with 0.005 per cent. being rounded up to 0.01 per cent.);
- (b) all Australian dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up).

Calculation Agent

- 6.5 As soon as practicable after the relevant time on such date as these Terms and Conditions or the relevant Pricing Supplement may require any Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount, or any other

amount to be calculated, any quote to be obtained or any determination or calculation to be made by the Calculation Agent, the Calculation Agent will determine the Interest Rate in respect of each denomination of the Notes for the relevant Interest Accrual Period, Interest Period or Interest Payment Date, calculate the Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount or other amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate for each Interest Accrual Period, Interest Period or Interest Payment Date and, if required to be calculated, any Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount or other amount, to be notified to the Registrar, the Issuer and the Australian Stock Exchange (if the Notes are listed on the Australian Stock Exchange) as soon as possible after their determination but in no event later than 5.00pm Australian Eastern Standard Time (or, if applicable, Australian Eastern Summer Time) on the Business Day on which such calculation is made. The Calculation Agent must obtain relevant quotes from appropriate banks or reference agents or obtain information from such other sources as are specified in these Terms and Conditions or the Pricing Supplement or, failing which, as the Calculation Agent deems appropriate.

The calculations and determinations made by the Calculation Agent shall, in the absence of manifest error, be final and binding on the parties.

7 Redemption and purchase

Redemption on maturity

- 7.1 Unless previously redeemed, or purchased and cancelled or unless such Note is stated in the Pricing Supplement as having no fixed maturity date, each Note shall be redeemed on maturity at its Maturity Redemption Amount.

Purchase of Notes

- 7.2 The Issuer may at any time purchase Notes in the open market or otherwise and at any price. All unmatured Notes purchased in accordance with this condition may be held, resold, re-issued or cancelled at the discretion of the Issuer subject to compliance with all legal and regulatory requirements.

8 Event of Default

If, in respect of the Notes of a Series, the Issuer shall default in the payment of principal of, or premium (if any) or interest on, or in the performance of any covenant in respect of a purchase fund or a sinking fund for, any bonds (including the Notes), notes or similar obligations which shall have been issued, assumed or guaranteed by the Issuer and such default shall continue for a period of 90 days (“**Event of Default**”), then the Noteholder of a Note of that same Series may by written notice to the Issuer at its principal office (with a copy to the Registrar), effective upon receipt by the Registrar, declare the Early Termination Amount (together with all accrued interest (if any)) applicable to each Note of that Series held by the Noteholder to be due and payable and, on the 30th day after such notice shall be so delivered, such amount shall become immediately due and payable without presentation, demand, protest or other notice of any kind, all of which the Issuer expressly waives, unless prior to that time all Events of Default in respect of all Notes of the same Series shall have been remedied.

9 Payments

Record Date

- 9.1 Payments to Noteholders will be made according to the particulars recorded in the Register at 5.00pm (Sydney time) on the relevant Record Date.

Joint holders

- 9.2 When a Note is held jointly, payment will be made to the holders in their joint names unless requested otherwise.

Payments to accounts

- 9.3 Payments in respect of each Note will be made by crediting on the relevant Interest Payment Date, in the case of payments of interest, or on the due date for redemption or repayment, in the case of payments of principal, the amount then due to an account previously notified by the registered owner of the Note to the Registrar.

If the registered owner of the Note has not notified the Registrar of such an account by close of business on the relevant Record Date or upon application by the registered owner of the Note to the Registrar no later than close of business on the relevant Record Date, payments in respect of the relevant Note will be made by cheque, mailed on the relevant Interest Payment Date in the case of payments of interest or on the due date for redemption or repayment, in the case of payments of principal, at the Noteholder's risk to the registered owner (or to the first named of joint registered owners) of such Note at the address appearing in the Register as at the Record Date.

Cheques to be despatched to the nominated address of a Noteholder will in such cases be deemed to have been received by the Noteholder on the relevant Interest Payment Date in the case of payments of interest or on the due date for redemption or repayment, in the case of payments of principal and no further amount will be payable by the Issuer in respect of the relevant Note as a result of payment not being received by the Noteholder on the due date.

Payments to the Registrar

- 9.4 Unless otherwise agreed between the Issuer and the Registrar, the Issuer must pay amounts due under each Note to a bank account in Sydney in the name of the Issuer operated by the Registrar.

Payment constitutes release

- 9.5 Any payment made by or on behalf of the Issuer to the Registrar for the account of a person whose name is, at the time such payment is made, inscribed in the Register as the Holder of a Note constitutes for all purposes an absolute and unconditional release and discharge of the Issuer, to the extent of such payment, of all obligations and indebtedness in respect of the Note in relation to which the payment was made.

Business Days

- 9.6 If a payment is due under a Note on a day which is not a Business Day the Noteholder is entitled to payment of such amount in accordance with the Applicable Business Day Convention and is not entitled to any interest or other payment in respect of any such delay.

General Payments Provision

- 9.7 Each payment (whether in respect of principal, interest or otherwise) will be subject to any fiscal or other laws and regulations applicable thereto.

10 Further issues

The Issuer may from time to time, without the consent of any Noteholder, issue further Notes having the same terms and conditions as the Notes of any Series in all respects (or in all respects except for the first payment of interest, if any, on them and/or their denomination) so that such further issue shall be consolidated and so form a single Series with the Notes of that Series.

11 Time limit for claims

A claim against the Issuer for a payment under a Note is void unless such claim is made within:

- (a) 5 years of the relevant Interest Payment Date in the case of a claim in respect of the payment of interest provided that if the Issuer has not made provision for full payment of such interest to be made on the relevant Interest Payment Date, such claim must be made within 5 years of such later date on which provision for full payment has been made by the Issuer; or
- (b) 5 years of the relevant Maturity Date in the case of a claim in respect of the payment of principal provided that if the Issuer has not made provision for full payment of such principal to be made on the relevant Maturity Date, such claim must be made within 5 years of such later date on which provision for full payment has been made by the Issuer.

12 Notices*To the Issuer and the Registrar*

- 12.1 A notice or other communication in connection with a Note to the Issuer or the Registrar must be in writing and may be given by prepaid post or delivery to the address of the addressee as agreed between those parties from time to time or as specified in the Information Memorandum or the relevant Pricing Supplement.

To Noteholders

- 12.2 A notice or other communication in connection with a Note to the Noteholder must be in writing and may be given by:

- (a) an advertisement published in The Australian Financial Review or any other newspaper or newspapers circulating in Australia generally; or
- (b) prepaid post or delivery to the address of each Noteholder or any relevant Noteholder as shown in the Register at the close of business 3 Business Days prior to the dispatch of the relevant notice or communication.

Effective on receipt

- 12.3 Unless a later time is specified in it a notice, approval, consent or other communication takes effect from the time it is received, except that if it is received after 5.00pm in the place of receipt or on a non-business day in that place, it is to be taken to be received at 9.00am on the next succeeding Business Day in that place.

Proof of receipt

- 12.4 Subject to Condition 12.3, proof of posting of a letter, publication of a communication or delivery of a communication is proof of receipt:
- (a) in the case of a letter, on the third (seventh, if outside Australia) day after posting; and
 - (b) in the case of a publication, on the date of such publication; and
 - (c) in the case of a delivery, at the time of delivery to the relevant address.

13 Meetings of Noteholders

Meetings of Noteholders may be convened in accordance with the Meetings Provisions. Any such meeting may consider any matters affecting the interests of Noteholders, including, without limitation, the variation of the terms of the Notes by the Issuer and the granting of approvals, consents and waivers.

14 Amendments

The Terms and Conditions and the form of the Pricing Supplement may be amended by the Issuer, and the Registry Services Agreement may be amended by the parties thereto, in each case without the consent of any Noteholder:

- (a) for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions therein; or
- (b) in the case of the Terms and Conditions and the form of the Pricing Supplement, in any manner which the Issuer deems, or in the case of the Registry Services Agreement, in any other manner which the Issuer and the Registrar deem, necessary or desirable and which does not adversely affect the interests of the Noteholders.

The Terms and Conditions, Pricing Supplement and Registry Services Agreement may otherwise be varied by the Issuer with the approval of the Noteholders by Extraordinary Resolution and, in the case of the Registry Service Agreement, in

accordance with that agreement. No other variation to the Terms and Conditions has effect in relation to the Noteholders who hold Notes at the date of any amending deed, unless they otherwise agree in writing. A variation will take effect in relation to all subsequent Noteholders. A variation which effects only a particular Series or Tranche of Notes may be approved solely by the Noteholders of such Series or Tranche.

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

15 Registrar

Role of the Registrar

- 15.1 In acting under the Registry Services Agreement in connection with the Notes, the Registrar acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders save insofar as that any funds received by the Registrar in accordance with the Registry Services Agreement shall, pending their application in accordance with the Registry Services Agreement, be held by it in a segregated account which shall be held for the benefit of the persons entitled thereto.

Change of Registrar

- 15.2 The Issuer reserves the right at any time to terminate the appointment of the Registrar in accordance with the Registry Services Agreement and to appoint successor or additional registrars, provided, however, that the Issuer must at all times maintain the appointment of a registrar in respect of each Series with its specified office in Australia. Notice of any such termination of appointment will be given to the Noteholders in accordance with Condition 12.

16 Governing law and jurisdiction

Governing law

- 16.1 The Notes are governed by the law in force in New South Wales.

Jurisdiction

- 16.2 The Issuer irrevocably and unconditionally submits to the jurisdiction of the courts of New South Wales and courts of appeal from them, provided however, that, in accordance with Article 50, paragraph 2 of the Charter, no action shall be brought against the Issuer by any member of the Issuer, or by any agency or instrumentality of a member, or by any entity or person directly or indirectly acting for or deriving claims from a member, or from an agency or instrumentality of a member, and that, in accordance with Article 50, paragraph 3 of the Charter, the property and assets of the Issuer shall, wheresoever located and by whomsoever held, be immune from all forms of seizure, attachment or execution before the delivery of final judgment against the Issuer.

Agent for service of process

- 16.3 Without preventing any other mode of service, any document in an action (including, without limitation, any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party with its process agent referred to in Condition 16.4.
- 16.4 The ADB Pacific Liaison and Coordination Office of Level 18, 1 Margaret Street (corner of Clarence and Margaret streets), Sydney NSW 2000 may be served with any document referred to in Condition 16.3. If for any reason that person ceases to act as such, the Issuer will immediately appoint another person with an office located in New South Wales to receive any such document.

Pro-forma Pricing Supplement

Series No.: []

Tranche No.: []

ASIAN DEVELOPMENT BANK
Australian Dollar Domestic
Medium Term Note Programme

Issue of

[Aggregate Principal Amount of Tranche]
[Title of Notes]

This Pricing Supplement (as referred to in the Information Memorandum dated 20 November 2006 and Deed Poll dated 13 February 2006 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 bank which is authorised under the Banking Act 1959 of Australia. The Notes are not the obligations of any government and, in particular, are not guaranteed by the Commonwealth of Australia.

- | | | |
|---|--|---|
| 1 | Description of Notes: | [Notes][Bonds][Instruments] |
| 2 | Issuer: | Asian Development Bank |
| 3 | Lead Manager: | [] |
| 4 | Dealers: | [] |
| 5 | Registrar | [Reserve Bank of Australia] |
| 6 | Type of Issue: | [Underwritten/Non-Underwritten/Private Placement] |
| 7 | Currency: | |
| | - of Denomination | A\$ |
| | - of Payment | A\$ |
| 8 | Aggregate principal amount of Tranche: | [] |

-
- 9 If interchangeable with existing Series: []
- 10 Issue Date: []
- 11 Issue Price: []
- 12 Denomination(s): []
- 13 Definition of Business Day: []
- 14 Interest:
- (a) If Interest bearing:
- (i) Interest Rate: [Specify rate (if fixed) or full determination provisions (if floating) or formula or if Calculation Agent is appointed]
- (ii) Interest Amount [Specify if fixed rate]
- (iii) Interest Payment Dates: []
- (iv) Interest Period End Dates: [Specify. If nothing is specified, Interest Period End Dates will correspond with Interest Payment Dates]
- (v) Applicable Business Day Convention: [Specify. If nothing is specified, the Following Business Day Convention will apply]
- for Interest Payment Dates: []
- for Maturity Date: []
- for Interest Period End Dates: []
- any other dates: []
- (vii) Day Count Fraction: []
- (viii) Interest Commencement Date (if different from the Issue Date): []
- (ix) Minimum Interest Rate: []
- (x) Maximum Interest Rate: []
- (xi) Issue Yield: []

- (b) If non-interest bearing:
- Amortisation Yield: []
 - Amortisation Yield compounding method for calculation of Amortised Face Amount: [Annual][Specify other]
- 15 Maturity Date: []
- 16 Maturity Redemption Amount: [Specify. If nothing is specified, the Maturity Redemption Amount will correspond with the Outstanding Principal Amount]
- 17 Early Termination Amount: [Specify. If nothing is specified, the Early Termination Amount will correspond with the Outstanding Principal Amount or, in the case of any Notes which are non-interest bearing, the Amortised Face Amount]
- 18 Listing: [Australian Stock Exchange]
- 19 Any Clearing System other than Austraclear: [Euroclear and Clearstream, Luxembourg]
- 20 Other Conditions: []
- 21 Additional Selling Restrictions: []
- 22 Foreign Securities Number (ISIN/Common Code): []
- 23 Calculation Agent: []
- 24 Recent Developments: []

CONFIRMED

ASIAN DEVELOPMENT BANK

By:

Date:

Australian Taxation

The following is a summary of the Australian taxation treatment, at the date of this Information Memorandum, of payments on the Notes to be issued by the Issuer under the Programme and certain other matters. It is a general guide and should be treated with appropriate caution. Prospective holders of Notes who are in any doubt as to their tax position should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

1. Interest withholding tax

The Notes will not be exempt from taxation generally.

Under the Charter, the International Organisations (Privileges and Immunities) Act 1963 and the Asian Development Bank (Privileges and Immunities) Regulations, the Issuer is exempt from any obligation imposed by the Commonwealth of Australia for the payment, withholding or collection of any tax or duty on the Notes. Accordingly, payments on the Notes will be made without deduction in respect of any such tax or duty, including Australian interest withholding tax. In addition, so long as the Issuer continues to be a non-resident of Australia and the Notes issued by it are not attributable to a permanent establishment of the Issuer in Australia, Noteholders will not have a liability to pay Australian interest withholding tax.

2. Other tax matters

Under Australian laws as presently in effect:

- (a) *death duties* - no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death; and
- (b) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Notes; and
- (c) *other withholding taxes on payments in respect of Notes* - the Issuer is exempt from any obligation to withhold tax in respect of the tax file number requirements of Part VA of the Australian Income Tax Assessment Act of 1936 and section 12-140 of the Taxation Administration Act 1953 of Australia ("**Taxation Administration Act**") and "supply withholding tax" imposed under section 12-190 of the Taxation Administration Act; and
- (d) *goods and services tax (GST)* - neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, would give rise to any GST liability in Australia.

Selling Restrictions

Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been or will be lodged with the Australian Securities and Investments Commission (“ASIC”). Each Dealer will be required to represent and agree that, unless the relevant Pricing Supplement (or another supplement to any Information Memorandum) otherwise provides, it:

- (a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); or
- (b) has not distributed or published, and will not distribute or publish, any Information Memorandum or any other offering material or advertisement relating to the Notes in Australia,

unless (i) the consideration payable by the offeree is at least A\$500,000 (or its equivalent in an alternate currency) (disregarding moneys lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors under Part 6D.2 of the Corporations Act (ii) such action complies with all applicable laws, regulations and directives and (iii) such action does not require any document to be lodged with ASIC.

In addition, each Dealer will be required to agree that it will comply with the directive issued by the Assistant Treasurer of the Commonwealth of Australia dated 23 September 1996 as contained in Banking (Exemption) Order No. 82 which requires all offers and transfers to be for a consideration of at least A\$500,000. Banking (Exemption) Order No. 82 does not apply to transfers which occur outside Australia.

The United States of America

The Notes have not been and will not be registered under the Securities Act of 1933 (“**Securities Act**”).

Terms used in the following paragraphs have the meanings given to them by Regulation S under the Securities Act.

The Notes may not be offered, sold, delivered or transferred within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. Persons except in transactions exempt from the registration requirements of the Securities Act.

Each Dealer will be required to represent and agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes:

- (a) as part of their distribution at any time; and
- (b) otherwise until 40 days after completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the Lead Manager,

within the United States of America or to, or for the account or benefit of, U.S. Persons.

Each Dealer will be required to further represent and agree that it will have sent to each distributor to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States of America or to, or for the account or benefit of, U.S. Persons.

In addition, until 40 days after the completion of the distribution of all Notes of the Tranche of which those Notes are a part, an offer or sale of Notes within the United States by any dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each issue of indexed Notes and dual currency Notes are subject to additional U.S. selling restrictions agreed between the Issuer and the relevant Dealer or Dealers as a term of the issue and purchase of such Notes, and which are set out in the applicable Pricing Supplement. Each relevant Dealer will be required to agree that it will offer, sell or deliver those Notes only in compliance with those additional U.S. selling restrictions.

United Kingdom

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

Japan

The Notes will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”). Accordingly, each Dealer will represent, warrant and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and other relevant laws and regulations of Japan.

Hong Kong

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

Singapore

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

General

Each Dealer will be required to acknowledge that no action has been or will be taken in any jurisdiction by the Issuer, Dealers, Arrangers or any Lead Manager that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Each Dealer will be required to further acknowledge that it will comply with all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Notes.

Persons into whose hands this Information Memorandum or any Pricing Supplement comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

Directory

ISSUER

Asian Development Bank

6 ADB Avenue

Mandaluyong City

1550 Metro Manila

Philippines

Attention: Funding Division, Treasury Department

Telephone: 632 632 4444

Fax: 632 632 4120

ARRANGERS

Royal Bank of Canada

(ABN 86 076 940 880)

Level 46

2 Park Street

SYDNEY NSW 2000

Attention: Head of Origination

Telephone: 612 9033 3222

Fax: 612 9264 2855

Westpac Banking Corporation

(ABN 33 007 457 141)

Level 3

275 Kent Street

SYDNEY NSW 2000

Attention: Head of Debt Capital Markets

Telephone: 612 8253 4564

Fax: 612 8254 6920

REGISTRAR

Reserve Bank of Australia

65 Martin Place

SYDNEY NSW 2000

Attention: The Registrar

Telephone: 612 9551 9820

Fax: 612 9551 8007