



ASIAN DEVELOPMENT BANK

A\$200,000,000

6.25% Bonds of 2007 due 15 June 2011

**(to be consolidated, form a single series and be fungible with the
A\$500,000,000 6.25% Bonds of 2001 due 15 June 2011 issued on 6 July 2001 and the
A\$300,000,000 6.25% Bonds of 2006 due 15 June 2011 issued on 24 February 2006)**

The A\$200,000,000 principal amount of 6.25% Bonds due 15 June 2011 (the "Bonds") of the Asian Development Bank (the "Issuer" and the "Bank") are being offered for sale at 100.156% of their principal amount (including an amount equal to 2.032% of their principal amount being accrued interest).

The Bonds will bear interest from 15 June 2007, payable in each year on 15 June and 15 December. The first interest payment date is 15 December 2007.

The Bonds are being issued by a bank that is not authorised under the Banking Act 1959 of Australia.

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

Lead Manager

The Toronto-Dominion Bank

The date of this Information Statement Supplement is 10 October 2007

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IMPORTANT NOTICE

This Information Statement Supplement and the Information Statement (defined below) (together the “**Information Memorandum**”) relate solely to the A\$200,000,000 principal amount of 6.25% Bonds of 2007 due 15 June 2011 (to be consolidated, form a single series and be fungible with the A\$500,000,000 6.25% Bonds of 2001 due 15 June 2011 issued on 6 July 2001 and the A\$300,000,000 6.25% Bonds of 2006 due 15 June 2011 issued on 24 February 2006) (“**Bonds**”) of the Asian Development Bank (“**Bank**”). References to “Information Memorandum” are references to the Information Statement, this Supplement and any other document incorporated by reference in either of them collectively and to any of them individually.

The Bank has prepared an Information Statement dated 10 April 2007 (“**Information Statement**”) that describes the Bank, its capital, operations, administration, constituent documents and legal status. This Information Statement Supplement (“**Supplement**”) supplements, and to the extent inconsistent with it, replaces, the description of the Bank contained in the Information Statement. This Supplement should be read together with the Information Statement, which is incorporated in this Supplement by reference.

The Bank confirms that this Supplement and any information incorporated by reference in it contains all information with regard to the Bonds and the Bank that is material in the context of the issue of the Bonds, that the information contained and incorporated by reference in this Supplement is true and accurate in all material respects and is not misleading and that there are no other facts the omission of which makes this Supplement or any information incorporated by reference in it as a whole misleading in any material respect.

Limited responsibility for information

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

The Lead Manager and the Registrar (each as defined in the Summary of the Issue below) have not been involved with the preparation of the Information Memorandum (except for confirming that their respective names in this Information Memorandum are correct) and 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 the Information Memorandum or in any accompanying, previous or subsequent material or presentation. The only role of the Registrar has been to confirm to the Bank that the information under its description at the end of this Supplement is accurate as at the date of this Supplement.

No other material authorised

No person is authorised to give any information or to make any representation not contained or incorporated by reference in this Supplement and, if given or made, any information or representation not contained or incorporated by reference in it must not be relied upon as having been authorised by the Bank or the Lead Manager. Neither the delivery of the Information Memorandum, nor any sale of the Bonds, shall under any circumstance, creates any implication that there has been no change in the information contained and incorporated by reference in this Supplement since the date of it or the date of the Information Statement, as the case may be, or that the information contained or incorporated by reference in it is correct as of any time subsequent to either of such dates, as the case may be.

No waiver of privileges and immunities

The issuance and distribution of the Information Memorandum and any offering and sale of the Bonds is not a waiver by the Bank 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 Bank or any political subdivision of any member, all of which are expressly reserved.

Intending purchasers to make independent investment decision and obtain tax advice

The information contained in the Information Memorandum is not a recommendation by the Bank, the Lead Manager or the Registrar that any person acquire Bonds. Intending purchasers should:

- determine for themselves the relevance of the information contained in the 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.

Neither the Lead Manager nor the Registrar have undertaken to review the financial condition or affairs of the Bank at any time or to advise any holder of a Bond of any information coming to their attention with respect to the Bank.

Distribution to professional investors only

The Information Memorandum has been prepared on a confidential basis for institutions whose ordinary business includes the buying or selling of securities. The 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 the proposed issue, nor furnished to any other person without the express written permission of the Bank.

Restricted offer

Each offer to purchase, or invitation to buy, Bonds will be made in a manner which does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act 2001 of Australia (referred to as the “Corporations Law” in this Supplement) and which complies with the Banking (Exemption) Order No 82 promulgated under the Banking Act 1959 of Australia as if applied to the Issuer *mutandis mutandi*. Accordingly, neither this Information Memorandum nor any other document is required to be lodged with, or registered by, the Australian Securities and Investments Commission. The distribution and use of the Information Memorandum, and the offer or sale of the Bonds, may be restricted by law in certain jurisdictions and intending purchasers should inform themselves about them and observe any such restrictions. Certain restrictions are set out in “Subscription and Sale” below.

Distribution within Australia only

The Information Memorandum is available for distribution only in, and may not be distributed outside, the Commonwealth of Australia. A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Bonds, nor distribute the Information Memorandum, in the Commonwealth of Australia or to any resident of the Commonwealth of Australia except if the offer or invitation is made in a manner which does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Law and complies with any other applicable laws and regulations.

Disclosure of interest

In accordance with the provisions of the Corporations Law, the Lead Manager and the Registrar disclose that they, their subsidiaries, directors and employees:

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

Availability of information and incorporation by reference

The Information Statement and any quarterly unaudited financial statements and annual reports filed by the Bank with the United States Securities and Exchange Commission subsequent to the date of the Information Statement

and prior to the termination of the offering of the Bonds are deemed to be incorporated by reference into this Supplement and to be part of it.

The Bank will provide without charge copies of the Information Statement, quarterly unaudited financial statements and annual reports to the Bank's Board of Governors incorporated in the Supplement by reference. Written or telephone requests should be directed to the Bank's principal office at P.O. Box 789, 0980 Manila, Philippines, Attention: Funding Division, Treasury Department, tel. (63-2) 632-4444, facsimile (63-2) 632-4120.

Copies of the Charter are available for examination at the Bank's principal office.

SUMMARY OF THE ISSUE

The following is a brief summary only and should be read in conjunction with the rest of this Supplement and the Terms and Conditions of the Bonds.

Issuer:	Asian Development Bank
Lead Manager:	The Toronto-Dominion Bank (ABN 74 082 818 175)
Registrar and Paying Agent:	Reserve Bank of Australia
Bonds:	Australian dollar fixed rate bonds (“Bonds”) issued in registered book entry form (to be consolidated, form a single series and be fungible with the A\$500,000,000 6.25% Bonds of 2001 due 15 June 2011 issued on 6 July 2001 and the A\$300,000,000 6.25% Bonds of 2006 due 15 June 2011 issued on 24 February 2006).
Amount:	A\$200,000,000.
Issue Date:	12 October 2007
Maturity Date:	15 June 2011
Issue Price:	100.156%
Interest:	6.25% per annum payable semi annually in arrears on 15 June and 15 December in each year, commencing 15 December 2007 up to and including 15 June 2011. Interest on the Bonds will accrue from 15 June 2007. Each semi-annual interest amount is A\$6,250,000. As at the Issue Date, the Issue Price of the Bonds includes 2.032% accrued interest, calculated over a 366 day leap year.
Status:	The Bonds will be direct, unsecured and unsubordinated obligations of the Bank ranking pari passu, without preference among themselves, with all the Bank’s other obligations which are unsecured and unsubordinated.
Rating:	The Bonds have been rated AAA by Standard and Poor’s Ratings Services, Aaa by Moody’s Investors Service and AAA by FitchRatings.
Governing law:	The Bonds and all related documentation will be governed by the laws of New South Wales.
Taxes:	Pursuant to the Charter, the Bank is exempt from any obligation for the payment, withholding or collection of any tax (including stamp duty) imposed in Australia.
Registration:	Bonds will be constituted by the Deed Poll 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.
Title:	Entry of the name of a purchaser or transferee in the Register constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered owner of the Bonds.
Denominations:	Bonds will be issued in denominations of A\$1,000 subject always to the minimum purchase consideration complying with the requirements of Part 6D.2 of the Corporations Law, the Banking (Exemption) Order No. 82

promulgated under the Banking Act 1959 of Australia and any applicable laws in other domiciles in which bonds are offered for sale.

Transfer procedure:	Bonds may be transferred in whole or in part and subject to any transfer being made in a manner which does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Law and which complies with the Banking (Exemption) Order No 82 promulgated under the Banking Act 1959 of Australia as if applied to the Issuer mutandis mutandi. Where the transfer is not subject to the Corporations Law in force in Australia, such transfer must be made in accordance with all applicable laws. Bonds lodged within the Austraclear System must be transferred in accordance with the rules and regulations of Austraclear. In any other cases, application for the transfer of Bonds must be made by lodgement of a 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.
Payments:	Payments to the registered Bondholders will be made to an account or an address in Australia specified by the Bondholders in accordance with the payment instructions of the Bonds inscribed on the Register. Payments to persons who hold Bonds through Austraclear will be made through the Austraclear System. Payments are all subject to applicable laws and regulations.
Negative Pledge	See "Terms and Conditions of the Bonds - Negative Pledge".
Austraclear:	The Bonds may be traded on the settlement system (" Austraclear System ") operated by Austraclear Limited (ABN 94 002 060 773).
Listing:	Application will be made on the Issuer's behalf to have the Bonds listed on the stock exchange operated by ASX Limited (ABN 98 008 624 691) (" ASX "). Bonds which are listed on the ASX will not be transferred through or registered on the Clearing House Electronic Sub-Register System (" CHESS ") and will not be "CHESS approved securities".
Use of proceeds:	The net proceeds to the Bank from the sale of the Bonds will be included in the ordinary capital resources of the Bank and used in its ordinary operations.

TERMS AND CONDITIONS OF THE BONDS

The following are the Terms and Conditions of the Bonds.

The Bonds will be unsecured debt obligations of the Bank 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 Bondholders during normal business hours at the respective offices of the Registrar and the Lead Manager specified in the Information Statement Supplement of the Bank dated 10 October 2007.

The Asian Development Bank is not a bank which is authorised under the Banking Act 1959 of Australia. The Bonds are not the obligations of any government and, in particular, are not guaranteed by the Commonwealth of Australia.

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

1 Interpretation

Definitions

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

Austraclear means Austraclear Limited (ABN 94 002 060 773) its successors and assigns.

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.

Bank means the Asian Development Bank.

Bond means one of an authorised issue of 6.25% Bonds of 2007 due 15 June 2011 (to be consolidated, form a single series and be fungible with the A\$500,000,000 6.25% Bonds of 2001 due 15 June 2011 issued on 6 July 2001 and the A\$300,000,000 6.25% Bonds of 2006 due 15 June 2011 issued on 24 February 2006) of the Bank in an aggregate principal amount of A\$200,000,000 owing under the Deed Poll to a Bondholder, the details of which are recorded in, and evidenced by, inscription in the Register.

Bondholder means a person whose name is for the time being entered in the Register as the holder of a Bond or, where a Bond is owned jointly by one or more persons, the persons whose names appear in the Register as the joint owners of that Bond and (for the avoidance of doubt) when a Bond is entered into the Austraclear System, includes Austraclear acting on behalf of a member of the Austraclear System.

Business Day means a day (other than a Saturday or Sunday) on which commercial banks are open for general banking business in Sydney, New South Wales.

Charter means the Agreement Establishing the Asian Development Bank.

CHESS means the Clearing House Electronic Sub-Register System operated by the ASX Limited (ABN 98 008 624 691).

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

Deed Poll means the deed poll executed by the Bank and dated 4 July 2001 relating to the A\$500,000,000 6.25% Bonds of 2001 due 15 June 2011, as supplemented by a supplemental deed poll dated 22 February 2006 and the second supplemental deed poll dated 10 October 2007 (to which these Terms and Conditions form schedule 1) executed by the Bank.

Information Memorandum means the Information Statement dated 10 April 2007 and the Information Statement Supplement dated 10 October 2007, both prepared by the Bank in connection with the Bonds, and all documents incorporated by reference in either of them.

Interest Commencement Date means 15 June 2007.

Interest Payment Date means 15 June and 15 December in each year, commencing on 15 December 2007.

Interest Rate means 6.25 per cent per annum paid semi-annually in arrears.

Issue Date means 12 October 2007.

Maturity Date means 15 June 2011.

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

Outstanding Principal Amount means, in relation to a Bond, the principal amount outstanding on that Bond from time to time. For the purposes of accruing interest, for the period commencing on (and including) the Interest Commencement Date up to (but excluding) the Interest Payment Date falling on 15 December 2007, the principal amount outstanding on each Bond shall be deemed to be A\$1,000.

Record Date means, in the case of payments of interest or principal, the close of business, Sydney time, on the eighth day before the relevant date for payment.

Register means a register, including any branch register, of Bondholders established and maintained by or on behalf of the Bank in which is entered the names and addresses of Bondholders whose Bonds are carried on that register, the amount of Bonds held by each Bondholder and the date of issue and transfer of those Bonds, and any other particulars which the Bank sees fit.

Registrar means the Reserve Bank of Australia or such other person appointed by the Bank to establish and maintain the Register on the Bank's behalf from time to time.

Registry Services Agreement means the agreement entitled "Registry Services Agreement" dated 15 September 1998 between the Bank and the Registrar, or any replacement of it, which is applicable to the Bonds.

Interpretation

1.2 In these Terms and Conditions unless the contrary intention appears:

- (a) a reference to "A\$" is a reference to the lawful currency of the Commonwealth of Australia;
- (b) 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;
- (c) the singular includes the plural and vice versa;
- (d) the word "person" includes a firm, body corporate, an unincorporated association or an authority;
- (e) 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;
- (f) 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; and
- (g) a reference to "Corporations Law" is a reference to the Corporations Act 2001 of Australia.

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 Bonds are debt obligations of the Bank owing under the Deed Poll and take the form of entries in the Register. Each entry in the Register constitutes a separate and individual acknowledgement to the relevant Bondholder of the indebtedness of the Bank to the relevant Bondholder.

Independent obligations

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

Denomination

- 2.3 Bonds are issued in denominations of A\$1,000. Bonds may only be issued if the Bonds are issued in a manner which does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Law and which complies with Banking (Exemption) Order No. 82 promulgated under the Banking Act 1959 of Australia and any applicable laws in other domiciles in which the Bonds are offered for sale.

Register conclusive

- 2.4 Entries in the Register in relation to a Bond constitute conclusive evidence that the person so entered is the registered owner of the Bond subject to rectification for fraud or error. No Bond will be registered in the name of more than four persons. A Bond registered in the name of more than one person is held by those persons as joint tenants. Bonds will be registered by name only without reference to any trusteeship. The person registered in the Register as a Bondholder of a Bond will be treated by the Bank and the Registrar as absolute owner of that Bond and neither the Bank 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 Bond.

Bondholders absolutely entitled

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

Location of Register

- 2.6 The Register will be established and maintained in Sydney, New South Wales.

Certificates

- 2.7 No certificate or other evidence of title will be issued by or on behalf of the Bank to evidence title to a Bond unless the Bank 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 Bonds may be transferred in whole or in part. Bonds may only be transferred if the transfer does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Law and complies with Banking (Exemption) Order No 82 promulgated under the Banking Act 1959 of Australia, as if applied to the Issuer mutandis mutandi. Where the transfer is not subject to the Corporations Law in force in Australia, such transfer must be made in accordance with all applicable laws. Bonds entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

Transfer forms

- 3.2 Unless Bonds are lodged in the Austraclear System, application for the transfer of Bonds 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 Bond and be signed by both the transferor and the transferee.

Registration of transfer

- 3.3 The transferor of a Bond is deemed to remain the holder of that Bond until the name of the transferee is entered in the Register in respect of that Bond. Transfers will not be registered later than eight days prior to the Maturity Date of the Bonds.

No charge on transfer

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

Unincorporated associations

- 3.7 A transfer to an unincorporated association is not permitted.

Transfer of unidentified Bonds

- 3.8 Where the transferor executes a transfer of less than all Bonds registered in its name, and the specific Bonds 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 Bonds registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the Bonds registered as having

been transferred equals the aggregate principal amount of the Bonds expressed to be transferred in the transfer.

Registry

- 3.9 Bonds which are listed on the stock exchange operated by ASX Limited will not be transferred through or registered on CHESS and will not be “CHESS approved securities”. In the event that an interface between the register maintained by the Registrar and CHESS is established, the Deed Poll and each Bond may be amended to facilitate settlement on CHESS and so that the Bonds will become “CHESS approved securities”.

4 Status

The Bonds are direct, unsecured obligations of the Bank ranking *pari passu* without any preference among themselves, with all the Bank’s other obligations that are unsecured and unsubordinated.

5 Negative Pledge

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

6 Interest

Interest rate and accrual

- 6.1 Bonds bear interest from their Interest Commencement Date at the Interest Rate and such interest is payable semi annually 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 maturity of a Bond unless default is made in the payment of any principal amount in which case interest continues to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgement) at the Interest Rate then applicable but not beyond the fifteenth day after the necessary funds for redemption have been provided to the Registrar.

Calculations and adjustments

- 6.2 Each semi-annual interest payment will be half the annual interest payment. Whenever it is necessary to compute an amount of interest in respect of any Bond for a period of less than or more than 6 months, such interest shall be calculated on the basis of a 365 day year and the actual number of days elapsed.

For the purposes of any calculations referred to in these Terms and Conditions and unless otherwise specified in these Terms and Conditions all amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up).

7 Redemption and purchase

Redemption on maturity

- 7.1 Unless previously purchased and cancelled by the Bank, each Bond shall be redeemed on maturity at its principal amount. The Bonds will not be redeemable prior to maturity.

Purchase of Bonds

- 7.2 The Bank may at any time purchase Bonds in the open market or otherwise and at any price. All unmatured Bonds purchased in accordance with this Condition may be cancelled at the election of the Bank.

8 Events of Default

Events of Default

- 8.1 If the Bank defaults in the payment of the principal of, or premium, if any, or interest on, or in the performance of any covenant in respect of a purchase fund or a sinking fund for, any bonds (including the Bonds), notes or similar obligations which have been issued, assumed or guaranteed by the Bank, and such default continues for a period of 90 days, then at any time thereafter and during the continuance of such default the holder of any of the Bonds may deliver or cause to be delivered to the Bank at its principal office (with a copy to the Registrar) written notice that such holder elects to declare the principal of all Bonds held by it (the aggregate principal amount of such Bonds to be specified in such notice) to be due and payable.

The principal of and accrued interest on such Bonds shall become due and payable on the thirtieth day after such notice is so delivered to the Bank, unless prior to that time all such defaults existing at the time the notice is given have been cured.

9 Payments

Record Date

- 9.1 Payments to Bondholders will be made according to the particulars recorded in the Register at 5.00pm on the relevant Record Date.

Joint holders

- 9.2 When a Bond 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 Bond will be made by crediting on the relevant Interest Payment Date, in the case of payments of interest, or 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 Bond to the Registrar.

If the registered owner of the Bond 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 Bond to the Registrar no later than close of business on the relevant Record Date, payments in respect of the relevant Bond 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 Bondholder's risk to the registered owner (or to the first named of joint registered owners) of such Bond at the address appearing in the Register as at the Record Date.

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

Payments to the Registrar

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

Payment constitutes release

- 9.5 Any payment made by or on behalf of the Bank to the Registrar in respect of an amount due under a Bond constitutes for all purposes an absolute and unconditional release and discharge of the Bank, to the extent of such payment, of all obligations and indebtedness in respect of the Bond in relation to which the payment was made.

Business Days

- 9.6 All payments must be made on a Business Day. If a payment is due under a Bond on a day which is not a Business Day the Bondholder is entitled to payment of such amount on the first following day which is a Business Day, and is not entitled to any interest or other payment in respect of any such delay.

Payments subject to fiscal laws

- 9.7 Payments in respect of principal and interest on the Bonds are subject in all cases to applicable provisions of fiscal and other laws and regulations.

Under the Charter, no member country (which includes Australia) may impose any tax on the Bonds:

- (a) if such tax discriminates against the Bonds solely because they are issued by the Bank; or
- (b) if the sole jurisdictional basis for such tax is the place or currency in which the Bonds are issued, made payable or paid, or the location of any office or place of business maintained by the Bank.

Also, under the Charter, the Bank is exempt from any obligation imposed by any member country for the payment, withholding or collection of any tax on any interest on the Bonds.

10 Time limit for claims

A claim against the Bank for a payment under a Bond is void unless such claim is made within a period of 10 years (in the case of principal) and five years (in the case of interest) from the relevant payment date.

11 Notices

To the Bank

- 11.1 A notice or other communication in connection with a Bond to the Bank must be in writing and may be given by prepaid post or delivery to the Bank at 6 ADB Avenue Mandaluyong City, 1550 Metro Manila, Philippines, Attention: Funding Division, Treasury Department or such other address notified to the Bondholders in accordance with Condition 11.2 (*Notices - To Bondholders*) from time to time.

To Bondholders

- 11.2 A notice or other communication in connection with a Bond to the Bondholder 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 Bondholder or any relevant Bondholder 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

- 11.3 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

- 11.4 Subject to Condition 11.3 (*Effective on receipt*), proof of posting of a letter or of dispatch of a facsimile 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 facsimile, on receipt by the sender of a successful transmission report.

12 Meetings of Bondholders

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

13 Amendments

The Terms and Conditions may be amended by the Bank, and the Registry Services Agreement may be amended by the parties to such document, without the consent of any Bondholder:

- (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, in any manner which the Bank deems, or in the case of the Registry Services Agreement, in any manner which the Bank and the Registrar deem, necessary or desirable and which does not adversely affect the interests of the Bondholders.

The Terms and Conditions and Registry Services Agreement may otherwise be varied by the Bank with the approval of the Registrar and the Bondholders pursuant to a resolution of Bondholders passed in accordance with the Meetings Provisions. No other variation to the Terms and Conditions has effect in relation to the Bondholders who hold Bonds at the date of any amending deed, unless they otherwise agree in writing. A variation will take effect in relation to all subsequent Bondholders.

14 Further issues

The Bank may from time to time without the consent of the Bondholders create and issue further bonds having the same Terms and Conditions as the Bonds (for the avoidance of doubt, references in the conditions of such Bonds to “Issue Date” shall be to the first issue date of the Bonds) so that the same shall be consolidated and form a single series with such Bonds, and references in these Conditions to “Bonds” shall be construed accordingly.

15 Registrar

Role of the Registrar

- 15.1 Registrar acts solely as agent of the Bank and does not assume any obligations towards or relationship of agency or trust for or with any of the Bondholders save insofar 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 on trust for the persons entitled thereto.

Change of Registrar

- 15.2 The Bank 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 Bank must at all times maintain the appointment of a registrar with its specified office in Australia. Notice of any such termination of appointment will be given to the Bondholders in accordance with Condition 11 (*Notices - To Bondholders*).

16 Governing law and jurisdiction

Governing law

- 16.1 The Bonds are governed by the law in force in New South Wales, Australia.

Jurisdiction

- 16.2 The Bank irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia and courts of appeal from them.

Agent for service of process

- 16.3 For so long as any of the Bonds are outstanding, the Bank will ensure that there is an agent appointed to accept service of process on its behalf in New South Wales, Australia in respect of any legal action or proceedings as may be brought in the courts of New South Wales, Australia or the federal courts of Australia.

The agent initially appointed by the Bank in New South Wales, Australia is Dabserv Corporate Services Pty Ltd (ABN 73 001 824 111) at its office for the time being, which is currently at c/- Mallesons Stephen Jaques, Level 53, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW 2000, Australia

TAXATION

1. Under the Charter:
 - (a) Bonds and interest on them will not be exempt from taxation generally;
 - (b) no member country (which includes Australia) may impose any tax on the Bonds:
 - (i) if such tax discriminates against the Bonds solely because they are issued by the Bank; or
 - (ii) if the sole jurisdictional basis for such tax is the place or currency from which the Bonds are issued, made payable or paid, or the location of any office or place of business maintained by the Bank; and
 - (c) the Bank is exempt from any obligation imposed by any member country for payment, withholding or collection of any tax.
2. The following is a summary of certain Australian tax consequences resulting from the ownership of Bonds at the date of this Supplement. This summary does not cover all the possible tax consequences relating to the ownership of the Bonds and the receipt of interest under them and is not intended as tax advice to any person. It is based upon the Australian tax laws as now in effect and as currently interpreted. All persons considering the purchase of Bonds should consult their own tax adviser concerning the application of Australian tax laws as well as the possible application of other tax laws, to their particular situation:
 - (a) Payments of interest to persons who are residents of Australia within the meaning of the Income Tax Assessment Act (1936) (“**Tax Act**”), and profits made on the sale of Bonds by such persons, will constitute income for the purposes of the Tax Act.
 - (b) No Bonds 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.
 - (c) Neither the issue, nor the transfer of a Bond, will attract ad valorem stamp duty in any Australian jurisdiction.
 - (d) The Bank is exempt from any obligation to withhold tax in respect of the tax file number and Australian Business Number requirements of Part VA of the Tax Act 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.
 - (e) Under the Charter, the International Organisations (Privileges and Immunities) Act 1963 and the Asian Development Bank (Privileges and Immunities) Regulations, the Bank is exempt from any obligation imposed by the Commonwealth of Australia for the payment, withholding or collection of any tax or duty on the Bonds. Accordingly, payments on the Bonds will be made without deduction in respect of any such tax or duty, including Australian interest withholding tax. In addition, so long as the Bank continues to be a non-resident of Australia and does not issue the Bonds in carrying on business at or through a permanent establishment in Australia, holders of the Bonds will not have a liability to pay Australian interest withholding tax.
 - (f) Neither the issue nor receipt of the Bonds will give rise to a liability for GST in Australia on the basis that the supply of Bonds 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 Bank, nor the disposal of the Bonds, would give rise to any GST liability in Australia.

SUBSCRIPTION AND SALE

The Lead Manager has, pursuant to a Subscription Agreement dated 10 October 2007 (“**Subscription Agreement**”), agreed with the Bank to subscribe and pay for the Bonds at an issue price of 100.156% of the principal amount of the Bonds including an amount equal to 2.032% of their principal amount being accrued interest, less certain arrangement, underwriting and selling commissions. The Subscription Agreement entitles the Bank and the Lead Manager to terminate such agreement in certain circumstances prior to payment to the Bank and issue of the Bonds.

By its purchase and acceptance of Bonds issued under this agreement, the Lead Manager has agreed that:

- (a) it will observe all applicable laws and regulations in any jurisdiction in which it may purchase, offer, sell, or deliver Bonds; and
- (b) it will not directly or indirectly offer, sell, resell, re-offer or deliver Bonds or distribute the Information Memorandum or any prospectus, circular, advertisement or other offering material relating to the Bonds in any jurisdiction except under circumstances that will result in compliance with all applicable laws and regulations.

1 Australia

No prospectus or other disclosure document (as defined under the Corporations Law) in relation to the Bonds has been lodged with, or registered by, the Australian Securities and Investments Commission (“**ASIC**”). Accordingly, the Lead Manager has agreed that it:

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

unless (i) the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or the equivalent in another currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Law, (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.

2 The United States of America

The Bonds have not been and will not be registered under the U.S. Securities Act 1933 as amended (“**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act (“**Regulation S**”) or pursuant to an exemption from the registration requirements of the Securities Act. The Lead Manager has represented that it has offered and sold the Bonds, and has agreed that it will offer and sell the Bonds:

- (a) as part of their distribution at any time; and
- (b) otherwise until 40 days after completion of the distribution of the Bonds,

only in accordance with Rule 903 of Regulation S.

Accordingly, the Lead Manager has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds, and it and they have complied and will comply with the offering restrictions of Regulation S. The Lead Manager has agreed that, at or prior to confirmation of sale of Bonds, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Bonds from it during the restricted period a confirmation or notice to substantially the following effect:

“The securities covered hereby have not been registered under the U.S. Securities Act of 1993 as amended (“Securities Act”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons:

- (i) as part of their distribution at any time; or*
- (ii) otherwise until 40 days after completion of their distribution,*

except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act.”

Terms used in this paragraph have the meanings given to them by Regulation S.

3 United Kingdom

The Lead Manager has represented and agreed 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 any Bonds in, from or otherwise involving the United Kingdom.

4 General

The Lead Manager has acknowledged that no action has been or will be taken in any jurisdiction by the Issuer or the Lead Manager that would permit a public offering of the Bonds, or possession or distribution of the Information Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required. The Lead Manager has agreed that it will (to the best of its knowledge and belief) comply with all laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Bonds or has in its possession or distributes the Information Memorandum or any other offering material, in all cases at its own expense.

GENERAL INFORMATION AND RECENT DEVELOPMENTS

GENERAL INFORMATION

- 1 The issuance of the Bonds has been authorised pursuant to a resolution of the Board of Directors of the Bank providing a global borrowing authorisation for 2007 adopted on 7 December 2006. The Government of Australia has provided the approvals required by the Charter in connection with the issuance of the Bonds.
- 2 The Bank is not and has not been involved in any litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the Bonds or may have, or have had during the previous 12 months, a significant effect on its financial position, nor, so far as it is aware, having made all reasonable inquiries, is any such litigation, arbitration or administrative proceedings pending or threatened.
- 3 So long as any Bond is outstanding a copy of the Deed Poll and the latest annual report of the Bank are available to holders of Bonds for inspection during business hours at the offices of The Toronto-Dominion Bank which is currently at Level 24, 9 Castlereagh Street, Sydney, NSW 2000, Attention: Managing Director, Global Fixed Income.
- 4 PricewaterhouseCoopers LLP is the Bank's current independent auditors.

RECENT DEVELOPMENTS

On 7 May 2007, ADB's Board of Governors approved the following with respect to its 2006 ordinary capital resources net income:

- a) U.S.\$138.5 million, representing the FAS133 adjustment as of 31 December 2006, be added to the net income from the cumulative revaluation adjustments account;
- b) U.S.\$52.0 million, representing the adjustment to the loan loss reserve as of 31 December 2006, be added to the loan loss reserve;
- c) U.S.\$286.2 million be allocated to ordinary reserve;
- d) U.S.\$286.2 million be allocated to surplus;
- e) U.S.\$40.0 million be allocated to the Asian Development Fund; and
- f) U.S.\$40.0 million be allocated to the Regional Cooperation and Integration Fund.

ISSUER

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