

Series No.: AUD 012-01-1

Tranche No.: 2



ASIAN DEVELOPMENT BANK
Australian Dollar Domestic
Medium Term Note Programme

Issue of

A\$250,000,000 3.50% Notes due 25 July 2018 (to be consolidated, form a single series and be fungible with the A\$400,000,000 3.50% Notes due 25 July 2018 issued on 25 January 2013) (“Notes”)

This Pricing Supplement (as referred to in the Information Memorandum dated 20 November 2006 (“**Information Memorandum**”) and the 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
2	Issuer:	Asian Development Bank
3	Lead Managers and Dealers:	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) Commonwealth Bank of Australia (ABN 48 123 123 124) The Toronto-Dominion Bank
4	Registrar:	Reserve Bank of Australia
5	Type of Issue:	Underwritten
6	Currency:	
	- of Denomination:	A\$
	- of Payment:	A\$

7	Aggregate principal amount of Tranche:	A\$250,000,000
8	If interchangeable with existing Series:	To be consolidated, form a single series and be fungible with the A\$400,000,000 3.50% Notes due 25 July 2018 issued on 25 January 2013
9	Issue Date:	5 September 2013
10	(i) Issue Price:	98.726 per cent. of the aggregate principal amount of the Tranche plus A\$997,500 on account of accrued interest for 42 days from and including 25 July 2013 to but excluding 5 September 2013.
	(ii) Net Proceeds:	A\$247,485,000
11	Denomination(s):	A\$5,000, subject to the requirement that the amount payable by each person who subscribes for Notes when issued in Australia must be at least A\$500,000. See Condition 3.1 as set out in the Information Memorandum for details of the restrictions on transfer of the Notes.
12	Definition of Business Day:	A day 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 Sydney.
13	Interest:	
	(a) If Interest bearing:	
	(i) Interest Rate:	3.50% per annum paid semi-annually in arrear.
	(ii) Interest Amount:	A\$87.50 per Note of A\$5,000 denomination, payable on a semi-annual basis.
	(iii) Interest Payment Dates:	25 January and 25 July of each year, commencing on 25 January 2014 up to and including the Maturity Date.
	(iv) Interest Period End Dates:	25 January and 25 July of each year, commencing on 25 January 2014 up to and including the Maturity Date, subject to no adjustment.
	(v) Applicable Business Day Convention:	Following

-	for Interest Payment Dates:	As above
-	for Maturity Date:	As above
-	for Interest Period End Dates:	Not applicable
-	any other dates:	As above
(vii)	Day Count Fraction:	RBA Bond Basis
(viii)	Interest Commencement Date (if different from the Issue Date):	25 July 2013
(ix)	Minimum Interest Rate:	Not applicable
(x)	Maximum Interest Rate:	Not applicable
(xi)	Issue Yield:	3.7875% (semi-annual compounding)
(b)	If non-interest bearing:	
-	Amortisation Yield:	Not applicable
-	Amortisation Yield compounding method for calculation of Amortised Face Amount:	Not applicable
14	Maturity Date:	25 July 2018
15	Maturity Redemption Amount:	Outstanding Principal Amount
16	Early Termination Amount:	Outstanding Principal Amount
17	Listing:	Australian Securities Exchange

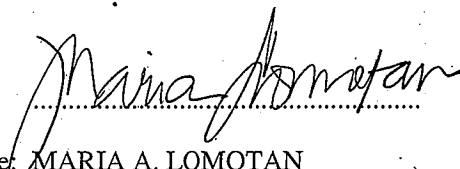
18	Any Clearing System other than Austraclear:	Euroclear and Clearstream, Luxembourg If accepted for admission to the respective system, interests in the Notes may be held through Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) or through Clearstream Banking, société anonyme (“Clearstream, Luxembourg”). In these circumstances, entitlements in respect of holdings of interests in the Notes in Euroclear would be held in Austraclear System by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in the Notes in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg. The rights of a holder of interests in the Notes 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 the Notes, which are 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 2001 of Australia and the requirements for minimum consideration set out in the Conditions of the Notes. 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.
19	Other Conditions:	Not applicable
20	Additional Selling Restrictions:	The Selling Restrictions for Australia, Japan, and Hong Kong set out in the Information Memorandum are amended as set out in the Schedule to this Pricing Supplement.
21	Foreign Securities Number (ISIN/Common Code):	ISIN: AU0000ATBHM9 Common Code: 087953327

22 Calculation Agent: Not applicable

23 Recent Developments: Not applicable

CONFIRMED

ASIAN DEVELOPMENT BANK

By: 

Name: MARIA A. LOMOTAN

Title: Assistant Treasurer

Date: 3 September 2013

SCHEDULE

SELLING RESTRICTIONS

The following selling restrictions set out in the Information Memorandum are amended as follows:

Australia

The selling restriction for Australia is deleted and replaced with the following:

“Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (“**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 (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Notes 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 aggregate consideration payable by the offeree is at least A\$500,000 (or its equivalent in an alternate currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors under Part 6D.2 or 7.9 of the Corporations Act;
- (ii) such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act);
- (iii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act; and
- (iv) such action does not require any document to be lodged with ASIC.

In addition, each Dealer has agreed 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.”

Japan

The selling restriction for Japan is deleted and replaced with the following:

“Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”). Each Dealer has represented and agreed that it has not offered, sold, delivered or transferred and will not offer, sell, deliver or transfer any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used here means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering, resale, delivery or transfer, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws and ministerial guidelines of Japan.”

Hong Kong

The selling restriction for Hong Kong is deleted and replaced with the following:

“Hong Kong

Each Dealer has represented and agreed that:

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