

PRICING SUPPLEMENT



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

Series No: 577-00-1

CNY1,200,000,000 2.85% Notes due 21 October 2020

Issue price: 100%

Joint Lead Managers

Deutsche Bank AG, Hong Kong Branch

Bank of China (Hong Kong) Limited

The date of this Pricing Supplement is 18 October 2010.

This pricing supplement (this “Pricing Supplement”) is issued to give details of an issue of CNY1,200,000,000 2.85% Notes due 21 October 2020 (the “Notes”) by the Asian Development Bank (“ADB”) under its Global Medium-Term Note Program and to provide information supplemental to the Prospectus referred to below.

This Pricing Supplement supplements the terms and conditions of the Notes set forth in the Prospectus dated 20 July 2005 (as amended and supplemented and together with the documents incorporated by reference therein, the “Prospectus”) and should be read in conjunction with the Prospectus and the Offering Circular dated 18 October 2010 (the “Offering Circular”). Unless otherwise defined in this Pricing Supplement, capitalized terms used herein have the meanings given to them in the Prospectus.

The issue of the Notes was authorized pursuant to a global borrowing authorization of the Board of Directors of ADB dated 10 December 2009.

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

PURCHASERS OF THE NOTES SHOULD NOTE THAT THE RENMINBI IS NOT A FREELY CONVERTIBLE CURRENCY. ALL PAYMENTS IN RESPECT OF THE NOTES WILL BE MADE SOLELY BY TRANSFER TO A RENMINBI BANK ACCOUNT MAINTAINED IN HONG KONG IN ACCORDANCE WITH PREVAILING RULES AND REGULATIONS. ADB CANNOT BE REQUIRED TO MAKE PAYMENT BY ANY OTHER MEANS (INCLUDING IN CURRENCY OR BY TRANSFER TO A BANK ACCOUNT IN THE MAINLAND PEOPLE'S REPUBLIC OF CHINA). IN ADDITION, THERE CAN BE NO ASSURANCE THAT ACCESS TO RENMINBI FUNDS FOR THE PURPOSES OF MAKING PAYMENTS ON THE NOTES OR GENERALLY MAY REMAIN OR MAY NOT BECOME RESTRICTED.

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

The Notes comprise bearer notes that are subject to U.S. tax law requirements and, subject to certain exceptions, may not be offered, sold or delivered within the United States.

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

The Notes are not the obligation of any government.

TERMS AND CONDITIONS

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

General Provisions

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| 1. | Issuer: | Asian Development Bank |
| 2. | Series Number: | 577-00-1 |
| 3. | (i) Specified Currency (Condition 1(c)): | Renminbi (“ <u>CNY</u> ”)*

* Purchasers of the Notes should note that the Renminbi is not a freely convertible currency. All payments in respect of the Notes will be made solely by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. ADB cannot be required to make payment by any other means (including in currency or by transfer to a bank account in the mainland People's Republic of China). In addition, there can be no assurance that access to Renminbi funds for the purposes of making payments on the Notes or generally may not remain or become restricted. |
| | (ii) Specified Principal Payment Currency if different from Specified Currency (Condition 1(c)): | Not applicable |
| | (iii) Specified Interest Payment Currency if different from Specified Currency (Condition 1(c)): | Not applicable |
| | (iv) Alternative Currency (Condition 7(i)) (if applicable): | Not applicable |
| 4. | Aggregate Nominal Amount: | CNY1,200,000,000 (One billion two hundred million Renminbi) |
| 5. | Issue Price: | 100% of the Aggregate Nominal Amount |
| 6. | Specified Denomination (Condition 1(a)): | CNY500,000 (Five hundred thousand Renminbi) |

7.	(i)	Issue Date (Condition 5(d)):	21 October 2010
	(ii)	Interest Commencement Date (if different from the Issue Date) (Condition 5(d)):	Not applicable
8.		Maturity Date or Redemption Month (Condition 6(a)):	21 October 2020
9.		Interest Basis (Condition 5)):	Fixed Rate (Condition 5(a)) (further particulars specified below)
10.		Redemption/Payment Basis (Condition 6(a)):	Redemption at par
11.		Change of Interest or Redemption/Payment Basis:	Not applicable
12.		Put/Call Options (Conditions 6(e) and (f)):	Not applicable
13.		Status of the Notes (Condition 3):	Senior
14.		Listing:	Hong Kong
15.		Method of distribution:	Syndicated

Provisions Relating to Interest Payable

16.		Fixed Rate Note Provisions (Condition 5(a)):	Applicable
	(i)	Rate(s) of Interest:	2.85% per annum, payable semi-annually in arrears
	(ii)	Interest Payment Date(s):	21 April and 21 October of each year adjusted in accordance with Modified Following Business Day Convention, commencing on 21 April 2011
	(iii)	Fixed Coupon Amount(s):	Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Specified Denomination by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards.
	(iv)	Broken Amount(s):	Not applicable
	(v)	Day Count Fraction (Condition	Actual/365 (Fixed)

5(d):

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| (vi) | Determination Date(s): | Not applicable |
| (vii) | Other terms relating to the method of calculating interest for Fixed Rate Notes: | Not applicable |
| 17. | Floating Rate Note Provisions (Condition 5(b)): | Not applicable |
| 18. | Zero Coupon/Deep Discount Note Provisions (Conditions 5(c) and 6(c)): | Not applicable |
| 19. | Index-Linked Interest Note Provisions: | Not applicable |
| 20. | Dual Currency Note Provisions: | Not applicable |

Provisions Relating to Redemption

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| 21. | Call Option (Condition 6(e)): | Not applicable |
| 22. | Put Option (Condition 6(f)): | Not applicable |
| 23. | Final Redemption Amount: | Nominal amount |
| (i) | Alternative Payment Mechanism (Condition 7(a) and (c)): | Not applicable |
| (ii) | Long Maturity Note (Condition 7(f)): | Not applicable |
| (iii) | Variable Redemption Amount (Condition 6(d)) | Not applicable |
| 24. | Early Redemption Amount: | |
| (i) | Early Redemption Amount(s) payable on an Event of Default (Condition 9) and/or the method of calculating the same (if required or if different from that set out in the Conditions): | Not applicable |
| (ii) | Unmatured Coupons to become void (Condition 7(f)): | No |

Additional General Provisions Applicable to the Notes

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| 25. | Form of Notes: | Bearer Notes |
| (i) | Temporary or Permanent Global | Temporary Global Note exchangeable for a Permanent Global Note on or after the |

Note:	Certification Date. The Temporary Global Note will be lodged with a sub-custodian for the CMU Service on the Issue Date.
(ii) Certification Date (as defined in the Temporary Global Note):	30 November 2010
(iii) Applicable TEFRA exemption:	D Rules
26. Talons for future Coupons to be attached to definitive Bearer Notes (and dates on which such Talons mature):	No
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of ADB to forfeit the Notes and interest due on late payment:	Not applicable
28. Details relating to Installment Notes:	Not applicable
29. Redenomination, renominialization and reconventioning provisions:	Not applicable
30. Consolidation provisions:	Not applicable
31. Other terms or special conditions:	See Annex A for certain modifications to the Terms and Conditions
(i) Relevant Financial Center:	Hong Kong

Distribution

32. (i) If syndicated, names of Managers:	Deutsche Bank AG, Hong Kong Branch Bank of China (Hong Kong) Limited
(ii) Stabilizing Manager (if any):	Deutsche Bank AG, Hong Kong Branch
33. If non-syndicated, name of Dealer:	Not applicable
34. Additional selling restrictions:	The following paragraphs shall be deemed to be set out under the headings "People's Republic of China" and "Hong Kong", respectively, in the section entitled "Plan of Distribution" in the Prospectus:

People's Republic of China

Each Dealer has represented and agreed that

the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the mainland People's Republic of China, except as permitted by the securities laws of the mainland People's Republic of China.

Hong Kong

Each Dealer has represented and agreed 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 issue, and will not issue or have in its possession for the purposes 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 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 the Notes which are or are 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 under that Ordinance.

Operational Information

35. CMU Instrument No.:

CIHKFN10002

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| 36. Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s): | The Central Moneymarkets Unit ("CMU") Service operated by the Hong Kong Monetary Authority |
| 37. Delivery: | Delivery against payment |
| 38. Additional Paying Agent(s) (if any): | Citibank, N.A., Hong Kong Branch as Global Agent and CMU Lodging Agent in respect of the Notes |
| 39. Governing Law: | English law |

Listing Application

This Pricing Supplement comprises the details required to list the issue of Notes described herein on The Stock Exchange of Hong Kong Limited.

Stabilizing

In connection with this issue, Deutsche Bank AG, Hong Kong Branch may over-allot or effect transactions which stabilize or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilizing, if commenced, may be discontinued at any time.

Material Adverse Change Statement

There has been no material adverse change in the financial position or prospects of ADB since the date of the financial statements included in the most recently published Information Statement of ADB. ADB's latest Information Statement was issued on 28 April 2010.

Responsibility

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

ASIAN DEVELOPMENT BANK

By: 
 Name: KAZUKI FUKUNAGA
 Title: ASSISTANT TREASURER

ANNEX A – MODIFICATIONS TO THE TERMS AND CONDITIONS

The Terms and Conditions shall be further modified as set forth below for the purposes of the Notes that are subject to this Pricing Supplement:

(A) Defined terms:

The following defined terms shall be amended and/or inserted:

“CMU Service” means the Central Moneymarkets Unit ("CMU") Service operated by the Operator.

“CMU Instrument Position Report” means the CMU instrument position report as defined in the rules of the CMU.

“CMU Lodging Agent” means Citibank N.A., Hong Kong Branch.

“Global Agency Agreement” means the Global Agency Agreement dated 17 May 2004 as amended and supplemented by an Amendment to Global Agency Agreement dated 22 August 2007, an Amendment to Global Agency Agreement dated 27 January 2009 and an Amendment to Global Agency Agreement to be dated on or before the Issue Date between ADB and the other parties named therein relating to the issue of the Notes.

“Global Agent” means, in respect of the Notes, Citibank N.A., Hong Kong Branch or any successor appointed as Global Agent under the Agency Agreement.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“Operator” means the Hong Kong Monetary Authority, as operator of the CMU Service.

“PRC” means the mainland People’s Republic of China.

“Renminbi” or "CNY" means the lawful currency of the PRC.

“Settlement Account” means, in relation to a payee which is a licensed bank, the account maintained by that payee with the Operator through which its own clearing balance is settled or, in relation to a payee which is not a licensed bank, the account maintained by its designated correspondent bank with the Operator for the purpose of settling, inter alia, interbank payments.

(B) Condition 1 (Form, Denomination, Title and Specified Currency):

The following shall be added after the penultimate paragraph of Condition 1(a):

The Notes will initially be represented by a temporary Global Note, without Coupons attached, which will be lodged with a sub-custodian of the Operator. The temporary Global Note will be exchangeable in whole or in part not earlier than 40 days after the Issue Date for a permanent Global Note, without Coupons attached, upon prior certification as to non-U.S. beneficial ownership thereof or otherwise as required by U.S. Treasury Regulations. If the temporary Global Note is held by or on behalf of the Operator, the CMU Service may require that any such

exchange for interests in the permanent Global Note is made in whole and not in part and, in such event, no such exchange will be effected until all persons appearing in the records of the CMU Service as entitled to an interest in the temporary Global Note have so certified.

Each Global Note will be held for the account of CMU members who have accounts with the Operator, or the CMU participants. Interests in the Global Note will only be shown on, and transfers of interests will be effected through, records maintained by the Operator.

(C) Condition 5 (Interest):

Notwithstanding the provisions of Condition 5(a):

Each Note bears interest from and including the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified in the Pricing Supplement, adjusted in accordance with Modified Following Business Day Convention.

The Modified Following Business Day Convention has the meaning specified in Condition 5(d).

“Relevant Business Day” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business in Hong Kong and if a Global Note representing the Notes is lodged with the CMU Service, (a) a day (other than a Saturday, Sunday or public holiday) on which the CMU Service is operating; and (b) a day (other than Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are open for business and settlement of Renminbi payments.

(D) Condition 7 (Payments and Talons):

Condition 7(a) shall be modified as follows:

“in the manner specified above in relation to definitive Notes” in the second line of the last paragraph of Condition 7(a) shall be replaced with “by transfer to a Settlement Account in accordance with the rules and procedures of the Operator”; and each of the persons shown in the CMU Instrument Position Report or any other statement by the CMU Service of the identities and interests of persons credited with interests in that Global Note as the holder of a particular principal amount of Notes must look solely to the CMU Service for his share of each payment so made by ADB to, or to the order of, the holder of the Global Note.

The following shall be added at the end of Condition 7(a):

"For so long as a Global Note is held by or on behalf of the Operator, payments of interest or principal shall be made to the persons for whose account a relevant interest in the relevant Global Note is credited as being held by the Operator at the relevant time, as notified to the Global Agent by the Operator in a relevant CMU Instrument Position Report or in any other relevant notification by the Operator. Payment in accordance with the relevant CMU Instrument Position Report shall discharge ADB's obligations in respect of that payment. Any payments by CMU participants to indirect participants shall be governed by arrangements agreed between such CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments shall be the sole responsibility of such CMU participants.

PURCHASERS OF THE NOTES SHOULD NOTE THAT THE RENMINBI IS NOT A FREELY CONVERTIBLE CURRENCY. ALL PAYMENTS IN RESPECT OF THE NOTES WILL BE MADE SOLELY BY TRANSFER TO A RENMINBI BANK ACCOUNT MAINTAINED IN HONG KONG IN ACCORDANCE WITH PREVAILING RULES AND REGULATIONS. ADB CANNOT BE REQUIRED TO MAKE PAYMENT BY ANY OTHER MEANS (INCLUDING IN CURRENCY OR BY TRANSFER TO A BANK ACCOUNT IN THE PRC). IN ADDITION, THERE CAN BE NO ASSURANCE THAT ACCESS TO RENMINBI FUNDS FOR THE PURPOSES OF MAKING PAYMENTS ON THE NOTES OR GENERALLY MAY REMAIN OR MAY NOT BECOME RESTRICTED."

(E) Condition 13 (Notices):

For the purposes of the Notes, Condition 13 shall be replaced with the following:

(a) Global Notes

Until such time as any definitive Notes are issued and so long as a Global Note is held in its entirety on behalf of the Operator, notices required to be given to Noteholders may be given by their being delivered to the persons shown in a CMU Instrument Position Report issued by the Operator on the second business day preceding the date of despatch of such notice as holding interests in this Permanent Global Note and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules and regulations of that stock exchange or any other relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the date of delivery of said notice to the persons shown in the relevant CMU Instrument Position Report.

(b) Definitive Notes

Any notice to the holder of any definitive Note shall be validly given if published in the *South China Morning Post* in Hong Kong or, if that newspaper shall cease to be published or timely publication therein shall not be practicable, in another English language newspaper with general circulation in Hong Kong. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

(c) Couponholders

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition.

(d) Notice from Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Global Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Global Agent through the CMU Service in such manner as the Global Agent and the CMU Service may approve for this purpose.



ISSUER

Asian Development Bank

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Philippines

GLOBAL AGENT AND CMU LODGING AGENT

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22 Tak Fung Street
Hung Hom
Kowloon
Hong Kong

LEGAL ADVISERS

As to English and United States law

Allen & Overy

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