

Pricing Supplement dated 4 December 2018

AFRICAN DEVELOPMENT BANK

**Global Debt Issuance Facility
for issues of Notes with maturities of one day or longer
Issue of USD 100,000,000 Floating Rate Notes due 18 November 2020**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. This Pricing Supplement constitutes Final Terms for the purposes of listing and trading Notes on the Regulated Market of the Luxembourg Stock Exchange. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 8 September 2009 as supplemented by the Supplemental Information Memorandum dated 16 January 2017 (as so supplemented, the **Information Memorandum**). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Information Memorandum.

MIFID II product governance/Retail investors, professional investors and eligible counterparties – See item 40 below.

1. Issuer: African Development Bank
2. (a) Series Number: 826
(b) Tranche Number: 1
3. Specified Currency or Currencies: U.S. dollars (**USD**)
4. Aggregate Nominal Amount:
(a) Series: USD 100,000,000
(b) Tranche: USD 100,000,000
5. (a) Issue Price: 100.00 per cent. of the Aggregate Nominal Amount
(b) Net proceeds: USD 99,925,000.00
6. Specified Denominations: USD 1,000 (the **Calculation Amount**)
7. (a) Issue Date: 6 December 2018
(b) Interest Commencement Date: 6 December 2018
8. Maturity Date: Interest Payment Date falling on or nearest to 18 November 2020
9. Interest Basis: SOFR +0.32 per cent. Floating Rate (further particulars specified below)
10. Redemption/Payment Basis: Redemption at par

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| 11. | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. | Put/Call Options: | Not Applicable |
| 13. | Status of the Notes: | Senior |
| 14. | Listing: | The regulated market of the Luxembourg Stock Exchange for the purposes of Directive 2014/65/EU on Markets in Financial Instruments |
| 15. | Method of distribution: | Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 16. | Fixed Rate Note Provisions | Not Applicable |
| 17. | Floating Rate Note Provisions | Applicable |
| (a) | Interest Period(s): | As defined in the Conditions |
| (b) | Specified Interest Payment Dates: | 18 February, 18 May, 18 August and 18 November in each year up to and including the Maturity Date with the first Interest Payment Date being 18 February 2019, subject to adjustment in accordance with the Business Day Convention as specified below. There will be a short first coupon from (and including) the Issue Date to (but excluding) 18 February 2019. |
| (c) | Business Day Convention: | Modified Following Business Day Convention |
| (d) | Business Centre(s): | New York City and London |
| (e) | Manner in which the Rate(s) of Interest is/are to be determined: | ISDA Determination |
| (f) | Interest Period Date(s): | Not Applicable |
| (g) | Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent): | Issuing and Paying Agent |
| (h) | Screen Rate Determination: | Not Applicable |
| (i) | ISDA Determination: | Applicable |
| – | Floating Rate Option: | SOFR (as defined in item (o) below) and subject to the fall-back provisions set out below |
| – | Designated Maturity: | Not Applicable |
| – | Reset Date: | Each day in the relevant Interest Period. The rate for the Floating Rate Option for each Reset Date in the |

period from, and including, the Rate Cut-Off Date (as defined below) to, and including, the last day of the relevant Interest Period shall be the rate in effect on the Reset Date falling on the Rate Cut-Off Date for such Interest Period. The method of calculation for the determination of the Floating Rate where there is more than one Reset Date in the relevant Calculation Period shall be “Weighted Average”, with each such term, as applicable, having the meaning given to it in the ISDA definitions.

- ISDA Definitions (if different from those set out in the Conditions): Not Applicable
- (j) Relevant Margin(s): +0.32 per cent. per annum
- (k) Minimum Rate of Interest: 0.00 per cent. per annum
- (l) Maximum Rate of Interest: Not Applicable
- (m) Day Count Fraction: Actual/360
- (n) Rate Multiplier: Not Applicable
- (o) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:
 - “SOFR” means, with respect to any Reset Date:
 - (i) the Secured Overnight Financing Rate in respect of the U.S. Government Securities Business Day immediately preceding such Reset Date as provided by the Federal Reserve Bank of New York, as the administrator of such Rate (or a successor administrator) on the New York Fed’s Website on or about 5:00 p.m. (New York time) on such Reset Date (or, if such Reset Date is not a U.S. Government Securities Business Day, on the first U.S. Government Securities Business Day following such Reset Date);
 - (ii) if the Secured Overnight Financing Rate cannot be determined with respect to such Reset Date as specified in paragraph (i), unless both a SOFR Index Cessation Event and a SOFR Index Cessation Effective Date have occurred, the Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such Rate was published on the New York Fed’s Website; or
 - (iii) if a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have

occurred, the rate (inclusive of any spreads or adjustments) that was recommended as the replacement for the Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the Secured Overnight Financing Rate (which rate may be produced by a Federal Reserve Bank or other designated administrator), provided that, if no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Event, then the rate for each Reset Date occurring on or after the SOFR Index Cessation Effective Date will be determined as if (i) references to SOFR were references to OBFR, (ii) references to U.S. Government Securities Business Day were references to New York City Banking Day, (iii) references to SOFR Index Cessation Event were references to OBFR Index Cessation Event and (iv) references to SOFR Index Cessation Effective Date were references to OBFR Index Cessation Effective Date; and provided further that, if no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Event and an OBFR Index Cessation Event has occurred, then the rate for each Reset Date occurring on or after the SOFR Index Cessation Effective Date will be determined as if (x) references to SOFR were references to FOMC Target Rate, (y) references to U.S. Government Securities Business Day were references to New York City Banking Day and (z) references to the New York Fed's Website were references to the Federal Reserve's Website.

where:

“Federal Reserve’s Website” means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website of the Board of Governors of the Federal Reserve System;

“FOMC Target Rate” means, the short-term

interest rate target set by the Federal Open Market Committee and published on the Federal Reserve's Website or, if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve's Website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range);

“New York City Banking Day” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

“New York Fed's Website” means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, or any successor website of the Federal Reserve Bank of New York;

“OBFR” means, with respect to any Reset Date, the daily Overnight Bank Funding Rate in respect of the New York City Banking Day immediately preceding such Reset Date as provided by the Federal Reserve Bank of New York, as the administrator of such Rate (or a successor administrator) on the New York Fed's Website on or about 5:00 p.m. (New York time) on such Reset Date;

“OBFR Index Cessation Effective Date” means, in respect of a OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Overnight Bank Funding Rate), ceases to publish the Overnight Bank Funding Rate, or the date as of which the Overnight Bank Funding Rate may no longer be used;

“OBFR Index Cessation Event” means the occurrence of one or more of the following events: (a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the OBFR) announcing that it has ceased or will cease to provide OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide OBFR; or (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of OBFR) has ceased or will cease to provide OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide OBFR; or (c) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of OBFR that applies to, but need

not be limited to, all Swap Transactions, including existing Swap Transactions;

“Rate Cut-Off Date” means the day that is the second U.S. Government Securities Business Day (as defined below) prior to the Specified Interest Payment Date in respect of the relevant Interest Period;

“SOFR Index Cessation Effective Date” means, in respect of a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate) ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used;

“SOFR Index Cessation Event” means the occurrence of one or more of the following events: (a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) announcing that it has ceased or will cease to provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide a Secured Overnight Financing Rate; or (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) has ceased or will cease to provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide the Secured Overnight Financing Rate; or (c) a public statement by a U.S. regulator or U.S. other official sector entity prohibiting the use of the Secured Overnight Financing Rate that applies to, but need not be limited to, all Swap Transactions, including existing Swap Transactions; and

“U.S. Government Securities Business Day” means any day, except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

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| 18. | Zero Coupon Note Provisions | Not Applicable |
| 19. | Index-Linked Interest Note Provisions | Not Applicable |

20. **Dual Currency Interest Note Provisions** Not Applicable

21. **Variable Coupon Amount Notes:** Not Applicable

PROVISIONS RELATING TO REDEMPTION

22. **Call Option** Not Applicable

23. **Put Option** Not Applicable

24. **Final Redemption Amount of each Note** USD 1,000 per Calculation Amount

25. **Early Redemption Amount**

Early Redemption Amount(s) of each Note payable on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): As set out in the Conditions

26. **Variable Redemption Amount Notes:** Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. (a) Form of Notes:

Bearer Notes: Not Applicable

Registered Notes: Applicable

Registrar and Transfer Agents Registrar:

Citibank, N.A., Citigroup Centre, Canary Wharf, London E14 5LB

Transfer Agent:

Banque Internationale à Luxembourg société anonyme, 69 route d'Esch, L-2953 Luxembourg

(i) DTC Application Yes

(ii) Australian Domestic Notes: No

28. **Relevant Financial Centre(s) or other special provisions relating to Payment Dates:** London and New York City

For the purposes of Condition 6, "Business Day" means a day (other than Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business in London and New York City

Notwithstanding Condition 6, if any date for the payment of any amount due (whether in respect of

principal, interest or otherwise) in respect of the Notes is not a Business Day, the holder shall not be entitled to payment until the next following Business Day unless such day falls in the next calendar month in which case such date will be the first preceding day that is a Business Day and the holder shall not be entitled to payment of any interest or other sum in respect of such postponed payment.

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| 29. | Talons for future Coupons to be attached to Definitive Bearer Notes (and dates on which such Talons mature): | Not Applicable |
| 30. | 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 the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 31. | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | Not Applicable |
| 32. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 33. | Consolidation provisions: | Not Applicable |
| 34. | Other terms or special conditions: | Not Applicable |
| 35. | Additional risk factors: | An investment in the Notes is subject to the risks described below, as well as the risks described under "Risk Factors" in the Information Memorandum. |

The Secured Overnight Financing Rate may be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Notes.

The Secured Overnight Financing Rate is published by the Federal Reserve Bank of New York (the “**Federal Reserve**”) and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities. The Federal Reserve reports that the Secured Overnight Financing Rate (“**SOFR**”) includes all trades in the Broad General Collateral Rate, plus bilateral Treasury repurchase agreement transactions cleared through the delivery-versus-payment service offered by the Fixed Income Clearing Corporation (the “**FICC**”), a subsidiary of the Depository Trust and

Clearing Corporation (“**DTCC**”). The Secured Overnight Financing Rate is filtered by the Federal Reserve to remove a portion of the foregoing transactions considered to be “specials”.

The Federal Reserve reports that SOFR is calculated as a volume-weighted median of transaction-level tri-party repo data collected from The Bank of New York Mellon as well as General Collateral Finance repurchase agreement transaction data and data on bilateral Treasury repurchase transactions cleared through the FICC’s delivery-versus-payment service. The Federal Reserve notes that it obtains information from DTCC Solutions LLC, an affiliate of DTCC. The Federal Reserve notes on its publication page for the Secured Overnight Financing Rate that use of SOFR is subject to important limitations and disclaimers, including that the Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice.

Because SOFR is published by the Federal Reserve based on data received from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Notes. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on the Notes and the trading prices of the Notes. If the rate at which interest accrues on any day (meaning the SOFR for that Reset Date plus or minus the applicable spread) declines to zero or becomes negative, no interest will be payable on the Notes in respect of that day.

The Federal Reserve began to publish SOFR in April 2018. The Federal Reserve has also begun publishing historical indicative SOFRs going back to 2014. Investors should not rely on any historical changes or trends in SOFR as an indicator of future changes in SOFR. Also, since SOFR is a relatively new market index, the Notes will likely have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of the Notes may be lower than those of later-issued indexed debt securities as a result. Similarly, if SOFR does not prove to be widely used

in securities like the Notes, the trading price of the Notes may be lower than those of notes linked to indices that are more widely used. Investors in the Notes may not be able to sell the Notes at all or may not be able to sell the Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

36. Governing law: English Law

DISTRIBUTION

37. (a) If syndicated, names of Managers: J.P. Morgan Securities plc
Merrill Lynch International
The Toronto-Dominion Bank
Wells Fargo Securities, LLC
(together, the **Joint Lead Managers**)

Crédit Agricole Corporate and Investment Bank
(the **Co-Lead Manager** and, together with the Joint Lead Managers, the **Managers**)

(the Co-Lead Manager has no underwriting commitment)
- (b) Stabilising Manager (if any): J.P. Morgan Securities plc
38. If non-syndicated, name of Dealer: Not Applicable
39. Additional selling restrictions: Not Applicable
40. MIFID II product governance/Retail investors, professional investors and eligible counterparties: The Issuer is not subject to Directive 2014/65/EU (as amended, **MiFID II**) or the requirements of an “investment firm”, “manufacturer” or “distributor” under the MiFID II product governance rules of EU Delegated Directive 2017/593. For the purposes of MiFID II, the Joint Lead Managers shall be deemed the “manufacturers” in respect of the Notes. Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in MiFID II; and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID

It is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

OPERATIONAL INFORMATION

41.	ISIN:	US00828EDE68
42.	Common Code:	191783662
43.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	DTC, CUSIP: 00828EDE6
44.	Delivery:	Delivery against payment
45.	Changes to the Agent(s) (if any):	Not Applicable
46.	Applicable TEFRA Rules:	Not Applicable
47.	Additional United States Federal Income Tax Consequences:	Not Applicable
48.	Intended to be held in a manner that would allow Eurosystem eligibility:	No

LISTING APPLICATION

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Regulated Market of the Luxembourg Stock Exchange and admission to trading on the Official List of the Luxembourg Stock Exchange of the Notes described herein pursuant to the Global Debt Issuance Facility of the African Development Bank.

USE OF PROCEEDS

An amount equal to the net proceeds of the issue of the Notes will be allocated within the Issuer's treasury to a sub-portfolio that will be linked to the Issuer's lending operations in the fields of climate change adaptation and mitigation (the "**Eligible Projects**"). So long as the Notes are outstanding, the balance of this sub-portfolio will be reduced at the end of each semi-annual period by amounts matching the disbursements made during such semi-annual period in respect of Eligible Projects. Pending such disbursements, the net proceeds of the issue of the Notes will be held in the Issuer's liquidity portfolio.

Examples of typical Eligible Projects include:

- Greenfield Renewable Energy Generation (e.g. solar, wind, geothermal and ocean power);
- Demand-side Brownfield and Greenfield Energy Efficiency (e.g. energy efficiency improvements in lighting and equipment; retrofit of transmission lines, substations or distribution systems to reduce technical losses);
- Vehicle energy efficiency fleet retrofit or urban transport modal change;

- Biosphere conservation projects (reduce emissions from deforestation and degradation of ecosystems);
- Solid Waste Management (e.g. incineration of waste, landfill gas capture and landfill gas combustion);
- Industrial Processes (reduce GHG emissions from industrial processes improvements and cleaner production);
- Fugitive emissions and carbon capture (e.g. carbon capture and storage, reduction of gas flaring or methane fugitive emissions in the oil and gas industry, coal mine methane capture);
- Urban Development (e.g. rehabilitation and upgrade of urban water drainage systems in areas vulnerable to frequency and/or severity of flash floods and storm surges brought by climate change); and
- Water Supply and Access (e.g. water saving measures such as introduction of less water intensive crops or preservation of soil moisture and fertility).

The Issuer makes no assurance as to (i) whether the Notes will meet investor criteria and expectations with regard to environmental impact and sustainability performance or (ii) the characteristics of the Eligible Projects, including their environmental and sustainability criteria.

NO MATERIAL ADVERSE CHANGE

There has been no material adverse change in the financial position of the Issuer since 31 December 2017.

AUDITORS

The annual accounts of the Issuer for the financial years ended 31 December 2016 and 31 December 2017 have been audited by KPMG Audit and Deloitte & Associés, respectively.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of African Development Bank:

By:  _____

Duly Authorised