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SSA Spotlight: Asian Development Bank (ASIA)

By Ethan Currie & Vy Le

Established to support economic development and poverty reduction in the APAC, the Asian Development Bank (ADB) has evolved into one of the world's largest MDBs. The Bank operates across sectors including infrastructure, energy, education, and private sector development, and is supported by a membership base of 69 countries. Also underpinned by prudent risk management, ADB has consistently maintained top-tier (AAA/Aaa/AAA) ratings. In accordance with a scaling mission (outlined particularly well in the Bank's **Strategy 2030** framework), ADB's funding activity has picked up accordingly. Already a sizeable and diversified debt platform, the ADB (ticker: ASIA) bond stock has continued to expand. Outstandings have more than doubled over the last decade, and consistent issuance has resulted in more liquid curves in a variety of currencies. This *Market View* takes a closer look at the ADB bond program and assesses supply / RV dynamics.

Boasting one of the deeper / liquid funding programs in the SSA market, efficient access to the capital markets remains a key strength for the issuer. Seemingly unsated investor demand for high-quality SSA credit has allowed ADB to execute larger transactions at a competitive price, while simultaneously extending term and funding diversification. Supply has broadened over recent years, with the USD share stepping down. The issuer appears well positioned to meet (what could be) a record annual borrowing target this year (USD equivalent of $40 bln to $45 bln), while retaining ample flexibility in how / where the Bank sources funding—history would suggest a seasonal issuance window is approaching, with a USD global benchmark the most likely candidate.

For bond investors, the combination of strong operating fundamentals, steady issuance, and deep liquidity in secondary flags ADB as a well sought name. Benchmark supply will resume following a seasonal slowdown in the SSA market, and recent transactions would indicate that additional issuance should be absorbed well. Spreads have remained resilient, but are also off their tightest levels, leaving room for an attractive entry point on new deals. Though that's true against governments, it's especially the case against swaps (and particularly vs. SOFR), where loftier yield picks can be realized. Against a backdrop of ongoing / rekindled geopolitical uncertainty, sovereign risk reassessments continue to take place. In USTs, this has been exacerbated by fiscal deterioration, elevated borrowing requirements, and concerns over stickier underlying inflation. This in particular should keep a strong bid to highly-rated spread product—ADB appears well positioned, both fundamentally and technically, as the remainder of 2026 progresses.

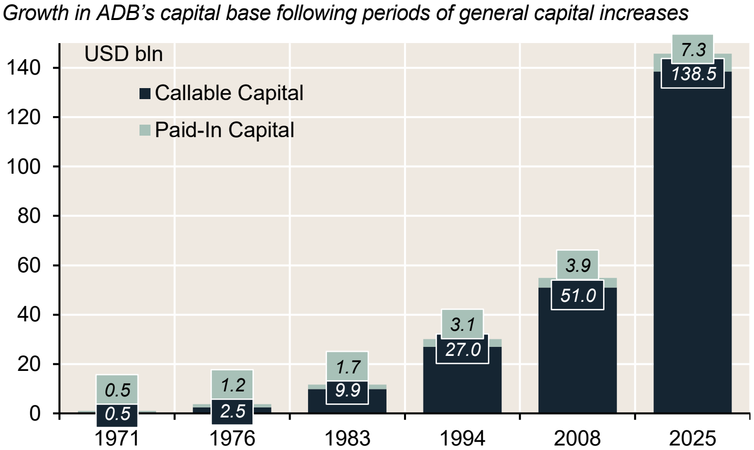
*Note: In addition to this report, investors are encouraged to consult issuer material directly. ADB's recent investor presentation can be found **here**.*

Asian Development Bank (ASIA) – Issuer Profile

Ticker | Status | Ownership		
ASIA	Supra / MDB	69 Members
Credit Rating*		
S&P: AAA	Moody's: Aaa	Fitch: AAA
Debt & Borrowing		
Amount O/S	*USD bln (equiv)*	181.90
W.Avg Term	*Years*	5.97
W.Avg Cpn	*%*	3.46
Due in 2026	*USD bln (equiv)*	5.35
No. of Issues	*#*	738
Currency Composition	*% of Total*	USD: 59.0 EUR: 11.3 GBP: 8.6 AUD: 5.3 HKD: 3.3 Other: 12.5
EU Basel III R.W.	*%*	0.0
2026 Target Borrowing (Prior)	*USD bln (equiv)*	40-45 (40)

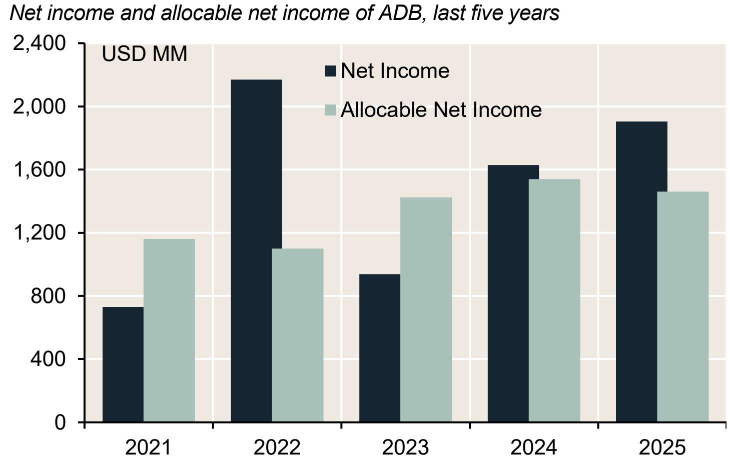
*Source: NBC, Bloomberg | Note: DDIS Data as at 31-Jul-2026; For all DDIS data presented, issuer classification (current) is per Bloomberg; investors are encouraged to also consult issuer material directly; *Credit ratings are stable outlook, unless otherwise stated.*

Chart 1: Shareholder backstop reinforces credit profile…
Growth in ADB's capital base following periods of general capital increases



Source: NBC, ADB

Chart 2: …as does consistent / stable financial performance
Net income and allocable net income of ADB, last five years

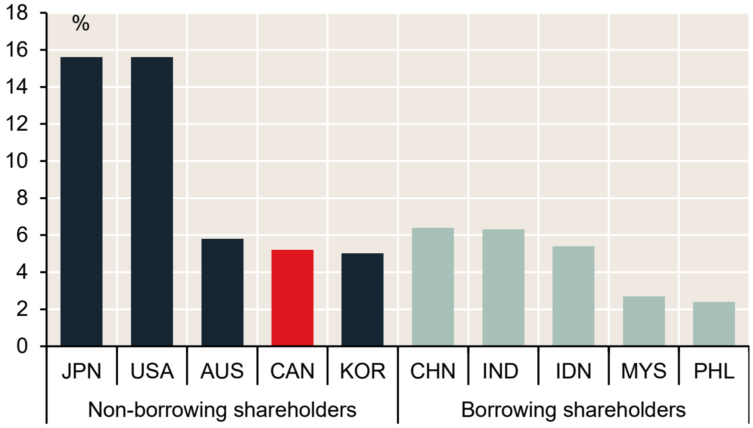


Source: NBC, ADB

ADB's AAA ratings are underpinned by a substantial—and growing—callable capital base available for the protection of bondholders, though the Bank has never drawn upon it. A strong balance sheet, resilient asset quality, and prudent risk management further reinforce credit fundamentals, while extensive capital buffers and sound governance have also been highlighted by rating agencies.

Chart 3: Strong & diverse shareholder support

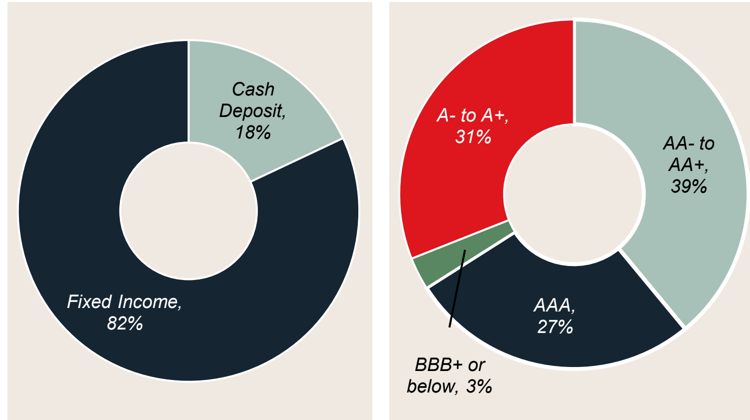
Top five largest non-borrowing and borrowing shareholders of ADB



Source: NBC, ADB | Note: As at 31-Dec-2025

Chart 4: Prudential risk management / liquidity

Breakdown of ADB treasury credit exposure by type (LHS) and rating (RHS)

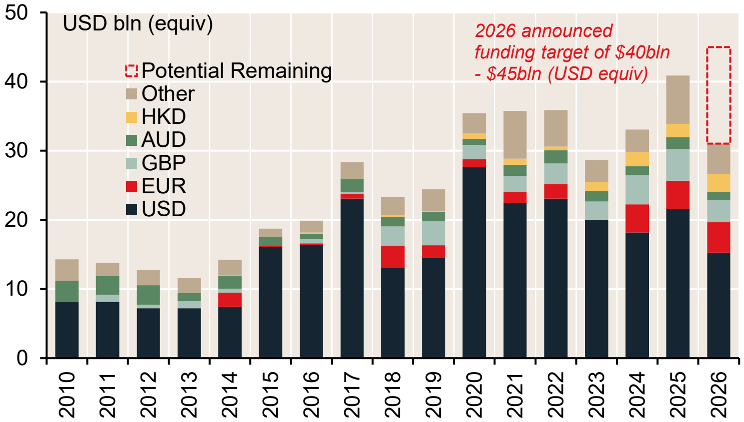


Source: NBC, ADB | Note: As at 31-Dec-2025

ADB benefits from a broad shareholder base comprising of both advanced / highly rated (comprising ~2/3rds of sponsorship) and emerging economies. AAA ratings are further reinforced by conservative liquidity management and "excellent access to capital markets" (per Fitch).

Chart 5: Steady issuance tempo leaves ADB well advanced

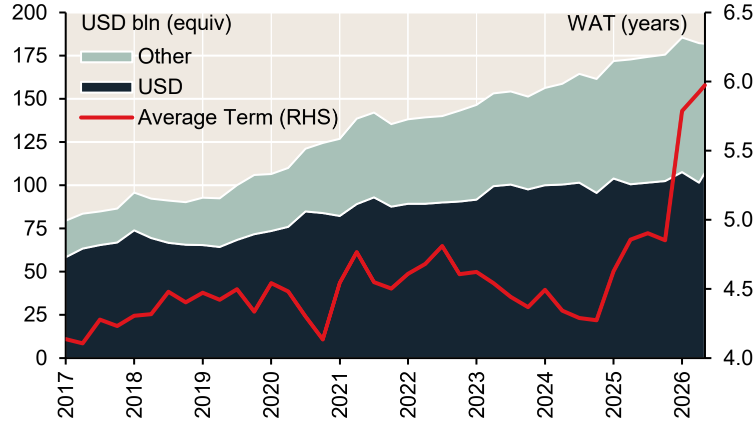
ASIA gross bond supply by currency and announced 2026 funding target



Source: NBC, Bloomberg | Note: Deals translated to USD equivalent as at deal date

Chart 6: Bond stock continues to scale up (and term out)

ASIA bonds outstanding by currency and weighted average term of bond stock

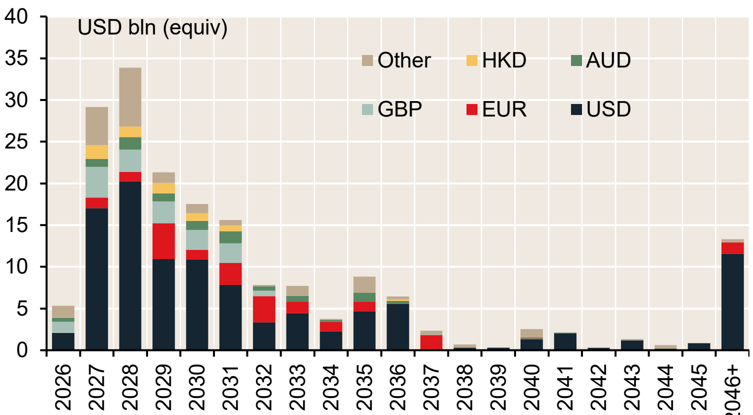


Source: NBC, Bloomberg | Note: Quarterly data with last point current reading (31-Jul-2026)

Consistent issuance has left ADB well advanced on its 2026 borrowing target—which could itself be a record annual tally. Expanding operations have driven supply higher in recent years, alongside a growing bond stock. Outstandings have more than doubled over the past decade, while the average term has climbed, reflecting strong investor appetite for duration and issuer efficiency in primary.

Chart 7: Regular supply leaves well developed curve(s)

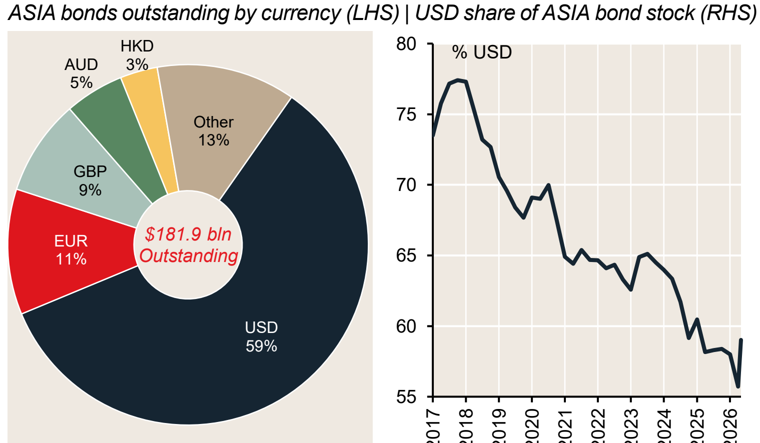
ASIA bonds outstanding by maturity year and currency (as at 31-Jul-2026)



Source: NBC, Bloomberg

Chart 8-9: Funding currency diversification on display, too

ASIA bonds outstanding by currency (LHS) | USD share of ASIA bond stock (RHS)

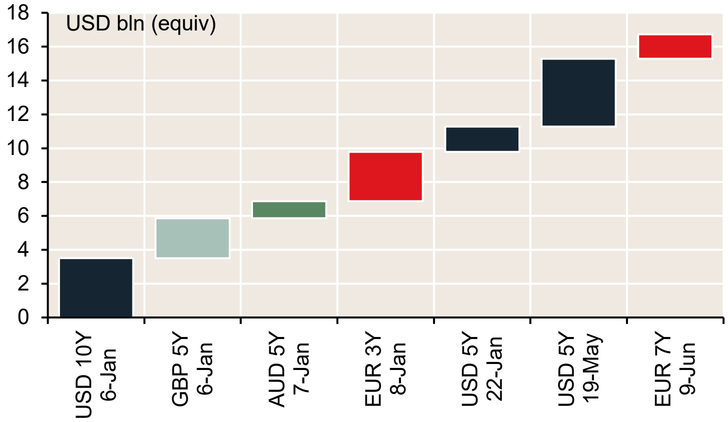


Source: NBC, Bloomberg | Note (LHS): As at 31-Jul-2026; (RHS): Quarterly data to latest

Regular benchmark bond supply has produced a well-developed curve across core funding currencies (see also Chart 14). While USD issues account for the majority of outstandings, its share of the bond stock has trended lower as ADB continues to diversify issuance towards other public bonds and structured private placements in EUR, GBP, AUD, and more.

Chart 10: Bench deals coming in different shapes / sizes…

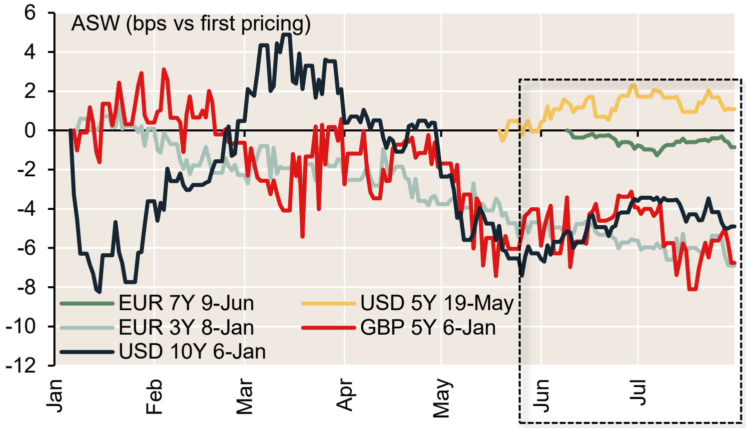
ASIA benchmark deal amounts in 2026



Source: NBC, Bloomberg | Note: Includes deals of USD 1bln (equivalent) or greater

Chart 11: …with spreads (at a minimum) holding steady

Select ASIA benchmark issues in 2026: Aligned change since pricing

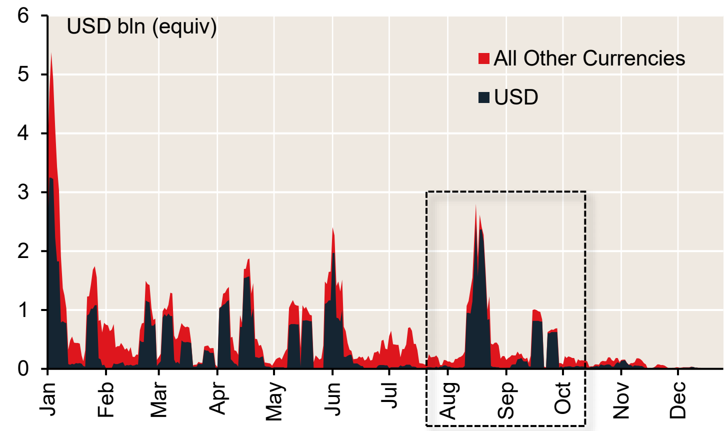


Source: NBC, Bloomberg | Note: Only fixed coupon (excludes USD floater issue in May) benchmark deals included in USD, EUR, and GBP

Benchmark deals in 2026 have propelled ADB closer to ~70% of its planned funding at just over the halfway point of the year. The bulk of supply came in the first full week of January, where issues in different currencies and tenors were all absorbed well—deals were oversubscribed and continued to attract a broad investor base. Earlier issues have also seen notable spread compression.

Chart 12: Seasonal supply window approaching…

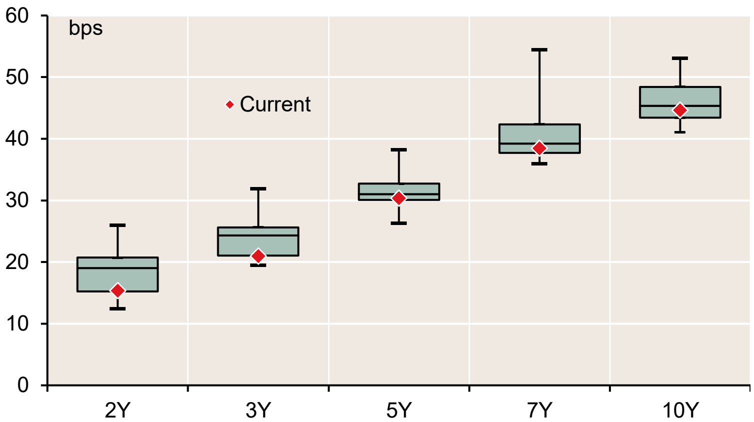
ASIA gross bond issuance, 7D rolling sum (prior 5Y average)



Source: NBC, Bloomberg

Chart 13: …with spreads off their YTD tights

YTD range on indicative ASIA constant maturity spreads vs SOFR

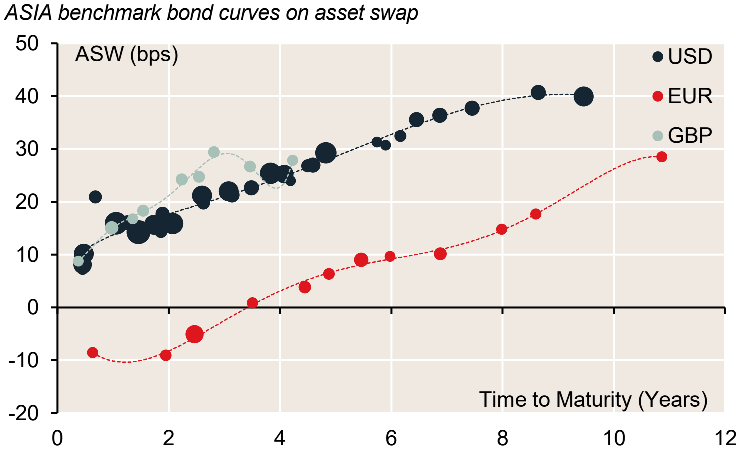


Source: NBC | Note: Box denotes 2nd and 3rd quartiles; line is full 12M range; marker is latest

More ADB supply is likely in the near-term. Recent history suggests funding activity could resume as early as mid-August, with a global USD benchmark the most likely format. While tighter spreads have done little to deter demand during prior SSA issuance waves, the recent slight pullback from YTD tights could provide an additional tailwind for upcoming deals.

Chart 14: Visualizing loftier swap valuations in ADB bonds

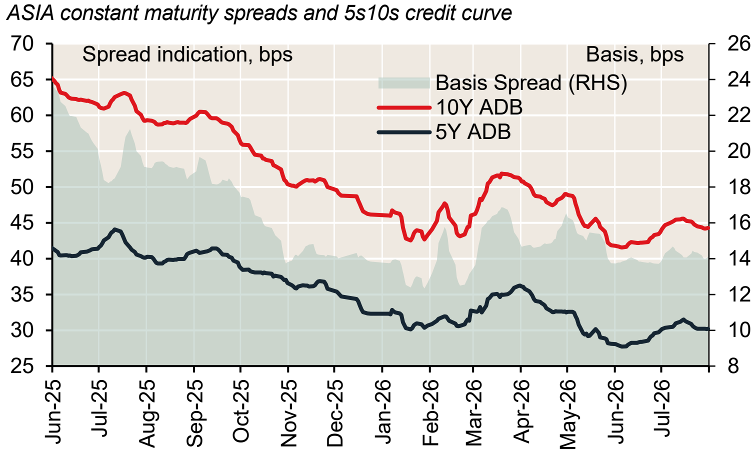
ASIA benchmark bond curves on asset swap



Source: NBC, Bloomberg | Scaled to USD equivalent issue size; includes only USD, EUR, and GBP issues with minimum USD 1bln equivalent outstanding; domestic ASW

Chart 15: Scope for credit curve flattening to resume?

ASIA constant maturity spreads and 5s10s credit curve



Source: NBC

ADB spreads have tightened over the last year, yet meaningful pickup versus swaps remains available across much of the curve—particularly in USD. Well-developed curves and persistent demand for medium-long dated maturities leave scope for further spread compression, while the stalling in broader flattening trends may prove temporary if SSA investor appetite for 10s continues.

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