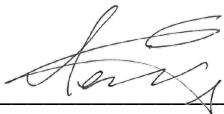


Financial Statements

Asian Development Bank



Name: Lei Wang

Title: Assistant Treasurer

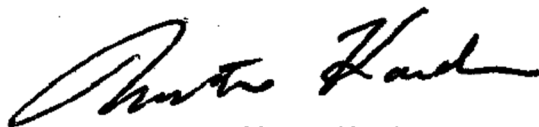
**ORDINARY CAPITAL RESOURCES
MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

The management of Asian Development Bank ("ADB") is responsible for designing, implementing, and maintaining effective internal control over financial reporting. ADB's internal control over financial reporting is a process designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with generally accepted accounting principles in the United States of America.

ADB's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (iii) provide reasonable assurance regarding prevention, or timely detection and correction, of unauthorized acquisition, use, or disposition of ADB's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ADB's management assessed the effectiveness of ADB's internal control over financial reporting as of 31 December 2025, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, management concluded that ADB's internal control over financial reporting is effective as of 31 December 2025.



Masato Kanda
President



Roberta Casali
Vice-President (Finance and Risk Management)



Helen Hall
Controller

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

Opinion on Internal Control Over Financial Reporting

We have audited the internal control over financial reporting of Asian Development Bank ("ADB") as of 31 December 2025, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, ADB maintained, in all material respects, effective internal control over financial reporting as of 31 December 2025, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by COSO.

We also have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS), the financial statements as of and for the years ended 31 December 2025 and 2024 of ADB – Ordinary Capital Resources, and our report dated 9 March 2026 expressed an unmodified opinion on those financial statements.

Basis for Opinion

We conducted our audit in accordance with GAAS. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting section of our report. We are required to be independent of ADB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

Responsibilities of Management for Internal Control over Financial Reporting

Management is responsible for designing, implementing, and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting.

Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting

Our objectives are to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects and to issue an auditor's report that includes our opinion on internal control over financial reporting. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of internal control over financial reporting conducted in accordance with GAAS will always detect a material weakness when it exists.

In performing an audit of internal control over financial reporting in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Obtain an understanding of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

Definition and Inherent Limitations of Internal Control over Financial Reporting

ADB's internal control over financial reporting is a process effected by management and directors of ADB, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. ADB's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADB; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of ADB are being made only in accordance with authorizations of management and directors of ADB; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of ADB's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Public Accountants and
Chartered Accountants
Singapore

9 March 2026

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and the Board of Governors of Asian Development Bank

Opinion

We have audited the financial statements of Asian Development Bank ("ADB") – Ordinary Capital Resources, which comprise the balance sheets as of 31 December 2025 and 2024, and the related statements of income and expenses, comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ADB - Ordinary Capital Resources as of 31 December 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with auditing standards generally accepted in the United States of America (GAAS), ADB's internal control over financial reporting as of 31 December 2025, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated 9 March 2026 expressed an unmodified opinion on ADB's internal control over financial reporting.

Basis for Opinion

We conducted our audits in accordance with GAAS. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ADB - Ordinary Capital Resources and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ADB – Ordinary Capital Resources' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ADB – Ordinary Capital Resources' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplemental Schedules

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules, which comprise the summary statement of loans – operations and the summary statement of borrowings as of 31 December 2025 and 2024, and the statement of subscriptions to capital stock and voting power as of 31 December 2025, are presented for the purpose of additional analysis and are not a required part of the financial statements. These schedules are the responsibility of ADB's management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such schedules have been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such schedules directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, such schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Public Accountants and
Chartered Accountants
Singapore

9 March 2026

**ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES
BALANCE SHEET**

31 December 2025 and 2024

Expressed in Millions of US Dollars

ASSETS				
	2025		2024	
DUE FROM BANKS (Notes C and R)	\$	496	\$	2,235
INVESTMENTS FOR LIQUIDITY PURPOSE (Notes D, J, O, and R)				
Government or government-related obligations	\$	39,988	\$	31,057
Time deposits		7,559		4,602
Other securities		<u>10,178</u>		<u>11,036</u>
		57,725		46,695
SECURITIES TRANSFERRED UNDER REPURCHASE AGREEMENTS (Notes D, E, and R)		872		—
SECURITIES PURCHASED UNDER RESALE ARRANGEMENTS (Notes D and R)		252		260
LOANS OUTSTANDING — OPERATIONS (OCR-6, Notes A, F, J, R, T, and U) (Including net unamortized loan origination costs of \$260 – 2025 and \$245 – 2024)				
Sovereign				
Regular		119,361		115,352
Concessional		<u>35,626</u>		<u>33,332</u>
		154,987		148,684
Nonsovereign		<u>6,644</u>		<u>5,720</u>
		161,631		154,404
Less—allowance for credit losses		<u>568</u>		<u>540</u>
		161,063		153,864
EQUITY INVESTMENTS — OPERATIONS (Notes A, H, R, T, and U)		1,992		1,627
OTHER DEBT SECURITIES — OPERATIONS (Notes I, R, and U)		573		635
Less—allowance for credit losses		<u>21</u>		<u>14</u>
		552		621
ACCRUED INTEREST RECEIVABLE				
Investments for liquidity purpose		352		258
Loans — Operations		1,321		1,427
Other debt securities — Operations		<u>11</u>		<u>12</u>
		1,684		1,697
DERIVATIVE ASSETS (Notes J, L, and R)				
Borrowings		75,750		61,872
Investments for liquidity purpose		29,554		26,062
Loans — Operations		<u>17,391</u>		<u>17,671</u>
		122,695		105,605
OTHER ASSETS				
Property, furniture, and equipment (Note K)		336		309
Swap related and other collateral (Notes J and R)		508		857
Net postretirement medical benefit plan asset (Note Q)		105		253
Miscellaneous (Notes D, G, P, and R)		<u>770</u>		<u>579</u>
		1,719		1,998
TOTAL	\$	349,050	\$	314,602

The accompanying Notes are an integral part of these financial statements (OCR-9).

LIABILITIES AND EQUITY

	2025		2024	
BORROWINGS (OCR-7, Notes J, L, and R)		\$ 165,951		\$ 146,517
DERIVATIVE LIABILITIES (Notes J, L, and R)				
Borrowings		\$ 78,627		\$ 71,703
Investments for liquidity purpose		27,596		23,292
Loans — Operations		<u>15,501</u>	121,724	<u>14,821</u>
				109,816
PAYABLE UNDER SECURITIES REPURCHASE AGREEMENTS (Notes E and R)			881	—
ACCOUNTS PAYABLE AND OTHER LIABILITIES				
Swap related and other collateral (Notes J and R)		1,258		857
Accrued pension benefit costs (Note Q)		227		165
Liability for credit losses on off-balance sheet exposures (Notes F, G, and I)		144		121
Miscellaneous (Notes D, G, K, P, and R)		<u>855</u>	2,484	<u>691</u>
				1,834
TOTAL LIABILITIES		<u>291,040</u>		<u>258,167</u>
EQUITY (OCR-4)				
Capital stock (OCR-8, Note M)				
Authorized and subscribed (SDR106,392 million)		145,833		138,749
Less—"callable" shares subscribed (SDR101,061 million)		<u>138,525</u>		<u>131,796</u>
"Paid-in" shares subscribed (SDR5,331 million)		7,308		6,953
Less—discount		<u>14</u>		<u>13</u>
		7,294		6,940
Nonnegotiable, noninterest-bearing demand obligations on account of subscribed capital		<u>(5)</u>	7,289	<u>(12)</u>
				6,928
Net notional amounts required to maintain value of currency holdings (Note M)		(1,651)		(1,481)
Ordinary reserve (Note N)				
From ADF assets transfer (Notes A and N)		\$ 30,748		\$ 30,748
From retained earnings		<u>17,808</u>	48,556	<u>16,792</u>
				47,540
Special reserve (Note N)		578		558
Surplus (Note N)		1,065		1,065
Cumulative revaluation adjustments account (Note N)		525		462
Net income after appropriation (OCR-4, Note N)		1,883		1,602
Accumulated other comprehensive loss (Note N)		<u>(235)</u>	50,721	<u>(239)</u>
				49,507
TOTAL EQUITY		<u>58,010</u>		<u>56,435</u>
TOTAL		\$ 349,050		\$ 314,602

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES
STATEMENT OF INCOME AND EXPENSES
For the Years Ended 31 December 2025 and 2024
Expressed in Millions of US Dollars

	<u>2025</u>	<u>2024</u>
REVENUE		
From loans — operations (Notes F, J, and O)		
Sovereign – Regular	\$ 5,927	\$ 6,841
Sovereign – Concessional	721	717
Nonsovereign	<u>454</u>	<u>480</u>
	\$ 7,102	\$ 8,038
From investments for liquidity purpose (Notes D, J, and O)		
Interest	2,551	2,731
From equity investments — operations (Note O)	161	102
From guarantees — operations (Note N)	27	27
From other debt securities — operations (Note O)	45	47
From other sources—net (Notes O and S)	<u>94</u>	<u>84</u>
Total	\$ 9,980	\$ 11,029
EXPENSES (Note O)		
Borrowings and related expenses (Notes J and L)	(7,521)	(8,717)
Administrative expenses (Notes K, N, and Q)	(817)	(729)
(Provision) Release of provision for credit losses—net (Notes F, G, and I)	(24)	45
Other expenses	<u>(44)</u>	<u>(30)</u>
Total	(8,406)	(9,431)
NET REALIZED GAINS (LOSSES) (Note O)		
From investments for liquidity purpose (Notes D, J, and N)	2	(18)
From equity investments — operations (Note N)	8	13
From other debt securities — operations	2	–
From borrowings (Note J)	<u>1</u>	<u>0</u>
Total	13	(5)
NET UNREALIZED GAINS (Notes H, J, L, and O)	316	36
NET INCOME	\$ 1,903	\$ 1,629

Note: 0 = less than \$0.5 million.

The accompanying Notes are an integral part of these financial statements (OCR-9).

**ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES
STATEMENT OF COMPREHENSIVE INCOME**

For the Years Ended 31 December 2025 and 2024

Expressed in Millions of US Dollars

	<u>2025</u>		<u>2024</u>
NET INCOME (OCR-2)	\$ 1,903		\$ 1,629
Other comprehensive income (Note N)			
Unrealized holding gains (losses):			
From investments for liquidity purpose	\$ 556		\$ 209
From equity investments — operations	1		12
From other debt securities — operations	6		2
From borrowings	<u>(577)</u>	\$ (14)	<u>(243)</u>
Postretirement benefit asset/liability adjustments		(276)	303
Currency translation adjustments	<u>294</u>	4	<u>(219)</u>
			64
COMPREHENSIVE INCOME	\$ 1,907		\$ 1,693

The accompanying Notes are an integral part of these financial statements (OCR-9).

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES
STATEMENT OF CHANGES IN EQUITY
For the Years Ended 31 December 2025 and 2024
Expressed in Millions of US Dollars

	Capital Stock	Nonnegotiable, Noninterest- bearing Demand Obligations	Net Notional Maintenance of Value	Ordinary Reserve	Special Reserve	Surplus	Cumulative Revaluation Adjustments Account	Net Income After Appro- priations	Accumulated Other Compre- hensive Income (Loss)	Total
Balance, 31 December 2023	\$ 7,139	\$ (26)	\$ (1,532)	\$ 46,535	\$ 531	\$ 1,065	\$ 975	\$ 910	\$ (303)	\$ 55,294
Comprehensive income (OCR-3, Note N)								1,629	64	1,693
Appropriation of guarantee fees (Note N)					27			(27)		–
Encashment of demand obligations		13								13
Change in USD value	(199)	0	51							(148)
Allocation of prior year income (Note N)				1,005			(513)	(492)		–
Allocation of prior year income to Special Funds (Note N)								(418)		(418)
Balance, 31 December 2024	6,940	(12)	(1,481)	47,540	558	1,065	462	1,602	(239)	56,435
Comprehensive income (OCR-3, Note N)								1,903	4	1,907
Appropriation of guarantee fees (Note N)					20			(20)		–
Encashment of demand obligations		7								7
Change in USD value	354	0	(170)							184
Allocation of prior year income (Note N)				1,016			63	(1,079)		–
Allocation of prior year income to Special Funds (Note N)								(524)		(524)
Balance, 31 December 2025	\$ 7,294	\$ (5)	\$ (1,651)	\$ 48,556	\$ 578	\$ 1,065	\$ 525	\$ 1,883	\$ (235)	\$ 58,010

USD = United States dollar.

Notes: 0 = less than \$0.5 million. Numbers may not sum precisely because of rounding.

The accompanying Notes are an integral part of these financial statements (OCR-9).

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES
STATEMENT OF CASH FLOWS
For the Years Ended 31 December 2025 and 2024
Expressed in Millions of US Dollars

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and other charges received on loans — operations	\$ 7,104	\$ 7,981
Interest received on investments for liquidity purpose	2,023	2,260
Interest received from securities purchased under resale/ repurchase agreement	11	22
Interest and other charges received on other debt securities — operations	49	45
Dividends received on equity investments — operations	110	90
Interest and other financial expenses paid	(7,539)	(8,612)
Administrative expenses paid	(890)	(781)
Others—net	85	88
Net Cash Provided by Operating Activities	953	1,093
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments for liquidity purpose	4,595	3,155
Maturities of investments for liquidity purpose	304,230	318,562
Purchases of investments for liquidity purpose	(319,334)	(322,918)
Receipts from securities purchased under resale arrangements	69,946	109,776
Payments for securities purchased under resale arrangements	(69,938)	(109,394)
Principal collected on loans — operations	13,028	12,891
Loans — operations disbursed	(17,579)	(17,400)
Derivatives—net	1,305	1,382
Property, furniture, and equipment acquired	(69)	(77)
Sales of equity investments — operations	22	79
Purchases of equity investments — operations	(319)	(115)
Maturities of other debt securities — operations	206	66
Purchases of other debt securities — operations	(136)	(186)
Net Cash Used in Investing Activities	(14,043)	(4,179)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from new borrowings	47,421	43,901
Borrowings redeemed	(35,337)	(38,835)
Issuance expenses paid	(27)	(22)
Demand obligations of members encashed	7	13
Derivatives—net	(404)	(278)
Change in swap related collateral	400	466
Resources transferred to Special Funds	(524)	(418)
Net Cash Provided by Financing Activities	11,536	4,827
Effect of Exchange Rate Changes on Due from Banks	(534)	(40)
Net (Decrease) Increase in Due from Banks	(2,088)	1,701
Cash at Beginning of Period		
Due from Banks	2,235	998
Swap Related and Other Collateral	857	393
Total	\$ 3,092	\$ 1,391
Cash at End of Period		
Due from Banks	496	2,235
Swap Related and Other Collateral	508	857
Total	\$ 1,004	\$ 3,092
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net Income (OCR-2)	\$ 1,903	\$ 1,629
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	30	(189)
Provision (release of provision) for credit losses	24	(45)
Net realized (gains) losses	(13)	5
Gains on equity method investments	(152)	(98)
Net unrealized gains	(316)	(36)
Change in accrued revenue from loans — operations, investments for liquidity purpose, other debt securities — operations, and other swaps	(384)	(199)
Change in accrued interest on borrowings and swaps, and other expenses	98	(387)
Change in pension and postretirement benefit liability	(276)	304
Others—net	39	109
Net Cash Provided by Operating Activities	\$ 953	\$ 1,093

The accompanying Notes are an integral part of these financial statements (OCR-9).

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF LOANS — OPERATIONS

31 December 2025 and 2024

Expressed in Millions of US Dollars

Borrowers/Guarantors	Undisbursed Committed Loans		Loans Approved		Total Loans	Percent of Total Loans
	Loans Outstanding	Effective ¹	Not Yet Effective ²	Not Yet Committed		
Afghanistan	\$ 514	\$ —	\$ —	\$ —	\$ 514	0.23
Armenia	1,134	629	—	—	1,763	0.80
Azerbaijan	1,974	159	—	—	2,133	0.97
Bangladesh	17,630	4,158	788	—	22,576	10.22
Bhutan	557	132	—	—	689	0.31
Cambodia	2,824	1,060	173	10	4,067	1.84
China, People's Republic of	17,751	6,458	594	310	25,113	11.36
Cook Islands	111	20	—	—	131	0.06
Fiji	622	269	—	—	891	0.40
Georgia	2,799	1,080	—	—	3,879	1.76
India	26,692	7,845	3,244	829	38,610	17.47
Indonesia	15,298	2,301	1,438	88	19,125	8.65
Kazakhstan	1,862	389	—	377	2,628	1.19
Kiribati	18	—	—	—	18	0.01
Kyrgyz Republic	874	335	35	—	1,244	0.56
Lao People's Democratic Republic	991	330	65	—	1,386	0.63
Malaysia	—	61	—	—	61	0.03
Maldives	119	34	—	—	153	0.07
Marshall Islands	24	—	—	—	24	0.01
Micronesia, Federated States of	31	—	—	—	31	0.01
Mongolia	2,343	782	90	19	3,234	1.46
Myanmar	740	1,679	351	—	2,770	1.25
Nepal	3,486	1,945	100	—	5,531	2.50
Pakistan	16,945	3,898	902	220	21,965	9.94
Palau	148	21	—	—	169	0.08
Papua New Guinea	2,699	936	65	—	3,700	1.67
Philippines	17,630	6,896	1,250	21	25,797	11.67
Samoa	54	—	—	—	54	0.03
Solomon Islands	129	79	—	—	208	0.09
Sri Lanka	7,379	969	—	—	8,348	3.78
Tajikistan	279	10	—	—	289	0.13
Thailand	1,500	368	—	—	1,867	0.85
Timor-Leste	189	371	75	—	635	0.29
Tonga	18	—	—	—	18	0.01
Türkiye	—	100	1,090	—	1,190	0.54
Turkmenistan	500	76	—	—	576	0.26
Tuvalu	1	—	—	—	1	0.00
Uzbekistan	8,762	1,761	333	—	10,857	4.91
Vanuatu	50	41	—	—	91	0.04
Viet Nam	7,125	933	80	—	8,138	3.68
Regional	510	6	—	8	524	0.24
	<u>162,310</u>	<u>46,131</u>	<u>10,673</u>	<u>1,882</u>	<u>220,996</u>	<u>100.00</u>
Fair value adjustment on loans	(939)	—	—	—	(939)	
Allowance for credit losses	(568)	—	—	—	(568)	
Unamortized loan origination cost—net	260	—	—	—	260	
	<u>(1,247)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,247)</u>	
TOTAL – 31 December 2025	<u>\$ 161,063</u>	<u>\$ 46,131</u>	<u>\$ 10,673</u>	<u>\$ 1,882</u>	<u>\$ 219,749</u>	

Notes: 0 = less than \$0.5 million. Numbers may not sum precisely because of rounding.

¹ Refer to the unwithdrawn portions of effective loans as of 31 December 2025 and 2024. Of the undisbursed balances, ADB has made irrevocable commitments to disburse regular and concessional sovereign amounts totaling \$581 million (\$572 million – 2024).

² Refer to committed loans but conditions to effectiveness specified in loan regulations and loan agreements are not yet completed as of 31 December 2025 and 2024.

	Loans Outstanding	Undisbursed Committed Loans		Loans Approved		Total Loans
		Effective ¹	Not Yet Effective ²	Not Yet Committed		
Sovereign Loans						
Regular	\$ 119,361	\$ 32,186	\$ 8,749	\$ 1,065		\$ 161,361
Concessional	35,626	11,419	1,924	–		48,969
Nonsovereign Loans	6,644	2,526	–	817		9,987
	161,631	46,131	10,673	1,882		220,317
Allowance for credit losses	(568)	–	–	–		(568)
TOTAL – 31 December 2025	\$ 161,063	\$ 46,131	\$ 10,673	\$ 1,882		\$ 219,749
Sovereign Loans						
Regular	\$ 115,352	\$ 29,025	\$ 6,338	\$ 1,020		\$ 151,735
Concessional	33,332	11,500	2,033	–		46,865
Nonsovereign Loans	5,720	2,219	–	350		8,289
	154,404	42,744	8,371	1,370		206,889
Allowance for credit losses	(540)	–	–	–		(540)
TOTAL – 31 December 2024	\$ 153,864	\$ 42,744	\$ 8,371	\$ 1,370		\$ 206,349

MATURITY OF LOANS OUTSTANDING AS OF 31 DECEMBER 2025³

Twelve Months Ending 31 December		Five Years Ending 31 December	
	Amount		Amount
2026	\$ 11,962	2035	52,144
2027	12,314	2040	31,098
2028	12,975	2045	12,121
2029	12,783	2050	3,671
2030	12,440	over 2050	802
		Total	\$ 162,310

SUMMARY OF CURRENCIES RECEIVABLE ON LOANS OUTSTANDING — OPERATIONS³

Currency	2025	2024	Currency	2025	2024
Australian dollar	\$ 11	\$ 9	Norwegian krone	–	17
Azerbaijan manat	13	20	Philippine peso	115	63
Baht	640	654	Pound sterling	10	52
Canadian dollar	23	24	Ringgit	17	1
Chinese yuan	675	314	Som	5	5
Danish krone	381	6	Somoni	32	–
Euro	12,544	10,391	Special drawing rights	17,583	18,160
Fiji dollar	2	–	Swedish krona	26	9
Indian rupee	187	204	Swiss franc	–	25
Indonesian rupiah	3,024	801	Togrog	48	14
Kazakhstan tenge	445	288	US dollar	120,198	116,621
Korean won	29	6	Uzbekistan sum	76	–
Lari	196	231	Yen	5,919	6,560
New Zealand dollar	111	95	Total	\$ 162,310	\$ 154,570

³ Excluding fair value adjustment on loans, allowance for credit losses, and net unamortized loan origination cost.

The accompanying Notes are an integral part of these financial statements (OCR-9).

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES
SUMMARY STATEMENT OF BORROWINGS
31 December 2025 and 2024

Expressed in Millions of US Dollars

Currency	Borrowings		Swap Arrangements ²		Net Currency Obligation	
	Outstanding ¹		Net Payable (Receivable)		2025	2024
	2025	2024	2025	2024	2025	2024
Australian dollar	\$ 8,943	\$ 8,422	\$ (9,004)	\$ (8,544)	\$ (61)	\$ (122)
Azerbaijan manat	13	22	—	—	13	22
Brazilian real	147	105	(148)	(106)	(1)	(1)
Canadian dollar	4,897	5,143	(4,920)	(5,187)	(23)	(45)
Chilean peso	—	16	(0)	(16)	(0)	(0)
Chinese yuan	3,300	1,301	(2,055)	(796)	1,245	505
Colombian peso	463	804	(457)	(808)	6	(4)
Egyptian pound	385	133	(385)	(133)	(0)	0
Euro	15,216	10,114	(4,235)	(1,400)	10,981	8,714
Georgian lari	189	230	—	—	189	230
Ghana cedi	39	16	(39)	(16)	(0)	(0)
Hong Kong dollar	4,397	2,805	(4,371)	(2,823)	26	(18)
Hungarian forint	173	118	(178)	(121)	(5)	(3)
Indian rupee	640	661	(2)	1	638	662
Indonesian rupiah	142	140	—	—	142	140
Japanese yen	397	406	3,176	1,636	3,573	2,042
Kazakhstan tenge	362	204	—	—	362	204
Kyrgyzstani som	5	5	—	—	5	5
Mexican peso	89	38	(92)	(41)	(3)	(3)
Mongolian togrog	48	14	—	—	48	14
New Zealand dollar	3,404	3,869	(3,370)	(3,852)	34	17
Nigerian naira	157	34	(157)	(34)	(0)	(0)
Norwegian krone	726	538	(730)	(542)	(4)	(4)
Pakistan rupee	—	10	—	—	—	10
Peruvian sol	354	101	(357)	(102)	(3)	(1)
Philippine peso	91	—	—	—	91	—
Polish zloty	740	785	(743)	(788)	(3)	(3)
Pound sterling	15,075	13,688	(15,153)	(13,767)	(78)	(79)
Russian ruble	8	5	(8)	(4)	0	1
South African rand	481	382	(489)	(390)	(8)	(8)
Swedish krona	1,442	1,025	(1,454)	(1,039)	(12)	(14)
Swiss franc	1,387	734	(1,414)	(746)	(27)	(12)
Turkish lira	433	162	(443)	(163)	(10)	(1)
Ukraine hryvnia	8	7	(8)	(7)	(0)	(0)
United States dollar	101,754	94,480	49,913	49,619	151,667	144,099
Uzbekistani som	46	—	—	—	46	—
Total	\$ 165,951	\$ 146,517	\$ 2,877	\$ 9,831	\$ 168,828	\$ 156,348

Notes: 0 = less than \$0.5 million. Numbers may not sum precisely because of rounding.

¹ Includes accrued interest and commission. Reported at fair value except for unswapped borrowings which are reported at principal amount net of unamortized discount/premium.

² Include currency and interest rate swaps. At 31 December 2025, the remaining maturity based on first call date of swap agreements ranged from less than one year to 25 years (less than one year to 26 years – 2024). Approximately 70.46% (72.01% – 2024) of the swap receivables and 70.03% (72.26% – 2024) of the payables are due within the next five years.

MATURITY STRUCTURE OF BORROWINGS OUTSTANDING AS OF 31 DECEMBER 2025³

Twelve Months Ending 31 December		Five Years Ending 31 December	
	<u>Amount</u>		<u>Amount</u>
2026	\$ 37,653	2035	\$ 25,552
2027	32,555	2040	2,185
2028	33,327	2045	106
2029	17,451	over 2045	11
2030	17,111	Total	<u>\$ 165,951</u>

INTEREST RATE SWAP ARRANGEMENTS AS OF 31 DECEMBER 2025

	Notional Amount	Average Rate (%)	
		Receive	Pay Floating⁴
Receive Fixed Swaps:			
Australian dollar ⁵	\$ 32	2.64	0.16
Chinese yuan	515	2.97	1.33
Euro ⁶	1,386	2.21	2.41
Indian rupee	233	6.12	6.03
United States dollar	93,353	3.13	4.66
United States dollar ⁷	13	2.45	0.16
Receive Floating Swaps:⁴			
Indian rupee	6	5.63	5.59
Japanese yen	6	4.00	0.14
United States dollar	7,534	4.51	4.52
Total	<u>\$ 103,078</u>		

³ Bonds with put and call options were considered maturing on the first put or call date.

⁴ Represents average current floating rates, net of spread.

⁵ Consists of dual currency swaps with interest receivable in Australian dollar and interest payable in Japanese yen.

⁶ Accreted pay leg notional amounts to \$1,078 million USD equivalent.

⁷ Consists of dual currency swaps with interest receivable in US dollar and interest payable in Japanese yen.

The accompanying Notes are an integral part of these financial statements (OCR-9).

ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES
STATEMENT OF SUBSCRIPTIONS TO CAPITAL STOCK AND VOTING POWER
31 December 2025

Expressed in Millions of US Dollars

MEMBERS	SUBSCRIBED CAPITAL					VOTING POWER	
	Number of Shares	Percent of Total	Par Value Of Shares ¹			Number of Votes	Percent of Total
			Total	Callable	Paid-in		
REGIONAL							
Afghanistan	3,585	0.034	49.1	42.6	6.6	42,132	0.317
Armenia	31,671	0.298	434.1	412.4	21.8	70,218	0.528
Australia	614,220	5.773	8,419.2	7,998.1	421.0	652,767	4.908
Azerbaijan	47,208	0.444	647.1	614.7	32.4	85,755	0.645
Bangladesh	108,384	1.019	1,485.6	1,411.3	74.3	146,931	1.105
Bhutan	660	0.006	9.0	8.5	0.6	39,207	0.295
Brunei Darussalam	37,386	0.351	512.5	486.8	25.7	75,933	0.571
Cambodia	5,250	0.049	72.0	66.0	6.0	43,797	0.329
China, People's Republic of	684,000	6.429	9,375.7	8,906.7	468.9	722,547	5.433
Cook Islands	282	0.003	3.9	3.7	0.2	38,829	0.292
Fiji	7,218	0.068	98.9	94.0	4.9	45,765	0.344
Georgia	36,243	0.341	496.8	471.9	24.9	74,790	0.562
Hong Kong, China	57,810	0.543	792.4	752.8	39.6	96,357	0.725
India	672,030	6.317	9,211.6	8,750.9	460.7	710,577	5.343
Indonesia	578,100	5.434	7,924.1	7,527.8	396.3	616,647	4.637
Japan	1,656,630	15.571	22,707.6	21,572.0	1,135.6	1,695,177	12.747
Kazakhstan	85,608	0.805	1,173.4	1,114.7	58.7	124,155	0.934
Kiribati	426	0.004	5.8	5.6	0.3	38,973	0.293
Korea, Republic of	534,738	5.026	7,329.7	6,963.2	366.5	573,285	4.311
Kyrgyz Republic	31,746	0.298	435.1	413.4	21.8	70,293	0.529
Lao People's Democratic Republic	1,476	0.014	20.2	19.0	1.3	40,023	0.301
Malaysia	289,050	2.717	3,962.0	3,763.9	198.1	327,597	2.463
Maldives	426	0.004	5.8	5.6	0.3	38,973	0.293
Marshall Islands	282	0.003	3.9	3.7	0.2	38,829	0.292
Micronesia, Federated States of	426	0.004	5.8	5.6	0.3	38,973	0.293
Mongolia	1,596	0.015	21.9	20.8	1.1	40,143	0.302
Myanmar	57,810	0.543	792.4	752.8	39.6	96,357	0.725
Nauru	426	0.004	5.8	5.6	0.3	38,973	0.293
Nepal	15,606	0.147	213.9	203.2	10.7	54,153	0.407
New Zealand	163,020	1.532	2,234.5	2,122.8	111.7	201,567	1.516
Niue	150	0.001	2.1	1.9	0.1	38,697	0.291
Pakistan	231,240	2.173	3,169.6	3,011.1	158.5	269,787	2.029
Palau	342	0.003	4.7	4.5	0.2	38,889	0.292
Papua New Guinea	9,960	0.094	136.5	129.7	6.8	48,507	0.365
Philippines	252,912	2.377	3,466.7	3,293.3	173.4	291,459	2.192
Samoa	348	0.003	4.8	4.5	0.3	38,895	0.292
Singapore	36,120	0.340	495.1	470.3	24.8	74,667	0.561
Solomon Islands	708	0.007	9.7	9.2	0.5	39,255	0.295
Sri Lanka	61,560	0.579	843.8	801.6	42.2	100,107	0.753
Taipei, China	115,620	1.087	1,584.8	1,505.6	79.2	154,167	1.159
Tajikistan	30,402	0.286	416.7	395.8	20.9	68,949	0.518
Thailand	144,522	1.358	1,981.0	1,881.9	99.1	183,069	1.377
Timor-Leste	1,050	0.010	14.4	13.7	0.7	39,597	0.298
Tonga	426	0.004	5.8	5.6	0.3	38,973	0.293
Turkmenistan	26,874	0.253	368.4	349.9	18.5	65,421	0.492
Tuvalu	150	0.001	2.1	1.9	0.1	38,697	0.291
Türkiye	36,120	0.340	495.1	470.3	24.8	74,667	0.561
Uzbekistan	71,502	0.672	980.1	931.1	49.0	110,049	0.828
Vanuatu	708	0.007	9.7	9.2	0.5	39,255	0.295
Viet Nam	36,228	0.341	496.6	464.4	32.2	74,775	0.562
Total Regional	6,780,255	63.729	\$ 92,937.6	\$ 88,275.2	\$ 4,662.4	8,707,605	65.476

MEMBERS	SUBSCRIBED CAPITAL					VOTING POWER	
	Number of Shares	Percent of Total	Par Value Of Shares ¹			Number of Votes	Percent of Total
			Total	Callable	Paid-in		
Total Regional (Forward)	6,780,255	63.729	\$ 92,937.6	\$ 88,275.2	\$ 4,662.4	8,707,605	65.476
NONREGIONAL							
Austria	36,120	0.340	495.1	470.3	24.8	74,667	0.561
Belgium	36,120	0.340	495.1	470.3	24.8	74,667	0.561
Canada	555,258	5.219	7,611.0	7,230.4	380.6	593,805	4.465
Denmark	36,120	0.340	495.1	470.3	24.8	74,667	0.561
Finland	36,120	0.340	495.1	470.3	24.8	74,667	0.561
France	247,068	2.322	3,386.6	3,217.2	169.4	285,615	2.148
Germany	459,204	4.316	6,294.4	5,979.6	314.8	497,751	3.743
Ireland	36,120	0.340	495.1	470.3	24.8	74,667	0.561
Israel	150	0.001	2.1	1.9	0.1	38,697	0.291
Italy	191,850	1.803	2,629.7	2,498.2	131.5	230,397	1.732
Luxembourg	36,120	0.340	495.1	470.3	24.8	74,667	0.561
Netherlands	108,882	1.023	1,492.5	1,417.8	74.6	147,429	1.109
Norway	36,120	0.340	495.1	470.3	24.8	74,667	0.561
Portugal	36,120	0.340	495.1	470.3	24.8	74,667	0.561
Spain	36,120	0.340	495.1	470.3	24.8	74,667	0.561
Sweden	36,120	0.340	495.1	470.3	24.8	74,667	0.561
Switzerland	61,950	0.582	849.2	806.7	42.5	100,497	0.756
United Kingdom	216,786	2.038	2,971.5	2,822.9	148.6	255,333	1.920
United States	1,656,630	15.571	22,707.6	21,572.0	1,135.6	1,695,177	12.747
Total Nonregional	3,858,978	36.271	52,895.4	50,250.0	2,645.4	4,591,371	34.524
TOTAL	10,639,233	100.000	\$ 145,833.0	\$ 138,525.2	\$ 7,307.9	13,298,976	100.000

Note: Numbers may not sum precisely because of rounding.

¹ The authorized capital stock of the ADB has a par value of \$10,000 in terms of US dollars of the weight and fineness in effect on 31 January 1966. Pending ADB's selection of the appropriate successor to the 1966 dollar, the par value of each share is SDR 10,000 for financial reporting purposes. Exchange rate at 31 December 2025 was \$1.37071. (Notes B and M)

The accompanying Notes are an integral part of these financial statements (OCR-9).

**ASIAN DEVELOPMENT BANK—ORDINARY CAPITAL RESOURCES
NOTES TO FINANCIAL STATEMENTS
31 December 2025 and 2024**

**NOTE A—NATURE OF OPERATIONS, TRANSFER OF ADF LOANS AND OTHER ASSETS TO OCR,
AND LIMITATIONS ON LOANS, GUARANTEES AND EQUITY INVESTMENTS**

Nature of Operations

The Asian Development Bank (ADB), a multilateral development bank, was established in 1966 with its headquarters in Manila, Philippines. ADB and its operations are governed by the Agreement Establishing the Asian Development Bank (the Charter). Its purpose is to foster economic development and co-operation in Asia and the Pacific region and to contribute to the acceleration of the process of economic development of the developing member countries (DMCs) in the region, collectively and individually. Since 1999, ADB's corporate vision and mission has been to help DMCs reduce poverty in the region. This was reaffirmed under the long-term corporate strategy to 2030—Strategy 2030. Under Strategy 2030, ADB's vision is to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. ADB will continue to prioritize the region's poorest and most vulnerable countries.

ADB conducts its operations through the ordinary capital resources (OCR) and Special Funds (See Note S). Mobilizing financial resources, including cofinancing, is another integral part of ADB's operational activities, where ADB, alone or jointly, administers on behalf of donor's funds provided for specific uses.

ADB's OCR operations comprise loans, equity investments, investment in other debt securities, and guarantees. ADB finances its ordinary operations through borrowings, paid-in capital, and reserves.

ADB is immune from taxation pursuant to Chapter VIII, Article 56, *Exemption from Taxation*, of the Charter.

Transfer of ADF Loans and Other Assets to OCR

On 1 January 2017, ADB transferred loans and other assets totaling \$30,812 million from the Asian Development Fund (ADF) to OCR in accordance with the Board of Governors' Resolution No. 372 authorizing the termination of ADF's lending operations. From then on, concessional lending to lower-income countries continued from the OCR.

The transferred ADF assets comprised loans including accrued interest totaling \$27,088 million and liquid assets totaling \$3,724 million. Except for the \$64 million return of set-aside resources, the rest of the transferred assets was treated as a contribution from ADF to OCR and recognized as a one-time income of \$30,748 million in OCR, which has been allocated to ordinary reserves on 1 January 2017, following the adoption of the Board of Governors' Resolution No. 387 dated 15 March 2017. The contribution part amounting to \$30,748 million and the fair value adjustment on the loans amounting to \$281 million were recognized as one-time loss of \$31,029 million in ADF (See Note N).

The proportionate share of ADF donors in the transferred assets as of 1 January 2017, taking into account the value of paid-in donor contributions that have been made available for operational commitments which are deemed by ADB to be applied for the transferred assets, was determined in accordance with Article V of the Regulations of the Asian Development Fund. Under Board of Governors' Resolution No. 372, the proportionate share of an ADF donor will be taken into account in the event of the withdrawal of that donor from ADB and ADB's repurchase of its shares, and in the theoretical termination of ADB operations and liquidation of its assets. The value of each donor's paid-in contributions was fixed in US dollars based on the SDR value of each donor contribution as of 1 January 2017. This was then used to determine the sources of funds in the transferred assets, as summarized in the following table.

continued

Source of Funds in ADF	\$ million	%	Source of Funds in ADF	\$ million	%
Donor Contributions					
Australia	\$ 2,213	7.18	Malaysia	24	0.08
Austria	257	0.83	Nauru	0	0.00
Belgium	231	0.75	Netherlands	716	2.32
Brunei Darussalam	17	0.06	New Zealand	157	0.51
Canada	1,889	6.13	Norway	266	0.86
China, People's Republic of	84	0.27	Portugal	79	0.26
Denmark	242	0.79	Singapore	18	0.06
Finland	180	0.58	Spain	432	1.40
France	1,270	4.12	Sweden	436	1.42
Germany	1,679	5.45	Switzerland	359	1.17
Hong Kong, China	93	0.30	Taipei, China	90	0.29
India	24	0.08	Thailand	15	0.05
Indonesia	14	0.05	Türkiye	114	0.37
Ireland	79	0.26	United Kingdom	1,440	4.67
Italy	1,099	3.57	United States	4,060	13.18
Japan	11,197	36.34	Subtotal	29,309	95.13
Kazakhstan	4	0.01	OCR Net Income Transfers	1,439	4.67
Korea, Republic of	484	1.57	Set-Aside Resources	64	0.20
Luxembourg	47	0.15	Total	\$ 30,812	100.00

0 = about \$0.3 million, 0.00 = 0.001%.

Limitations on Loans, Guarantees, and Equity Investments

Article 12, paragraph 1 of the Charter provides that the total amount of outstanding loans, equity investments, and guarantees made by ADB shall not exceed the total of ADB's unimpaired subscribed capital, reserves, and surplus, exclusive of the special reserve. ADB's policy on lending limitations limits the total amount of disbursed loans, disbursed equity investments and related prudential buffer, and the maximum amount that could be demanded from ADB under its guarantee portfolio, to the total amount of ADB's unimpaired subscribed capital, reserves and surplus exclusive of the special reserve. As of 31 December 2025, the total of such loans (including other debt securities), equity investments and related prudential buffers, and guarantees aggregated approximately 83.1% (82.9% – 2024) of the total subscribed capital, reserves, and surplus exclusive of the special reserve. In November 2025, the Board of Governors approved the removal of the Charter lending limitation effective 1 March 2026.¹

Article 12, paragraph 3 of the Charter provides that equity investments shall not exceed 10% of the unimpaired paid-in capital actually paid up at any given time together with reserves and surplus, exclusive of the special reserve. As of 31 December 2025, such equity investments represented approximately 3.9% (3.5% – 2024) of the paid-in capital, reserves, and surplus, as defined.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*Presentation of the Financial Statements*

The financial statements of OCR are prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Functional Currencies and Reporting Currency

The functional currencies of OCR comprise the currencies of all members and special drawing right (SDR) as these are the currencies of the primary economic environments in which ADB operates. The reporting currency is the United States (US) dollar, and the financial statements are reported in US dollars.

¹ ADB. 2025. Board of Governors' Resolution No. 437 – Removal of the ADB Charter Lending Limitation.

continued

Translation of Currencies

ADB adopts the use of daily exchange rates for accounting and financial reporting purposes. This allows transactions in currencies other than the US dollar to be translated to the reporting currency using exchange rates applicable at the time of transactions. At the end of each accounting month, assets, liabilities, and capital are translated to US dollar using the applicable exchange rates. The translation adjustments, other than those relating to the non-functional currencies, are charged or credited to Accumulated translation adjustments and reported in EQUITY as part of Accumulated other comprehensive loss (Note N).

Valuation of Capital Stock

The authorized capital stock of ADB is defined in Article 4, paragraph 1 of the Charter “in terms of US dollars of the weight and fineness in effect on 31 January 1966” (1966 dollar) and the value of each share is defined as 10,000 1966 dollars. The capital stock had historically been translated into the current US dollar (ADB’s unit of account) on the basis of its par value in terms of gold. From 1973 until 31 March 1978, the rate arrived at on this basis was \$1.20635 per 1966 dollar. Since 1 April 1978, at which time the Second Amendment to the Articles of Agreement of the International Monetary Fund (IMF) came into effect, currencies no longer have par values in terms of gold. Pending ADB’s selection of the appropriate successor to the 1966 dollar, the capital stock has been valued for purposes of these financial statements in terms of the SDR at the value in US dollars as determined by the IMF, with each share valued at SDR10,000.

As of 31 December 2025, the value of the SDR in terms of the US dollar was \$1.370710 (\$1.304130 – 2024) giving a value for each share of ADB’s capital equivalent to \$13,707.10 (\$13,041.30 – 2024).

Derivative Financial Instruments

ADB reports all derivative transactions in accordance with Accounting Standards Codification (ASC) 815, “Derivatives and Hedging.” ADB has elected not to define any qualifying hedging relationships, not because economic hedges do not exist, but rather because the application of ASC 815 hedging criteria does not make fully evident ADB’s risk management strategies. All derivative instruments are reported at fair value (FV) and changes in FV have been recognized in net income. ADB records derivatives in the Balance Sheet as either assets or liabilities, consistent with the legal rights and way the instruments are settled. Individual interest rate swaps are recorded on a net basis, while all other swaps, including cross currency and foreign exchange (FX) swaps, are recorded on a gross basis.

ADB classifies the cash flows related to nonhedging derivatives in the Statement of Cash Flows in accordance with the nature of the derivative instrument and how it is used in the context of ADB’s operations. Payment for and receipts from derivatives could either be Cash Flows from Investing Activities or Cash Flows from Financing Activities.

Investments for Liquidity Purpose

All investment securities and time deposits held by ADB are considered to be available for sale (AFS) and are reported at FV. Unrealized gains and losses are reported in EQUITY as part of Accumulated other comprehensive loss. Realized gains and losses are reported in the Statement of Income and Expenses under NET REALIZED GAINS (LOSSES) From investments for liquidity purpose and are measured by the difference between amortized cost and the net proceeds of sales using the specific identification method for internally managed investment portfolio and the weighted average cost method for externally managed investment portfolio.

Interest income on investment securities and time deposits is recognized as earned and reported net of amortization of premiums and discounts.

continued

Securities Transferred Under Repurchase Agreements and Securities Purchased Under Resale Arrangements

Transfer of financial assets are accounted for as sales when control over the transferred assets has been relinquished. Otherwise, the transfers are accounted for as repurchase/resale agreements and collateralized financing arrangements. Under repurchase agreements, securities transferred are recorded as assets and reported at FV and cash received as collateral is recorded as a liability. ADB monitors the FV of securities transferred under repurchase agreements and the received collateral. Under resale arrangements, securities purchased are recorded as assets and are not re-pledged.

Loans — Operations

ADB's loans are made to or guaranteed by members, with the exception of nonsovereign loans. Loan interest income and loan commitment fees are recognized on accrual basis. In line with ADB's principle of cost pass-through pricing in regular sovereign loan, the funding cost margin is passed on to Flexible Loan Product (FLP) loan borrowers as a surcharge or rebate.

It is the policy of ADB to place loans in non-accrual status if the principal, interest, or other charges with respect to any such loans is overdue by more than 180 days or in case of loans that are not yet overdue by more than 180 days, when there is expectation that loan service payment will not be collected when they become due, at the point when such information is known. Once a loan to a borrower is placed in non-accrual status, all other overdue loans to the same borrower will be placed in non-accrual status. On the date a borrower's loans are placed into non-accrual status, unpaid interest and other charges accrued are deducted from the revenue of the current period. Interest on non-accruing loans is included in revenue only to the extent that payments have actually been received by ADB. Accordingly, loans are reinstated to accrual status when all the principal, interest and other charges due on the loan have been collected. ADB maintains a position of not taking part in debt rescheduling agreements with respect to sovereign loans. In the case of nonsovereign loans, ADB may agree to debt rescheduling only after alternative courses of action have been exhausted.

ADB levies a commitment charge on the undisbursed balance of effective regular sovereign and nonsovereign loans. Unless otherwise provided by the loan agreement, the charges take effect commencing on the 60th day after the loan signing date and are credited to loan income. Front-end fees have been eliminated for sovereign loans negotiated on or after 1 October 2007. However, for loans under contingent disaster financing, the borrower will pay, in lieu of commitment charges, a front-end fee of 0.25% or 0.10% of the committed loan amount depending on contingent disaster financing option, which are deferred and amortized over the life of the loans. Loans under Small Expenditure Financing Facility carries a front-end fee of 0.15% of the facility amount.

ADB charges front-end fees for nonsovereign loans, which are deferred and amortized over the life of the loans after offsetting deferred direct loan origination costs.

ADB offers loans to its concessional sovereign borrowers at fixed (1.0%, 1.5% or 2.0%) interest rates with repayment over periods ranging from 24 to 40 years. Concessional sovereign loans are not subject to commitment charges.

Allowance for Credit Losses

ADB records an allowance for credit losses over the remaining lifetime of financial assets measured at amortized cost (including loans and held-to-maturity [HTM] debt securities). In addition, a liability is recorded for off-balance sheet credit exposures for undisbursed loan commitments and financial guarantees over the contractual period. ADB estimates the expected credit losses based on relevant information about past events, current conditions, and reasonable and supportable forecasts. The expected credit losses are measured as the product of exposure at default (EAD), probability of default (PD), and loss given default

continued

(LGD). When loans are considered impaired, they are individually reviewed and assessed to determine the expected credit losses using appropriate methods, including discounted cash flow method.

The allowance for credit losses and liability for credit losses on off-balance sheet exposures such as guarantees and undisbursed commitments for loans, and HTM debt securities, are reviewed quarterly, and the amount necessary to adjust the allowance and liability for credit losses is reported as Provision (Release of provision) for credit losses in the Statement of Income and Expenses under EXPENSES. ADB elects not to record the allowance on accrued interest receivables as it reverses the accrued interest of the loans under non-accrual status in accordance with its non-accrual policy. Partial or full write-off of financial assets will be deducted from the allowance. Expected recoveries of amounts previously written-off or expected to be written-off are recognized as a negative allowance which does not exceed the aggregate of amounts previously written off and expected to be written off.

ADB uses risk transfer contracts between ADB and third parties such as insurance companies or banks, where the third parties agree to assume a portion of the credit risk in a loan, HTM debt security, or guarantee provided by ADB. A recovery asset related to the risk transfer contracts is recognized at the time of recording of expected credit losses for the loans, HTM debt securities, and guarantees. The recovery asset is reviewed quarterly, and the amount to adjust the recovery asset is reflected in Provision (Release of provision) for credit losses.

When an available-for-sale (AFS) debt security's fair value is lower than amortized cost, ADB recognizes impairment losses in earnings if ADB has the intent to sell the debt securities or if it is more likely than not that ADB will be required to sell the debt securities before recovery of the amortized cost. When ADB intends to hold and is not required to sell the debt securities, ADB will evaluate to determine if a credit loss exists. Portion of the decline in fair value below amortized cost basis due to credit-related factors will be recognized as an allowance for credit losses with a related charge to Provision for credit losses.

For certain financial assets, such as Due from Banks, Securities Purchased under Resale Arrangements, and Swap related and other collateral, no expected loss is determined based on the credit quality.

Guarantees

ADB provides guarantees under its sovereign and nonsovereign operations. Guarantees are regarded as outstanding when the underlying financial obligation of the borrower is incurred. ADB would be required to perform under its guarantees if the payments guaranteed were not made by the debtor, and the guaranteed party called the guarantee by demanding payments from ADB in accordance with the term of the guarantee.

For guarantees issued and modified on or after 1 January 2003, ADB recognizes at the inception of a guarantee, a liability for the stand-by obligation to perform on guarantees. A front-end fee on guarantees received is deferred and amortized over the term of the guarantee contract. The unamortized balance of the deferred guarantee fee income, and the unamortized balance of the obligation to stand ready, are included in ACCOUNTS PAYABLE AND OTHER LIABILITIES – Miscellaneous on the Balance Sheet. ADB also records a liability for the expected credit losses over the contractual period in ACCOUNTS PAYABLE AND OTHER LIABILITIES – Liability for credit losses on off-balance sheet exposure on the Balance Sheet.

ADB entered into an exposure exchange agreement (EEA) with another multilateral development bank (MDB). The EEA provides for the simultaneous exchange of credit risk coverage for potential non-accrual events on the exchanged sovereign exposures. In case of non-accrual events, the party providing protection would pay the other counterparty interest for any period the covered exposure is in non-accrual, and principal when the covered exposure is fully or partially written-off. The EEA transaction is treated as an exchange of two separate financial guarantees (guarantee provided and guarantee received). Under the EEA, (i) ADB provides a guarantee for the sovereign exposures received from the counterpart MDB (ADB as a seller of protection), and (ii) ADB will receive a guarantee for the sovereign exposures transferred to the counterpart MDB (ADB as a buyer of protection).

continued

Collateral

ADB requires collateral from individual swap counterparties in the form of approved liquid securities or cash to mitigate its credit exposure to these counterparties. Cash collateral received may either be invested by ADB or held with a custodian. Cash that is invested is recorded as INVESTMENTS FOR LIQUIDITY PURPOSE while cash held with a custodian is recorded as cash in OTHER ASSETS. The corresponding obligation to return the cash collateral is recorded as ACCOUNTS PAYABLE AND OTHER LIABILITIES. Collateral received in the form of liquid securities is disclosed in Note J and not recorded on OCR's Balance Sheet.

Equity Investments — Operations

Investments in equity securities (except those accounted for under equity method) are reported at FV, with changes in FV reported in the Statement of Income and Expenses under NET UNREALIZED GAINS.

Realized gains and losses are reported in the Statement of Income and Expenses under NET REALIZED GAINS (LOSSES) from equity investments – operation and are measured by the difference between cost and sales proceeds. Previously recognized unrealized gains and losses are reversed upon sale of investments.

ADB applies the equity method of accounting to investments where it has the ability to exercise significant influence such as in limited liability partnerships and certain limited liability companies that maintain a specific ownership account for each investor in accordance with ASC 323-30, "Partnerships, Joint Ventures, and Limited Liability Entities" and direct equity investment that fall under the purview of ASC 323, "Investments—Equity Method and Joint Ventures."

Variable Interest Entities

ADB complies with ASC 810, "Consolidation." ASC 810 requires an entity to consolidate and provide disclosures for any Variable Interest Entity (VIE) for which it is the primary beneficiary. An entity is subject to the ASC 810 VIE Subsections and is considered a VIE if it (i) lacks equity that is sufficient to permit the entity to finance its activities without additional subordinated financial support from other parties; or (ii) if holders of the equity investment at risk lack decision-making rights about the entity's activities that most significantly impact the entity's economic performance; or (iii) do not have the obligation to absorb the expected losses or the right to receive the residual returns of the entity proportionally to their voting rights. ASC 810 defines the primary beneficiary as the entity that both has the (i) power to direct the activities that most significantly impact the economic performance of the VIE and the (ii) obligation to absorb losses or the right to receive residual returns of the entity. As of 31 December 2025 and 2024, ADB did not identify any VIE where ADB was the primary beneficiary, requiring consolidation in OCR financial statements.

ADB's variable interests can arise from equity investments, loans, guarantees, and other contractual agreements that change with the changes in the FV of the VIE's net assets exclusive of variable interests. ADB is required to disclose information about its involvement in VIEs where ADB holds significant variable interest (See Note T).

Other Debt Securities — Operations

Investments in other debt securities may be classified as HTM or AFS based on the intent and ability of ADB to hold these securities to maturity. HTM securities are reported at amortized cost while AFS are reported at FV.

Interest income on other debt securities is recognized as earned and reported, net of amortization of applicable premiums and discounts. In cases where front-end fees are collected, the fees are deferred and amortized over the life of the security after offsetting deferred direct origination costs.

continued

Property, Furniture, and Equipment

Land is stated at cost and is not amortized. Buildings and improvements, and office furniture and equipment are stated at cost and depreciated over estimated useful lives on a straight-line basis. Maintenance, repairs, and minor betterments are charged to expense.

Operating Leases

Right-of-use asset mainly pertains to lease of real properties such as offices, buildings and parking lots in field offices. ADB does not have any finance lease. Right-of-use asset is derived from the lease liability, which is the present value of future lease payments using the applicable discount rate, adjusted by prepaid rent and deferred rent. Operating lease expenses are recognized on a straight-line basis.

ADB determines whether a contract contains a lease if the contract conveys the right to control the use of identified property, furniture or equipment for a period of time in exchange for a consideration. ADB has included renewal options in determining the lease term when it is reasonably certain that the renewal option will be exercised. ADB uses its incremental borrowing rate as the discount rate in determining the present value of future lease payments.

Borrowings

Borrowings provide funds for ADB's operations. ADB diversifies its funding sources across markets, instruments, and maturities. In conjunction, ADB uses currency and interest rate swaps for asset and liability management.

ADB elected to record and report at FV all borrowings that are swapped or are intended to be swapped in the future and selected floating-rate borrowings. This election allows ADB to apply a consistent accounting treatment between borrowings and their related swaps. Changes in FV are reported in the Statement of Income and Expenses under NET UNREALIZED GAINS. ADB measures the portion of the FV change related to ADB's own credit spread and presents the amount separately in Accumulated other comprehensive loss.

Remaining borrowings continue to be reported at amortized cost. Discounts, premiums and issuance costs associated with new borrowings are deferred and amortized over the period during which the borrowing is outstanding.

Fair Value of Financial Instruments

ASC 820, "Fair Value Measurement" defines FV as the price that would be received to sell an asset or paid to transfer a liability at measurement date in an orderly transaction among willing participants with an assumption that the transaction takes place in the entity's principal market, or in the absence of principal market, in the most advantageous market for the asset or liability. The most advantageous market is the market where the sale of the asset or transfer of liability would maximize the amount received for the asset or minimize the amount paid to transfer the liability. The FV measurement is not adjusted for transaction cost.

Fair Value Hierarchy

ASC 820 establishes a FV hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), next priority to observable market inputs or market corroborated data (Level 2), and the lowest priority to unobservable inputs without market corroborated data (Level 3).

continued

The FVs of ADB's financial assets and liabilities are categorized as follows:

Level 1: FVs are based on unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: FVs are based on quoted prices for similar assets or liabilities in active markets or markets that are not active; or valuation models for which significant inputs are obtained from market-based data that are observable.

Level 3: FVs are based on prices or valuation models for which significant inputs to the model are unobservable.

Accounting Estimates

The preparation of the financial statements requires Management to make reasonable estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the end of the year and the reported amounts of revenues and expenses during the year. The actual results could differ from those estimates. Judgments have been used in the valuation of certain financial instruments, the determination of the adequacy of the accumulated provisions for losses on loans and other exposures (irrevocable commitments and guarantees), the determination of net periodic cost from pension and other postretirement benefits plans, and the present value of benefit obligations.

Accounting and Reporting Developments

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2024-03, *"Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses."* This update requires public business entities (PBEs) to disclose, in the notes to financial statements, detailed information about certain costs and expenses during both interim and annual reporting periods. Specifically, PBEs must present disaggregated data on relevant natural expense categories underlying specific income statement expense line items. These disclosures are to be provided in a tabular format within the financial statement footnotes on both an annual and interim basis. The amendments become effective for annual reporting periods beginning after 15 December 2026, and for interim periods within fiscal years starting after 15 December 2027 (as updated in January 2024 through ASU 2025-01). Early adoption is permitted. ADB is currently assessing the impact of this update on its financial statements.

In September 2025, the FASB issued ASU 2025-06, *"Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software"*. This update modernizes the accounting treatment for software costs under Subtopic 350-40 by eliminating all references to prescriptive and sequential software development stages. Under the revised guidance, entities must begin capitalizing software costs once management has both authorized and committed to funding the project, and it is probable that the project will be completed and the software will be used to perform its intended function. Additionally, the ASU provides guidance on how to evaluate significant uncertainties related to the software's development activities when assessing the likelihood of project completion. This ASU is effective for annual periods beginning after 15 December 2027. The guidance can be applied on a prospective basis, a modified basis for in-process projects or on a retrospective basis. ADB is currently evaluating the impact of this update on its financial statements.

In October 2025, the FASB issued ASU 2025-07, *"Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract"*. This Update introduces targeted refinements to the scope of derivatives guidance in ASC 815 (Issue 1) and clarifies the treatment on share-based payments from a customer under ASC 606 (Issue 2). For Issue 1, the ASU adds a new scope exception for certain contracts that are not traded on an exchange and have an underlying that is based on operations or activities specific to one of the contracting parties. For Issue 2, the ASU clarifies that when an entity is entitled to receive a share-based payment from a customer in exchange for goods or services, such payment should be recognized as noncash consideration within the scope of ASC 606. This ASU is effective for annual periods beginning after 15 December 2026. ADB has elected to early adopt the

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amendments and will apply them prospectively to contracts entered into on or after 1 January 2026 when evaluating the accounting treatment of relevant embedded features.

In December 2025, the FASB issued ASU 2025-10, “*Accounting for Government Grants Received by Business Entities*”, which establishes comprehensive GAAP guidance for government grants received by business entities. The Update addresses long-standing diversity in practice by setting recognition and measurement criteria, distinguishing between grants related to assets and those related to income, and specifying presentation and disclosure requirements. The amendments take effect for public business entities for annual reporting periods beginning after 15 December 2028, and one year later for all other entities, with early adoption permitted. Transition options include a modified prospective, modified retrospective, or full retrospective approach. ADB is currently assessing the impact of this Update on its financial statements.

Also in December, the FASB issued ASU 2025-11, “*Interim Reporting (Topic 270): Narrow-Scope Improvements*”—aimed at enhancing the structure and clarity of interim reporting guidance. The amendments reorganize existing disclosure requirements, define what constitutes interim financial statements and notes under GAAP (including SEC considerations where relevant), and introduce a new disclosure principle requiring entities to report material events occurring after the preceding annual reporting period. While the Update improves consistency and usability, it does not expand or reduce current disclosure requirements. The amendments are effective for public business entities for interim periods within annual reporting periods beginning after 15 December 2027, and one year later for all other entities, with early adoption permitted. Entities may apply the amendments prospectively or retrospectively. This Update is not expected to have a significant impact on OCR’s interim financial statements.

Additionally, the FASB issued ASU 2025-12, “*Codification Improvements*”, introducing clarifications, corrections, and other minor amendments across a wide range of Topics. These updates are designed to make the Codification easier to navigate and apply, particularly in areas where the original language may have caused confusion. The amendments take effect for all entities for annual reporting periods beginning after 15 December 2026, including the related interim periods. This Update is not expected to have a significant impact on OCR’s financial statements.

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, ADB considers that its cash and cash equivalents are limited to (i) DUE FROM BANKS, which consist of current accounts in banks used for operational disbursements, receipt of funds from encashment of members’ promissory notes, and clearing accounts; (ii) swap related collateral, which are cash collateral received by ADB from swap counterparties to mitigate ADB’s credit exposure to these counterparties; and (iii) other collateral.

On the face of the cash flow statement, Swap related and other collateral are presented as a separate line item from DUE FROM BANKS as part of beginning and ending balances of total cash. The movements during the period in the swap related collateral account is classified as cash flow from financing activities and other collateral account is classified as cash flow from investing activities.

NOTE C—RESTRICTIONS ON USE OF CURRENCIES OF MEMBERS

In accordance with Article 24, paragraphs 2(i) and (ii) of the Charter, the use by ADB or by any recipient from ADB of certain currencies may be restricted by members to payments for goods or services produced and intended for use in their territories. As of 31 December 2025 and 2024, no member has restricted the use by ADB or by any recipient from ADB.

continued

NOTE D—INVESTMENTS FOR LIQUIDITY PURPOSE

The main investment management objective is to maintain security and liquidity. Subject to these parameters, ADB seeks the highest possible return on its investments. Investments are governed by the Investment Authority approved by the Board of Directors.

ADB enters into currency and interest rate swaps, and forward rate agreements. Exposure to interest rate risk may be adjusted within defined bands to reflect changing market conditions. These adjustments are made through the purchase and sale of securities.

ADB may engage in securities lending of government or government-related obligations and corporate obligations, for which ADB receives a guarantee from the securities custodian and a fee. Transfers of securities by ADB to counterparties are not accounted for as sales as the accounting criteria for the treatment of a sale have not been met. These securities are available to meet ADB's obligation to counterparties. Included in investments as of 31 December 2025 were securities transferred under securities lending arrangements of government or government-related obligations and corporate obligations totaling \$177 million (\$153 million – 2024).

ADB records time deposits on the settlement dates and all other investment securities on the trade date. As of 31 December 2025, there were \$28 million unsettled sales and uncollected maturities (\$37 million – 2024) included under OTHER ASSETS – Miscellaneous and \$110 million unsettled purchases (\$86 million – 2024) included under ACCOUNTS PAYABLE AND OTHER LIABILITIES – Miscellaneous.

The currency composition of the investment portfolio as of 31 December 2025 and 2024 expressed in US dollars is as follows:

(\$ million)				
Currency	2025		2024	
US dollar	\$	26,126	\$	22,008
Yen		14,283		10,026
Won		4,905		3,808
Singapore dollar		3,786		1,007
Yuan		3,039		4,557
Euro		2,634		2,434
Others		2,952		2,855
Total	\$	57,725	\$	46,695

The FV and amortized cost of the investments by contractual maturity at 31 December 2025 and 2024 are as follows:

	(\$ million)			
	2025		2024	
	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Due in one year or less	\$ 29,506	\$ 29,562	\$ 14,824	\$ 14,857
Due after one year through five years	22,492	22,660	27,734	28,270
Due after five years through ten years	2,535	2,529	2,459	2,599
Due after ten years through fifteen years	2,391	2,389	949	987
Due after fifteen years	801	868	729	830
Total	\$ 57,725	\$ 58,008	\$ 46,695	\$ 47,543

continued

Additional information relating to investments for liquidity purpose in government or government-related obligations and other securities classified as AFS are as follows:

(\$ million)

	Amortized Cost	Gross Unrealized		Fair Value
		Gains	Losses	
31 December 2025				
Government or government-related obligations	\$ 40,273	\$ 100	\$ (385)	\$ 39,988
Other securities				
Corporate obligations	8,828	88	(19)	8,897
Asset/Mortgage-backed securities	1,348	9	(76)	1,281
Total	\$ 50,449	\$ 197	\$ (480)	\$ 50,166
31 December 2024				
Government or government-related obligations	\$ 31,759	\$ 59	\$ (761)	\$ 31,057
Other securities				
Corporate obligations	9,359	48	(84)	9,323
Asset/Mortgage-backed securities	1,823	5	(115)	1,713
Total	\$ 42,941	\$ 112	\$ (960)	\$ 42,093

For the year ended 31 December:

	2025	2024
Change in net unrealized gains and losses from prior year	\$ 565	\$ 209
Proceeds from sales	4,595	3,155
Gross gain on sales	18	8
Gross loss on sales	(14)	(27)

The table below shows the gross unrealized losses and fair value of investments with unrealized losses aggregated by investment category and length of time that individual securities had unrealized loss position as of 31 December 2025 and 2024. There were 99 government or government-related obligations (148 – 2024), 141 corporate obligations (411 – 2024), and 151 asset-backed/mortgage-backed securities (161 – 2024) that have been in continuous losses for over one year representing 25.34% (38.65% – 2024) of the total investments.

(\$ million)

	One year or less		Over one year		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
2025						
Government or government-related obligations	\$ 11,757	\$ 77	\$12,904	\$ 308	\$24,661	\$ 385
Other securities						
Corporate obligations	192	2	1,176	17	1,368	19
Asset/Mortgage-backed securities	19	0	546	76	565	76
Total	\$11,968	\$ 79	\$14,626	\$ 401	\$26,594	\$ 480
2024						
Government or government-related obligations	\$ 9,819	\$ 142	\$15,623	\$ 619	\$25,442	\$ 761
Other securities						
Corporate obligations	1,954	14	1,766	70	3,720	84
Asset/Mortgage-backed securities	434	4	659	111	1,093	115
Total	\$12,207	\$ 160	\$18,048	\$ 800	\$30,255	\$ 960

0 = less than \$0.5 million.

continued

As of 31 December 2025, ADB had the intent to hold and was not required to sell the AFS debt securities of which the fair value is lower than amortized cost. ADB also assessed and determined that the decline of fair value below the amortized cost basis of the AFS securities was not due to credit-related factors.

Fair Value Disclosure

The fair value of INVESTMENTS FOR LIQUIDITY PURPOSE and related financial assets as of 31 December 2025 and 2024 are as follows:

(\$ million)

	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
2025				
Investments for liquidity purpose				
Government or government-related obligations	\$ 39,988	\$ 36,968	\$ 3,020	\$ –
Time deposits	7,559	–	7,559	–
Other securities	10,178	7,868	2,310	–
Securities transferred under repurchase agreements	872	872	–	–
Securities purchased under resale arrangements	252	–	252	–
Total at fair value	\$ 58,849	\$ 45,708	\$ 13,141	\$ –
2024				
Investments for liquidity purpose				
Government or government-related obligations	\$ 31,057	\$ 28,474	\$ 2,583	\$ –
Time deposits	4,602	–	4,602	–
Other securities	11,036	7,123	3,913	–
Securities transferred under repurchase agreements	–	–	–	–
Securities purchased under resale arrangements	260	–	260	–
Total at fair value	\$ 46,955	\$ 35,597	\$ 11,358	\$ –

If available, active market quotes are used to assign fair values to investment securities and related financial assets. These include most government or government-related obligations and corporate obligations. Investments and related financial assets where active market quotes are not available are categorized as Level 2 or Level 3, and valuations are obtained from independent valuation services, custodians, and asset managers, and are based on discounted cash flow model using market observable inputs, such as interest rates, FX rates, basis spreads, cross currency rates, and volatilities, and unobservable inputs, such as option adjusted spreads, and other techniques. Time deposits are reported at cost, which approximates FV.

NOTE E—SECURITIES TRANSFERRED UNDER REPURCHASE AGREEMENTS

ADB has entered into Global Master Repurchase Agreements (GMRA) in which ADB agrees to transfer securities under repurchase agreements. The agreements provide for the right of a party to terminate if any of the specified default and termination events occur and include provisions to offset the sum due from one party against the sum due from the other. All securities transferred under repurchase agreements are investment grade government or government-related securities. ADB monitors periodically the FV of securities transferred against the amount of cash received under the agreement and the counterparty credit exposure against approved limits. ADB only deals with counterparties that meet the required credit rating and have signed a GMRA or its equivalent.

continued

The gross amounts of PAYABLE UNDER SECURITIES REPURCHASE AGREEMENTS subject to enforceable master netting agreements as of 31 December 2025 and 31 December 2024 are summarized below.

(\$ million)

	(a)	(b)		(c) = (a) – (b)
	Gross amount of liabilities presented in the balance sheet	Gross amounts not offset in the balance sheet		Net amount
		Financial instruments	Collateral pledged	
31 December 2025				
Payable under securities repurchase agreements	\$ 881	\$ 872	\$ –	\$ 9
31 December 2024				
Payable under securities repurchase agreements	\$ –	\$ –	\$ –	\$ –

The contractual maturity of payable under securities repurchase agreements as of 31 December 2025 and 31 December 2024 are summarized below:

(\$ million)

	Remaining contractual maturity of the agreements			Total
	1-30 Days	31-90 Days	> 90 Days	
31 December 2025				
Payable under securities repurchase agreement Government or government-related obligations	\$ 881	\$ –	\$ –	\$ 881
Gross amount of recognized liabilities for repurchase agreements disclosed above				881
Amounts related to agreements not included in offsetting disclosure				\$ –
31 December 2024				
Payable under securities repurchase agreement Government or government-related obligations	\$ –	\$ –	\$ –	\$ –
Gross amount of recognized liabilities for repurchase agreements disclosed above				–
Amounts related to agreements not included in offsetting disclosure				\$ –

NOTE F—LOANS — OPERATIONS

ADB offers sovereign and nonsovereign loans. Sovereign loans consist of regular loans and concessional loans.

ADB's available loan products are the Flexible Loan Product (FLP) and the local currency loan (LCL) product. The FLP is the primary loan product for sovereign regular OCR and nonsovereign operations.

ADB provides sovereign regular OCR borrowers of FLP loans with options to manage their interest rate and exchange rate risks, while providing low intermediation risk to ADB. Borrowers may request a conversion of all or any portion of the principal amount of the loan through: (i) currency conversion to an approved currency of all or any portion of the principal amount of the loan whether unwithdrawn or withdrawn and outstanding; (ii) an interest rate conversion of all or any portion of the principal amount of the loan withdrawn and outstanding; and (iii) establishment of an interest rate cap or an interest rate collar

continued

on a floating rate applicable to all or any portion of the principal amount of the loan withdrawn and outstanding.

ADB offers LCLs to sovereign and nonsovereign borrowers in different local currencies which ADB can effectively intermediate. ADB responds to the evolving financial needs of borrowers to reduce their currency mismatch in DMCs.

In addition to the FLP loans and LCLs, ADB offers sovereign concessional OCR loans to eligible DMCs. Concessional loans represent the concessional financing to DMCs with (i) per capita gross national income below the International Development Association (IDA) operational cut-off; (ii) least developed countries with per capita gross national income above the IDA operational cut-off; and (iii) per capita gross national income above the IDA operational cut-off with limited or lack of creditworthiness.

Summary statement of loans as of 31 December 2025 which include loans outstanding, undisbursed committed loans, and loans approved not yet committed are shown in OCR-6. The carrying amounts of loan outstanding by loan products as of 31 December 2025 and 2024 are as follows:

(\$ million)

	Sovereign Loans	Nonsovereign Loans	Total
2025			
Flexible loan product	\$ 116,460	\$ 4,591	\$ 121,051
Local currency loans	3,360	2,092	5,452
Pool-based single currency loans (US\$)	93	–	93
Concessional loans	35,714	–	35,714
	<u>155,627</u>	<u>6,683</u>	<u>162,310</u>
Fair value adjustment on loans	(939)	–	(939)
Allowance for credit losses	(252)	(316)	(568)
Unamortized direct loan origination cost (front-end fee)—net	299	(39)	260
	<u>(892)</u>	<u>(355)</u>	<u>(1,247)</u>
Loans Outstanding	<u>\$ 154,735</u>	<u>\$ 6,328</u>	<u>\$ 161,063</u>
2024			
Flexible loan product	\$ 114,212	\$ 4,172	\$ 118,384
Local currency loans	1,013	1,582	2,595
Pool-based single currency loans (US\$)	152	–	152
Concessional loans	33,439	–	33,439
	<u>148,816</u>	<u>5,754</u>	<u>154,570</u>
Fair value adjustment on loans	(411)	–	(411)
Allowance for credit losses	(254)	(286)	(540)
Unamortized direct loan origination cost (front-end fee)—net	279	(34)	245
	<u>(386)</u>	<u>(320)</u>	<u>(706)</u>
Loans Outstanding	<u>\$ 148,430</u>	<u>\$ 5,434</u>	<u>\$ 153,864</u>

Prepayments

During 2025, ADB received prepayments for 27 loans (24 loans – 2024) amounting to \$586 million (\$816 million – 2024), of which \$479 million (\$606 million – 2024) was for regular sovereign loans, \$2 million (nil – 2024) was for concessional loans, and \$105 million (\$210 million – 2024) was for nonsovereign loans.

continued

Past Due Loans

An analysis of the age of the recorded loans outstanding that are past due as of 31 December 2025 and 2024 is as follows:

(\$ million)

	Overdue Loan Service Payments				Current	Total
	1-90 Days	91-180 Days	> 180 Days	Total Past Due		
2025						
Sovereign loans						
Regular	\$ 0	\$ —	\$ —	\$ 0	\$ 119,913	\$ 119,913
Concessional	3	5	23	31	35,683	35,714
Subtotal	3	5	23	31	155,596	155,627
Nonsovereign loans	8	2	52	62	6,621	6,683
Total	<u>\$ 11</u>	<u>\$ 7</u>	<u>\$ 75</u>	<u>\$ 93</u>	<u>\$ 162,217</u>	<u>162,310</u>
Fair value adjustment on loans						(939)
Allowance for credit losses						(568)
Unamortized loan origination cost—net						260
Loans Outstanding						<u>\$ 161,063</u>

0 = less than \$0.5 million.

Notes: The amount of accrued interest excluded from the amortized cost basis in the above table is \$1,321 million.

(\$ million)

	Overdue Loan Service Payments				Current	Total
	1-90 Days	91-180 Days	> 180 Days	Total Past Due		
2024						
Sovereign loans						
Regular	\$ —	\$ —	\$ —	\$ —	\$ 115,377	\$ 115,377
Concessional	2	4	10	16	33,423	33,439
Subtotal	2	4	10	16	148,800	148,816
Nonsovereign loans	3	2	44	49	5,705	5,754
Total	<u>\$ 5</u>	<u>\$ 6</u>	<u>\$ 54</u>	<u>\$ 65</u>	<u>\$ 154,505</u>	<u>154,570</u>
Fair value adjustment on loans						(411)
Allowance for credit losses						(540)
Unamortized loan origination cost—net						245
Loans Outstanding						<u>\$ 153,864</u>

Note: The amount of accrued interest excluded from the amortized cost basis in the above table is \$1,427 million.

continued

Loans in Non-Accrual Status

The following table provides a summary of financial information related to loans in non-accrual status:

(\$ million)

	<u>2025</u>	<u>2024</u>
As of 31 December:		
Amortized cost basis of loans in non-accrual status^a		
Sovereign		
Regular	\$ –	\$ –
Concessional	509	486
Nonsovereign	92	98
Total	<u>\$ 601</u>	<u>\$ 584</u>
Loans past due for more than 90 days not in non-accrual status		
Sovereign		
Regular	\$ –	\$ –
Concessional	–	–
Nonsovereign	–	–
Total	<u>\$ –</u>	<u>\$ –</u>
For the years ended 31 December:		
Interest income recognized on payments received for loans in non-accrual status		
Sovereign		
Regular	\$ –	\$ –
Concessional	–	6
Nonsovereign	2	–
Total	<u>\$ 2</u>	<u>\$ 6</u>

^a A loan loss provision has been recorded against each of the loans in non-accrual status.

Fair Value Adjustment on Loans

Fair value adjustments on loans involve recognizing the loans at their fair value (FV) at initial recognition and, where applicable, upon subsequent loan modifications, as required under applicable accounting standards.

On 1 January 2017, concessional loans from ADF were transferred to OCR at FV. The FV of the ADF loan was approximated by the nominal value of the loan outstanding amount adjusted for credit risk, which was measured by the expected loss of the ADF loan portfolio based on ADB credit risk management framework. The resulting fair value adjustment on the transferred concessional loans amounted to \$281 million and is recognized as income over the life of the loans based on their maturity structure and as the loan service payments are received. As of 31 December 2025, the unamortized balance of the FV adjustment on concessional loans was \$140 million (\$154 million – 2024).

During the year ended 31 December 2025, additional fair value adjustments were recognized on 23 regular OCR loans as a result of loan conversion that required revaluation of the loans to reflect the prevailing market conditions at the conversion dates. This resulted in fair value adjustments of \$644 million during the year, and are amortized during the remaining term of the loans. As of 31 December 2025, the unamortized balance of the FV adjustment on converted loans was \$799 million (\$257 million – 2024)

Credit Quality Information

ADB is exposed to credit risks in the loan portfolio if a borrower defaults or its creditworthiness deteriorates. Credit risks represent the potential loss due to possible nonperformance by borrowers under the terms of the contract. ADB manages credit risk for lending operations by monitoring creditworthiness of the borrowers and the capital adequacy framework.

continued

ADB monitors credit quality of the loans by assigning a risk rating to each loan on an internal scale from 1 to 14 with 1 denoting the lowest expectation of credit risk and 14 denoting that the borrower has defaulted. The rating scale corresponds to the rating scales used by international rating agencies. For sovereign loans, ADB has a process of assigning internal ratings to provide more accurate inputs for risk measurements. For nonsovereign loans, each transaction is reviewed and assigned a rating based on a methodology that is broadly aligned with the rating approach of international rating agencies. The risk ratings are used to monitor the credit quality in the portfolio.

The amortized cost basis by origination year and internal risk rating for loans as of 31 December 2025 and 2024 is as follows:

(\$ million)

		31 December 2025								
Risk Class	Risk Rating	Origination Year					Prior	Private sector programs	Total	
		2025	2024	2023	2022	2021				
Sovereign Loans:										
Low credit risk	1–5 (AAA to BBB–)	\$2,026	\$4,647	\$5,036	\$ 4,665	\$ 6,871	\$ 52,512	\$ –	\$ 75,757	
Medium credit risk	6–8 (BB+ to BB–)	867	1,080	394	946	930	15,493	–	19,710	
Significant credit risk	9–10 (B+ to B)	1,314	1,466	2,214	1,603	2,256	19,448	–	28,301	
High credit risk and non-accrual	11–14 (B– to D)	1,167	1,958	1,357	2,454	2,430	21,853	–	31,219	
Total Sovereign Loans		5,374	9,151	9,001	9,668	12,487	109,306	–	154,987	
Nonsovereign Loans:										
Low credit risk	1–5 (AAA to BBB–)	25	483	105	97	–	1,085	50	1,845	
Medium credit risk	6–8 (BB+ to BB–)	179	716	608	196	136	586	97	2,518	
Significant credit risk	9–10 (B+ to B)	191	244	124	103	20	648	115	1,445	
High credit risk and non-accrual	11–14 (B– to D)	–	16	73	9	25	696	17	836	
Total Nonsovereign Loans		395	1,459	910	405	181	3,015	279	6,644	
Total		\$5,769	\$10,610	\$9,911	\$10,073	\$12,668	\$112,321	\$279	\$161,631	

Note: The amount of accrued interest excluded from the amortized cost basis in the above table is \$1,321 million.

(\$ million)

		31 December 2024								
Risk Class	Risk Rating	Origination Year					Prior	Private sector programs	Total	
		2024	2023	2022	2021	2020				
Sovereign Loans:										
Low credit risk	1–5 (AAA to BBB–)	\$1,721	\$4,464	\$3,982	\$ 6,594	\$ 9,902	\$ 46,925	\$ –	\$ 73,588	
Medium credit risk	6–8 (BB+ to BB–)	33	16	104	430	408	10,413	–	11,404	
Significant credit risk	9–10 (B+ to B)	2,088	1,949	2,220	2,704	3,527	21,203	–	33,691	
High credit risk and non-accrual	11–14 (B– to D)	1,651	1,237	2,439	2,222	2,518	19,934	–	30,001	
Total Sovereign Loans		5,493	7,666	8,745	11,950	16,355	98,475	–	148,684	
Gross write-offs		–	–	–	–	–	10	–	10	
Nonsovereign Loans:										
Low credit risk	1–5 (AAA to BBB–)	(1)	122	232	–	47	973	82	1,455	
Medium credit risk	6–8 (BB+ to BB–)	248	303	322	202	157	870	47	2,149	
Significant credit risk	9–10 (B+ to B)	64	243	119	17	96	526	92	1,157	
High credit risk and non-accrual	11–14 (B– to D)	14	65	9	11	–	848	12	959	
Total Nonsovereign Loans		325	733	682	230	300	3,217	233	5,720	
Gross write-offs		–	–	–	–	–	65	–	65	
Total		\$5,818	\$8,399	\$9,427	\$12,180	\$16,655	\$101,692	\$233	\$154,404	

Note: The amount of accrued interest excluded from the amortized cost basis in the above table is \$1,427 million.

continued

No nonsovereign loans were written off in 2025.

ADB's private sector programs include the Trade and Supply Chain Finance and Microfinance programs. No private sector programs were converted to term loans during the years ended 31 December 2025 and 2024.

ADB's internal risk ratings are reviewed at least annually for sovereign and nonsovereign exposures and may be revised based on the availability of new/updated information. ADB's internal risk ratings are mapped into the corresponding PD for sovereign and nonsovereign borrowers based on ADB's risk rating model.

As of 31 December 2025, ADB's loan and guarantee portfolios had a significant concentration of credit risk to Asia and the Pacific region. The credit exposure determined based on FV amounted to \$164,847 million (\$156,814 million – 2024).

Allowance for Credit Losses

The allowance for credit losses is estimated over the remaining contractual term (lifetime) of the loan and recorded at signing of the loan agreement. EAD for the outstanding principal balances over the remaining lifetime is estimated based on the contractual amortization schedule and projected prepayments considering historical experience. Estimating the lifetime expected loss is broken down into two periods: reasonable and supportable period which is based on reasonable forecasts of future credit quality; and the reversion and post-reversion period which is based on historical loss experience.

Credit quality and default probabilities are estimated to move in conjunction with the credit cycle as such, expected losses from default move in line with credit trends and current economic conditions. A reasonable and supportable period of three years is used, based on the availability of macroeconomic variables, while a reversion period of four years is used, based on the cyclical credit upturns and downturns of the economy.

Sovereign loans have credit risk that a sovereign borrower or guarantor will default on its loan or guarantee obligations. ADB's sovereign regular OCR loan operations have experienced no loss of principal. Sovereign borrowers that previously had delayed payments eventually repaid and returned their loans to accrual status. Nonsovereign loans have credit risk that a borrower will default on loan or guarantee obligations for which ADB does not have recourse to a sovereign entity. While the balance of nonsovereign loans is smaller than the sovereign loans, the credit risks could be larger.

In estimating the PD, ADB considered past events such as historical default frequencies as reported by multilateral development banks and international rating agencies, current risk rating, and reasonable and supportable forecasts of macroeconomic factors such as nominal GDP, per capita GDP, budget balance, international reserves, and others. Sovereign PD is based on sovereign borrowers' historical default data to multilateral development banks. Sovereign LGD is calculated based on non-accrual data from the historical default experiences. Nonsovereign PD and LGD are published by leading international rating agencies. PDs for sovereign loans, and PDs and LGDs for nonsovereign loans are updated annually.

For sovereign LGD, ADB has a different loss experience compared with commercial lenders in a sovereign default event as evidenced in its historical non-accrual events. Historically, the sovereign loans put under non-accrual status were eventually fully repaid and ADB has not written off any sovereign loans except for those under the Heavily Indebted Poor Countries Initiative (HIPC) launched by the IDA and IMF. However, ADB does not charge interest on overdue interest payments during the arrears period. Therefore, LGD for sovereign loans is calculated as the estimated time value of money loss from the expected delay in loan service payments.

When loans are considered impaired, they are individually reviewed and assessed to determine the expected credit losses using appropriate methods, including discounted cash flow method.

continued

Rollforward of the Allowance for Credit Losses

The changes in the allowance for credit losses on loans outstanding for the years ended 31 December 2025 and 2024, are as follows:

(\$ million)

	2025			2024		
	Sovereign	Nonsovereign	Total	Sovereign	Nonsovereign	Total
	Loans	Loans		Loans	Loans	
Beginning balance	\$ 254	\$ 286	\$ 540	\$ 271	\$ 381	\$ 652
(Release of provision) Provision	(2)	30	28	(7)	(30)	(37)
Write-off	–	–	–	(10) ^a	(65)	(75)
Ending balance	<u>\$ 252</u>	<u>\$ 316</u>	<u>\$ 568</u>	<u>\$ 254</u>	<u>\$ 286</u>	<u>\$ 540</u>

^a Represents write-off of provision for HIPC debt relief to Afghanistan.

For the years ended 31 December 2025 and 2024, there were no loan modifications for borrowers facing financial difficulties.

Liability for Credit Losses

ADB recognizes expected credit losses for undisbursed loan commitments as these cannot be cancelled by ADB unconditionally. EAD for undisbursed commitments is estimated based on projected disbursements, prepayments, cancellations considering historical experience, and contractual amortization schedule. The credit losses are determined based on the same methodology that is used for loans. As of 31 December 2025, the amount of liability for credit losses on undisbursed loan commitments was \$83 million (\$64 million – 2024) and reported under ACCOUNTS PAYABLE AND OTHER LIABILITIES – Liability for credit losses on off-balance sheet exposures in the Balance Sheet.

Fair Value Disclosure

ADB does not sell its sovereign loans. As of 31 December 2025 and 2024, all loans are carried at amortized cost.

The carrying amount and FV of loans outstanding at 31 December 2025 and 2024 are as follows:

(\$ million)

	2025		2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Sovereign – Regular	\$ 119,277	\$ 119,937	\$ 115,261	\$ 115,799
Sovereign – Concessional	35,458	35,458	33,169	33,169
Nonsovereign	6,328	6,391	5,434	5,468
Total	<u>\$ 161,063</u>	<u>\$ 161,786</u>	<u>\$ 153,864</u>	<u>\$ 154,436</u>

continued

The FV hierarchy of ADB loans as of 31 December 2025 and 2024 is as follows:

(\$ million)

	2025	2024
Level 1	\$ –	\$ –
Level 2	–	–
Level 3	161,786	154,436
Total fair value	\$ 161,786	\$ 154,436

Cofinancing

ADB functions as lead lender in cofinancing arrangements with other participating financial institutions who also provide funds to ADB's sovereign and nonsovereign borrowers. In such capacity, ADB provides loan administration services, which include loan disbursements and/or loan collections. The participating financial institutions have no recourse to ADB for their outstanding loan balances. These loans are not recorded in OCR's Balance Sheet.

Loans administered by ADB on behalf of participating institutions during the years ended 31 December 2025 and 2024 are as follows:

(\$ million)

	2025		2024	
	Amount	No. of Loans	Amount	No. of Loans
Sovereign loans	\$ 7,015	76	\$ 4,164	66
Nonsovereign loans	3,327	114	3,049	103
Total	\$ 10,342	190	\$ 7,213	169

NOTE G—GUARANTEES — OPERATIONS

ADB provides project guarantees and guarantees under its private sector programs. While counter-guarantees from the host government are required for all sovereign guarantees, guarantees for nonsovereign projects may be provided with or without a host government counter-guarantee. ADB also seeks risk-sharing arrangements that set ADB's net exposure under a guarantee at the lowest level required to mobilize the necessary financing while maintaining a participation that is meaningful to its financing partners. A counter-guarantee takes the form of a counter-guarantor's agreement to indemnify ADB for any payment it makes under the guarantee. In the event that a guarantee is called, ADB has the contractual right to require payment from the counter-guarantor, on demand, or as ADB may otherwise direct.

Tenors of guarantees are subject to risk considerations and market conditions. They should normally not exceed the maximum tenor of ADB's ordinary capital resources lending operations, as may be adjusted from time to time, and there is no minimum tenor. In some cases however, guarantees may be for short tenors if the underlying obligations are short term, such as trade-related products.

continued

The maximum potential exposure and outstanding amounts of these guarantee obligations as of 31 December 2025 and 2024 covered:

(\$ million)

Project	2025		2024	
	Maximum Potential Exposure	Outstanding Amount	Maximum Potential Exposure	Outstanding Amount
Sovereign				
with counter guarantee	\$ 533	\$ 519	\$ 33	\$ –
without counter guarantee	357	300	427	344
	<u>890</u>	<u>819</u>	<u>460</u>	<u>344</u>
Nonsovereign				
with counter guarantee	76	33	81	35
without counter guarantee	100	44	99	46
	<u>176</u>	<u>77</u>	<u>180</u>	<u>81</u>
Subtotal	<u>1,066</u>	<u>896</u>	<u>640</u>	<u>425</u>
Private Sector Programs				
Nonsovereign				
with counter guarantee	875	875	964	964
without counter guarantee	1,290	1,290	989	989
Subtotal	<u>2,165</u>	<u>2,165</u>	<u>1,953</u>	<u>1,953</u>
Exposure Exchange Agreement	<u>9,000</u>	<u>9,000</u>	<u>6,000</u>	<u>6,000</u>
Total	<u>\$ 12,231</u>	<u>\$ 12,061</u>	<u>\$ 8,593</u>	<u>\$ 8,378</u>

The maximum potential exposure represents the undiscounted future payments that ADB could be required to make, inclusive of standby portion for which ADB is committed but not currently at risk. The outstanding amount represents the guaranteed amount utilized under the related loans, which have been disbursed and outstanding as of the end of the year, exclusive of the standby portion.

ADB entered into an EEA with other MDBs which is recognized as financial guarantees in the financial statements. As of 31 December 2025, outstanding amount of guarantee provided under EEA amounted to \$9.0 billion (\$6.0 billion – 2024).

As of 31 December 2025, a total liability of \$472 million (\$331 million – 2024) relating to standby ready obligations for nine credit risk guarantees (eight – 2024) and one political risk guarantees (one – 2024)² is reported in ACCOUNTS PAYABLE AND OTHER LIABILITIES – Miscellaneous on the Balance Sheet for all guarantees issued after 31 December 2002. Of this amount, \$430 million (\$293 million – 2024) pertains to EEA.

Credit Quality Information

For guarantees, each transaction is reviewed and assigned a rating based on the same methodology as the loans, that is broadly aligned with the rating approach of international rating agencies (See Note F). The risk ratings are used to monitor the credit quality of guarantees.

² ADB provides two primary guarantee products – a credit guarantee and a political risk guarantee. ADB's credit guarantee is designed as credit enhancements for eligible projects to cover risks that the project and its commercial cofinancing partners cannot easily absorb or manage on their own. ADB also provides political risk guarantees to cover specifically defined political risks such as expropriation, currency inconvertibility or non-transfer. Reducing these risks can make a significant difference in mobilizing private sector financing for projects.

continued

Liability for Credit Losses

ADB recorded a liability for estimated expected credit losses on off-balance sheet credit exposures over the contractual lifetime of guarantees. The credit losses are estimated based on the same methodology that is used for loans (See Note F). The liability for credit losses on off-balance sheet exposures for guarantees is reviewed quarterly, and the amount to adjust the liability is recorded in the Statement of Income and Expenses as Provision for credit losses.

As of 31 December 2025, a liability of \$56 million (\$56 million – 2024) for the expected credit losses from guarantees have been included in ACCOUNTS PAYABLE AND OTHER LIABILITIES – Liability for credit losses on off-balance sheet exposures in the Balance Sheet.

Fair Value Disclosure

As of 31 December 2025 and 2024, all of ADB's future guarantee receivables and guarantee liabilities are classified as Level 3 within the FV hierarchy.

Future guarantee receivables and guarantee liabilities are stated at discounted present value using significant unobservable inputs such as discount rates applicable to individual guarantee contracts that are internally determined and are classified under Level 3. An increase (decrease) in discount rates generally results in a decrease (increase) in the FV of the guarantees.

The valuation technique and significant unobservable quantitative input for guarantee receivables/ guarantee liabilities classified as Level 3 as of 31 December 2025 and 2024 are summarized below:

Valuation Technique	Unobservable Input	2025	2024
Discounted cash flows	Discount rates	2.22%	2.22%

The following table presents the changes in the carrying amounts of ADB's Level 3 future guarantee receivable and liability for the years ended 31 December 2025 and 2024:

(\$ million)

	2025		2024	
	Receivable	Liability	Receivable	Liability
Balance, 1 January	\$ 331	\$ 331	\$ 207	\$ 207
Issuances	193	203	172	172
Amortization	(60)	(62)	(48)	(48)
Balance, 31 December	\$ 464	\$ 472	\$ 331	\$ 331

Note: There were no realized/unrealized gains and losses included in earnings and other comprehensive income (loss).

NOTE H—EQUITY INVESTMENTS — OPERATIONS

ADB's equity investments may be in the form of direct equity investments (e.g. common, preferred, or other capital stock) or through private equity funds.

Breakdown of equity investments as of 31 December 2025 and 2024 are as follows:

(\$ million)

	2025	2024
Equity method	\$ 1,429	\$ 1,254
Fair value method	563	373
Total	\$ 1,992	\$ 1,627

continued

Additional information relating to equity investments reported at FV as of 31 December 2025 and 2024 are as follows:

(\$ million)

	<u>2025</u>	<u>2024</u>
As of 31 December		
Cost	\$ 512	\$ 333
Fair value	563	373
Gross unrealized gains	118	98
Gross unrealized losses	(67)	(58)
For the years ended 31 December:		
Net unrealized gains (losses)	\$ 9	\$ (20)
Net realized gains	8	13
Net gains (losses)	<u>\$ 17</u>	<u>\$ (7)</u>

As of 31 December 2025, approved equity investments that have not been committed/signed amounted to \$108 million (\$14 million – 2024) and committed/signed equity investments that have not been disbursed amounted to \$802 million (\$761 million – 2024).

Fair Value Disclosure

ADB's equity investments reported at FV as of 31 December 2025 were \$563 million (\$373 million – 2024). Equity investments with readily determinable market prices are valued using quoted prices in active markets and are classified as Level 1. Equity investments valued using inputs other than quoted prices within Level 1 that are observable, such as prices of recent investments, are classified as Level 2. Equity investments valued with financial models using unobservable inputs are classified as Level 3.

The FV hierarchy of ADB's equity investments at FV as of 31 December 2025 and 2024 is as follows:

(\$ million)

	<u>2025</u>	<u>2024</u>
Level 1	\$ 192	\$ 96
Level 2	61	124
Level 3	310	153
Total equity investments at fair value	<u>\$ 563</u>	<u>\$ 373</u>

continued

The valuation techniques and significant unobservable inputs for equity investments classified as Level 3 as of 31 December 2025 and 2024 are presented below.

Valuation Technique	Fair Value (\$ million)	Unobservable Inputs	Range (Weighted Average)^a
2025			
Discounted cash flow	\$ 70	Discount rate	10.8% – 23.6% (16.20%)
Comparable valuations	173	Price-to-book multiples EV/EBITDA	0.50x – 1.10x (0.92x) 12.40x – 12.70x (12.44x)
Net asset value	67	Discount	(40%)
	\$ 310		
2024			
Discounted cash flow	\$ 19	Discount rate	13.4% – 14.6% (14.24%)
Comparable valuations	85	Price-to-book multiples EV/EBITDA	0.50x – 1.10x (0.92x) (17.50x)
Net asset value	49	Discount	(40%)
	\$ 153		

EV/EBITDA = enterprise value/earnings before interest, taxes, depreciation, and amortization.

^a Unobservable inputs were weighted by the relative fair value of the instruments.

An increase (decrease) in the discount rate, independently, will decrease (increase) the FV of equity investments. Conversely, significant increase (decrease) in price-to-book multiples, price-to-earnings multiples and EV/Revenue will generally increase (decrease) the FV of the equity investments. The valuation techniques used for four Level 2 equity investments were changed in 2025 (two Level 2 and two Level 3 – 2024) to reflect a more relevant FV measurement.

The following table presents the changes in the carrying amounts of ADB's Level 3 equity investments for the years ended 31 December 2025 and 2024:

(\$ million)

	Equity investments under FV Method	
	2025	2024
Balance, beginning of year	\$ 153	\$ 240
Transfer into Level 3	95	34
Disbursement	53	0
Divestment	(7)	(48)
Reclassified out of Level 3	–	(24)
Total unrealized (losses) gains		
Included in earnings ^a	15	(44)
Included in other comprehensive income (loss) ^b	1	(5)
Balance, end of year	\$ 310	\$ 153

The amount of total (losses) gains for the year included in earnings attributable to the change in unrealized gains or losses relating to assets still held at reporting date^a

	\$ 17	\$ (41)
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0 = less than \$0.5 million.

^a Included in net unrealized gains (OCR-2).

^b Included in accumulated translation adjustments (Note N).

continued

NOTE I—OTHER DEBT SECURITIES — OPERATIONS

ADB's financial assistance to DMCs may be made by way of subscription to an entity's debt instruments such as bonds and debentures issued for the purpose of financing development projects. As of 31 December 2025 and 2024, AFS and HTM other debt securities are as follows:

(\$ million)

	2025	2024
Available for sale	\$ 116	\$ 120
Held-to-maturity	457	515
	573	635
Allowance for credit losses	(21)	(14)
Total	\$ 552	\$ 621

The amortized cost and FV of the outstanding other debt securities by contractual maturity as of 31 December 2025 and 2024 are presented below:

(\$ million)

	2025		2024	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in 1 year or less	\$ 62	\$ 82	\$ 179	\$ 202
Due after 1 year through 5 years	419	415	411	407
Due after 5 years through 10 years	89	73	48	35
Due after 10 years through 15 years	—	—	—	—
Due after 15 years through 20 years	—	1	—	1
Total	\$ 570	\$ 571	\$ 638	\$ 645

Credit Quality Information

For HTM debt securities, each transaction is reviewed and assigned a rating based on the same methodology as the loans, that is broadly aligned with the rating approach of international rating agencies (See Note F). The risk ratings are used to monitor the credit quality of HTM debt securities.

The amortized cost basis by origination year and internal risk rating for HTM debt securities as of 31 December 2025 and 2024 is as follows:

(\$ million)

Risk Class	Risk Rating	31 December 2025						Total
		Origination Year						
		2025	2024	2023	2022	2021	Prior	
Low credit risk	1-5 (AAA to BBB-)	\$ —	\$ —	\$ —	\$ 9	\$ —	\$ —	\$ 9
Medium credit risk	6-8 (BB+ to BB-)	99	32	75	19	31	65	321
Significant credit risk	9-10 (B+ to B)	23	12	—	—	—	—	35
High credit risk and non-accrual	11-14 (B- to D)	—	—	—	—	—	92	92
Total		\$122	\$ 44	\$ 75	\$ 28	\$ 31	\$ 157	\$ 457

Note: The amount of accrued interest excluded from the amortized cost basis in the above table is \$11 million.

continued

(\$ million)

Risk Class	Risk Rating	31 December 2024						
		Origination Year					Prior	Total
		2024	2023	2022	2021	2020		
Low credit risk	1-5 (AAA to BBB-)	\$ -	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ 10
Medium credit risk	6-8 (BB+ to BB-)	24	92	25	40	38	172	391
Significant credit risk	9-10 (B+ to B)	12	7	7	-	-	-	26
High credit risk and non-accrual	11-14 (B- to D)	-	-	-	-	-	88	88
Total		\$ 36	\$ 99	\$ 42	\$ 40	\$ 38	\$ 260	\$ 515

Note: The amount of accrued interest excluded from the amortized cost basis in the above table is \$12 million.

Internal risk ratings of HTM debt securities are updated annually and may be revised based on the availability of new/updated information. Internal risk ratings are mapped into the corresponding probability of default for issuers of HTM debt securities based on ADB's risk rating model.

Allowance for Credit Losses

Expected credit loss is measured as the product of the EAD, the PD, and the LGD. EAD for HTM debt securities are based on amortized costs. Recognition and measurement of expected credit loss for HTM debt securities follows the same assumptions, procedure and timing as expected credit loss for loans (See Note F).

Rollforward of the Allowance for Credit Losses

The changes in the allowance for credit losses on outstanding other debt securities during the years ended 31 December 2025 and 2024 are as follows:

(\$ million)

	2025	2024
Balance, beginning of year	\$ 14	\$ 4
Provision	7	10
Balance, end of year	<u>\$ 21</u>	<u>\$ 14</u>

Past Due Status and Non-Accrual Status

ADB places HTM debt securities in non-accrual status when the principal, interest, or other charges are overdue by more than 180 days or in case of securities that are not yet overdue by more than 180 days, when there is expectation that interest and other charges will not be collected when they become due, at the point when such information is known. Interest on non-accruing HTM debt securities is included in revenue only to the extent that payments have been received by ADB.

As of 31 December 2025 and 2024, there are no HTM debt securities that are past due or in non-accrual status.

Liability for Credit Losses

ADB recorded a liability for estimated expected credit losses on off-balance sheet credit exposures over the undisbursed portion of HTM debt securities. The credit losses are estimated based on the same methodology that is used for loans (See Note F). The liability for credit losses on off-balance sheet

continued

exposures for HTM debt securities is reviewed quarterly, and the amount to adjust the liability is recorded in net income as Provision for credit losses.

As of 31 December 2025, the amount of liability for credit losses on undisbursed HTM debt securities commitments was \$5 million (\$1 million – 2024) and reported under ACCOUNTS PAYABLE AND OTHER LIABILITIES – Liability for credit losses on off-balance sheet exposures in the Balance Sheet.

Fair Value Disclosure

The hierarchy of FV of ADB's other debt securities as of 31 December 2025 and 2024 is as follows:

(\$ million)

	2025	2024
Level 1	\$ 106	\$ 95
Level 2	–	15
Level 3	465	535
Total at fair value	\$ 571	\$ 645

There are two AFS other debt security classified as Level 3 as of 31 December 2025 (two – 2024).

The valuation technique and significant unobservable input for AFS other debt securities classified as Level 3 as of 31 December 2025 and 2024 are as follows:

Valuation Technique	Unobservable Inputs	Range (Average)^a	
		2025	2024
Discounted cash flows	Discount rate	20.45%	18.30
Scenario-based financial model	Future cash flows	88.51%	79.00% to 96.00% (80.00%)

^a Average represents the arithmetic average of the unobservable inputs.

Significant increase (decrease) in the discount rate, independently, will generally decrease (increase) the FV of the debt securities. The valuation technique used for one Level 2 ODS was changed in 2024 to reflect a more relevant FV measurement. The transfer into Level 3 in 2024 was due to change of valuation method from price of recent investment to discounted cash flow.

The following table presents the changes in the carrying amounts of ADB's Level 3 other debt securities at fair value method for the years ended 31 December 2025 and 2024:

(\$ million)

	2025	2024
Balance, beginning of year	\$ 10	\$ –
Transfer into Level 3	–	10
Total unrealized income (losses) included in accumulated other comprehensive income (loss) ^a	0	(0)
Balance, end of year	\$ 10	\$ 10

The amount of total income (losses) for the period included in other comprehensive income attributable to the change in net unrealized gains or losses^a relating to assets still held at the reporting date

\$ 0	\$ (0)
------	--------

0 = less than \$0.5 million.

^a Included in unrealized holding (losses) gains from other debt securities — operations and accumulated translation adjustments (Note N).

continued

Additional information relating to other debt securities classified as AFS are as follows:

(\$ million)

	<u>2025</u>	<u>2024</u>
As of 31 December		
Amortized cost	\$ 113	\$ 123
Fair value	116	120
Gross unrealized gains	5	1
Gross unrealized losses	(2)	(4)
For the year ended 31 December		
Change in net unrealized gains or losses from prior year	6	2

As of 31 December 2025, ADB had the intent to hold and was not required to sell the AFS other debt securities of which the fair value is lower than amortized cost. ADB also assessed and determined that the decline of fair value below the amortized cost basis of the AFS securities was not due to credit-related factors.

NOTE J—DERIVATIVE INSTRUMENTS

ADB uses derivative instruments such as interest rate swaps, currency swaps, and foreign exchange swaps and forwards for asset and liability management of individual positions and portfolios. The FV of outstanding currency and interest rate swap agreements is determined at the estimated amount that ADB would receive or pay to terminate the agreements using market-based valuation models. The basis of valuation is the present value of expected cash flows based on market data.

Included in DERIVATIVE ASSETS/DERIVATIVE LIABILITIES – Borrowings are interest rate and currency swaps that ADB has entered into for the purpose of hedging specific borrowings. The terms of ADB's interest rate swap, and currency swap agreements usually match the terms of particular borrowings. Included in DERIVATIVE ASSETS/DERIVATIVE LIABILITIES – Investments for liquidity purpose are interest rate, currency, FX swaps, and forward contracts that ADB has entered into for the purpose of hedging specific investments. Included in DERIVATIVE ASSETS/DERIVATIVE LIABILITIES – Loans – Operations are interest rate and currency swaps that ADB has entered into for the purpose of hedging specific loans or a portfolio of loans. The loan related swaps were executed to better align the composition of certain outstanding loans with funding sources and future requirements.

Future dated derivatives as of 31 December 2025 amounted to \$22 million for derivative assets (\$620 million – 2024) and \$16 million for derivative liabilities (\$477 million – 2024).

continued

Fair Value Disclosure

The FV hierarchy of ADB's derivatives and the balance sheet location as of 31 December 2025 and 2024 are as follows:

(\$ million)

	Balance Sheet Location	Fair Value Measurements			
		Total	Level 1	Level 2	Level 3
2025					
Assets					
Borrowings related derivatives	Derivative Assets				
Currency swaps	- Borrowings	\$ 75,151	\$ –	\$ 71,762	\$ 3,389
Interest rate swaps		599	–	597	2
Investments related derivatives	Derivative Assets				
Currency swaps	- Investments for	20,429	–	20,429	–
Interest rate swaps	liquidity purpose	276	–	276	–
Foreign exchange swaps		8,676	–	8,676	–
Foreign exchange forward		173	–	173	–
Loans related derivatives	Derivative Assets				
Currency swaps	- Loans — Operations	17,198	–	17,198	–
Interest rate swaps		193	–	193	–
Total assets at fair value		\$122,695	\$ –	\$ 119,304	\$ 3,391
Liabilities					
Borrowings related derivatives	Derivative Liabilities				
Currency swaps	- Borrowings	\$ 76,068	\$ –	\$ 76,068	\$ –
Interest rate swaps		2,559	–	2,559	0
Investments related derivatives	Derivative Liabilities				
Currency swaps	- Investments for	19,070	–	19,070	–
Interest rate swaps	liquidity purpose	80	–	80	–
Foreign exchange swaps		8,271	–	8,271	–
Foreign exchange forward		175	–	175	–
Loans related derivatives	Derivative Liabilities				
Currency swaps	- Loans — Operations	15,444	–	11,918	3,526
Interest rate swaps		57	–	57	–
Total liabilities at fair value		\$121,724	\$ –	\$ 118,198	\$ 3,526

0 = less than \$0.5 million.

continued

(\$ million)

	Balance Sheet Location	Fair Value Measurements			
		Total	Level 1	Level 2	Level 3
2024					
Assets					
Borrowings related derivatives	Derivative Assets				
Currency swaps	- Borrowings	\$ 61,141	\$ -	\$ 58,608	\$ 2,533
Interest rate swaps		143	-	143	0
Foreign exchange swaps		588	-	588	-
Investments related derivatives	Derivative Assets				
Currency swaps	- Investments for	16,485	-	16,485	-
Interest rate swaps	liquidity purpose	299	-	299	-
Foreign exchange swaps		9,077	-	9,077	-
Foreign exchange forward		201	-	201	-
Loans related derivatives	Derivative Assets				
Currency swaps	- Loans — Operations	17,415	-	17,415	-
Interest rate swaps		256	-	256	-
Total assets at fair value		\$105,605	\$ -	\$ 103,072	\$ 2,533
Liabilities					
Borrowings related derivatives	Derivative Liabilities				
Currency swaps	- Borrowings	\$ 66,502	\$ -	\$ 66,502	\$ -
Interest rate swaps		4,615	-	4,614	1
Foreign exchange swaps		586	-	586	-
Investments related derivatives	Derivative Liabilities				
Currency swaps	- Investments for	14,388	-	14,388	-
Interest rate swaps	liquidity purpose	99	-	99	-
Foreign exchange swaps		8,599	-	8,599	-
Foreign exchange forward		206	-	206	-
Loans related derivatives	Derivative Liabilities				
Currency swaps	- Loans — Operations	14,698	-	12,986	1,712
Interest rate swaps		123	-	123	-
Total liabilities at fair value		\$109,816	\$ -	\$108,103	\$ 1,713

0 = less than \$0.5 million.

ADB uses discounted cash flow models in determining FV of derivatives. Market inputs, such as yield curves, FX rates, cross currency basis spreads, yield basis spread, interest rates and FX volatilities and correlation are obtained from market data providers and brokers and applied to the models. ADB has a process to validate the appropriateness of the models and inputs in determining the hierarchy levels. This involves evaluating the nature of rates and spreads to determine if they are indicative and binding.

The valuation technique and quantitative information on significant unobservable inputs used in valuing ADB's derivative instruments classified as Level 3 as of 31 December 2025 and 2024 are presented below:

Valuation Technique	Unobservable Inputs	Range (Weighted Average) ^a	
		2025	2024
Discounted cash flows	Basis swap spreads	-0.3% to 33.63% (-97.7%)	-0.47% to 38.83% (6.05%)

^a Unobservable inputs were weighted by the relative fair value of the instruments.

A significant increase (decrease) in the basis swap spread will generally decrease (increase) the FV of derivatives.

continued

The following tables present the changes in the carrying amounts of ADB's Level 3 derivative assets and derivative liabilities for the years ended 31 December 2025 and 2024:

(\$ million)

	Borrowings related derivatives		Loans related derivatives	
	Assets	Liabilities	Assets	Liabilities
2025				
Balance, beginning of year	\$ 2,533	\$ (1)	\$ –	\$ (1,712)
Total realized/unrealized (losses) gains				
Included in earnings	232	1	–	(304)
Included in other comprehensive income (loss) ^b	145	0	–	(8)
Issuances	1,072	–	–	(2,057)
Maturities/Redemptions	(591)	–	–	555
Balance, end of year	<u>\$ 3,391</u>	<u>\$ (0)</u>	<u>\$ –</u>	<u>\$ (3,526)</u>
The amount of total gains (losses) for the year included in earnings attributable to the change in net unrealized gains or losses ^a relating to assets/liabilities still held at the reporting date				
	<u>\$ 6</u>	<u>\$ 1</u>	<u>\$ –</u>	<u>\$ (222)</u>
2024				
Balance, beginning of year	\$ 2,083	\$ (1)	\$ 0	\$ (913)
Total realized/unrealized gains (losses)				
Included in earnings	(57)	(0)	(0)	(41)
Included in other comprehensive income (loss) ^b	(112)	0	–	27
Issuances	1,073	–	–	(910)
Maturities/Redemptions	(454)	–	–	125
Balance, end of year	<u>\$ 2,533</u>	<u>\$ (1)</u>	<u>\$ 0</u>	<u>\$ (1,712)</u>
The amount of total (losses) gains for the year included in earnings attributable to the change in net unrealized gains or losses ^a relating to assets/liabilities still held at the reporting date				
	<u>\$ (21)</u>	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ (39)</u>

0 = less than \$0.5 million.

^a Included in net unrealized gains (OCR-2).^b Included in accumulated translation adjustments (Note N).

continued

Effect of Derivative Instruments on the Statement of Income and Expenses

ADB reports changes in the FV of its derivative instruments as part of net unrealized gains and losses in its Statement of Income and Expenses while all interest income, expenses, and related amortization of discounts, premiums, and fees are reported as part of revenue and expenses. These are summarized below:

(\$ million)

	Location of Gain (Loss) recognized in Income (Expenses) on Derivatives	Amount of Gain (Loss) recognized in Income (Expenses) on Derivatives	
		2025	2024
Borrowings related derivatives			
Currency swaps	Borrowing and related expenses	\$ (621)	\$ (1,320)
	Net Realized Gains (Losses)	(10)	0
	Net Unrealized Gains	177	692
Interest rate swaps	Borrowing and related expenses	(1,481)	(2,848)
	Net Unrealized Gains	2,092	328
Foreign exchange swaps	Borrowing and related expenses	1	–
		<u>\$ 158</u>	<u>\$ (3,148)</u>
Investments related derivatives			
Currency swaps	Revenue from investments for liquidity purpose	\$ 605	\$ 720
	Net Unrealized Gains	86	(18)
Interest rate swaps	Revenue from investments for liquidity purpose	55	83
	Net Unrealized Gains	(26)	(11)
Foreign exchange swaps	Net Realized Gains (Losses)	(2)	1
	Revenue from investments for liquidity purpose	281	313
Foreign exchange forwards	Net Unrealized Gains	(1)	5
	Net Unrealized Gains	(0)	(1)
		<u>\$ 998</u>	<u>\$ 1,092</u>
Loans related derivatives			
Currency swaps	Revenue from Loans – Operations	\$ 1,021	\$ 1,168
	Net Unrealized Gains	138	(367)
Interest rate swaps	Revenue from Loans – Operations	19	30
	Net Unrealized Gains	1	(34)
		<u>\$ 1,179</u>	<u>\$ 797</u>

0 = less than \$0.5 million.

Counterparty Credit Risks

ADB undertakes derivative transactions with its eligible counterparties and transacts in various financial instruments as part of liquidity and asset/liability management purposes that may involve credit risks. For all investment securities and their derivatives, ADB manages credit risks by following the policies set forth in the Investment Authority and other risk management guidelines. ADB has a potential risk of loss if the derivative counterparty fails to perform its obligations. In order to reduce credit risk, ADB transacts with counterparties eligible under ADB's swap guidelines which include a requirement that the counterparties have at least a credit rating of A– or higher and generally requires entering into master swap agreements which contain legally enforceable close-out netting provisions for all counterparties with outstanding swap transactions. The reduction in exposure as a result of these netting provisions can vary as additional transactions are entered into under these agreements. The extent of the reduction in exposure may therefore change substantially within a short period of time following the balance sheet date.

continued

Counterparty credit risk is also mitigated by requiring counterparties to post collateral based on specified credit rating driven thresholds. As of 31 December 2025, ADB had received collateral of \$2,599 million (\$1,053 million – 2024) in connection with the swap agreements, comprising of \$1,227 million (\$827 million – 2024) in cash included under swap related and other collateral in the balance sheet and \$1,372 million (\$226 million – 2024) in liquid securities.

ADB has entered into several agreements with its derivative counterparties under the International Swaps and Derivatives Association (ISDA) Master Agreement and the Master Agreement of the National Association of Financial Market Institutional Investors. The agreements provide for the right of a party to terminate the derivative transaction if any of the various events of default and termination events specified occur. Events of default include failure to pay and cross default. Termination events include the situation where (i) the long term unsecured and unsubordinated indebtedness of ADB or the counterparty ceases to be rated at the minimum credit rating level negotiated with the relevant counterparty, or (ii) such indebtedness ceases to be rated by any international credit rating agencies. If ADB's counterparties are entitled under the agreements to terminate their derivative transactions with ADB, ADB will be required to pay an amount equal to its net liability position with each counterparty (in the case of counterparties who have entered into the ISDA Master Agreement absent of local market constraints) and an amount equal to its gross liability position with each counterparty (in the case of counterparties without enforceable netting agreement).

ADB has elected not to offset any derivative instruments by counterparty in the balance sheet. Gross amounts of DERIVATIVE ASSETS and DERIVATIVE LIABILITIES not offset in the balance sheet that are subject to enforceable master netting arrangements as of 31 December 2025 and 2024 are as follows: (See Note E for PAYABLE UNDER SECURITIES REPURCHASE AGREEMENTS)

(\$ million)

	2025		2024	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Gross amount presented in the balance sheet	\$ 122,695	\$ (121,724)	\$ 105,605	\$ (109,816)
Gross amounts not offset in the balance sheet				
Financial instruments	(120,173)	120,173	(104,561)	104,561
Collateral received ^a	(2,371)	–	(728)	–
Net amount ^b	\$ 151	\$ (1,551)	\$ 316	\$ (5,255)

^a Includes cash and securities collateral used to cover positive marked-to-market exposures.

^b ADB is not required to post collateral to counterparties when it is in a net liability position.

NOTE K—PROPERTY, FURNITURE, AND EQUIPMENT

Property, furniture and equipment includes (i) land; (ii) buildings and improvements; (iii) office furniture and equipment; and (iv) right-of-use asset. Breakdown as of 31 December 2025 and 2024 is as follows:

(\$ million)

	2025	2024
Land	\$ 10	\$ 10
Buildings and improvements	114	121
Office furniture and equipment	156	127
Right-of-use asset	56	51
Total	\$ 336	\$ 309

continued

Changes during 2025 and 2024, as well as information pertaining to accumulated depreciation, of buildings and improvements, office furniture and equipment are as follows:

(\$ million)

	2025		2024	
	Buildings and Improvements	Office Furniture and Equipment	Buildings and Improvements	Office Furniture and Equipment
Cost:				
Balance, 1 January	\$ 348	\$ 400	\$ 333	\$ 351
Additions during the year	12	61	15	65
Disposals during the year	(0)	(7)	(0)	(16)
Balance, 31 December	<u>360</u>	<u>454</u>	<u>348</u>	<u>400</u>
Accumulated Depreciation:				
Balance, 1 January	(227)	(273)	(211)	(265)
Depreciation during the year	(19)	(32)	(16)	(24)
Disposals during the year	0	7	0	16
Balance, 31 December	<u>(246)</u>	<u>(298)</u>	<u>(227)</u>	<u>(273)</u>
Net Book Value, 31 December	<u>\$ 114</u>	<u>\$ 156</u>	<u>\$ 121</u>	<u>\$ 127</u>

0 = less than \$0.5 million.

In 1991, under the terms of an agreement with the Philippines (Government), ADB returned the former headquarters (HQ) premises, which had been provided by the Government. In accordance with the agreement as supplemented by a memorandum of understanding, ADB was compensated \$23 million for the return of these premises. The compensation is in lieu of being provided premises under the agreement and accordingly, is deferred and amortized over the estimated life of the current HQ building as a reduction of occupancy expense. HQ depreciation for the year ended 31 December 2025 amounted to \$5 million (\$5 million – 2024), net of amortization of the compensation for the former HQ building. As of 31 December 2025, the unamortized deferred compensation balance (included in ACCOUNTS PAYABLE AND OTHER LIABILITIES – Miscellaneous) was \$2 million (\$2 million – 2024).

Right-of-use asset mainly pertains to lease of real properties such as offices, buildings and parking lots in field offices. As of 31 December 2025, lease liability amounted to \$53 million and is recorded as part of Miscellaneous under ACCOUNTS PAYABLE AND OTHER LIABILITIES (\$45 million – 2024).

In 2025, operating lease cost amounted to \$17 million (\$14 million – 2024), while weighted average remaining lease term is 11.80 years (10.38 years – 2024), and weighted average discount rate is 3% (3% – 2024).

The maturity analysis on an undiscounted basis of ADB's operating lease liabilities as of 31 December 2025 are as follows:

<u>Year ending 31 December</u>	<u>\$ million</u>
2026	\$ 12
2027	7
2028	6
2029	5
2030	4
Later years	25

continued

NOTE L—BORROWINGS

The key objective of ADB's borrowing strategy is to raise funds at the most stable and lowest possible cost for the benefit of its borrowers. ADB uses financial derivative instruments in connection with its borrowing activities to increase cost efficiency, while achieving risk management objectives. Currency and interest rate swaps enable ADB to raise operationally needed currencies in a cost-efficient way and to maintain its borrowing presence in the major capital markets. Interest rate swaps are used to reduce interest rate mismatches arising from lending and liquidity operations.

The carrying amounts of ADB's outstanding borrowings as of 31 December 2025 and 2024 are as follows:

(\$ million)

	<u>2025</u>	<u>2024</u>
At Amortized cost	\$ 2,755	\$ 2,394
At Fair value	<u>163,196</u>	<u>144,123</u>
Total	<u>\$ 165,951</u>	<u>\$ 146,517</u>

Fair Value Disclosure

Plain vanilla borrowings are valued using discounted cash flow methods with market-based observable inputs such as yield curves, FX rates, and credit spreads. On some borrowings, significant unobservable input is also used such as derived credit spread. Structured borrowings issued by ADB are valued using financial models that discount future cash flows and simulated expected cash flows. These involve the use of pay-off profiles within the realm of accepted market valuation models such as Hull-White and Black-Scholes. The model incorporates market observable inputs, such as yield curves, FX rates, credit spreads, interest rates and FX volatilities and correlation.

ADB reports borrowings that are swapped or are intended to be swapped in the future and selected floating-rate borrowings at FV. Changes in FV are reported in the Statement of Income and Expenses under NET UNREALIZED GAINS. ADB measures the portion of the FV change due to instrument-specific credit risk and presents the amount separately in Accumulated other comprehensive income (loss) account.

The FV hierarchy of ADB's outstanding borrowings reported at amortized cost and FV as of 31 December 2025 and 2024 are as follows:

(\$ million)

	<u>2025</u>	<u>2024</u>
At Amortized cost		
Level 1	\$ —	\$ —
Level 2	2,180	2,040
Level 3	<u>645</u>	<u>441</u>
Sub-total	<u>2,825</u>	<u>2,481</u>
At Fair value		
Level 1	—	—
Level 2	151,393	136,948
Level 3	<u>11,803</u>	<u>7,175</u>
Sub-total	<u>163,196</u>	<u>144,123</u>
Total borrowings at fair value	<u>\$ 166,021</u>	<u>\$ 146,604</u>

continued

The valuation technique and quantitative information on significant unobservable inputs used in valuing ADB's borrowings classified as Level 3 as of 31 December 2025 and 2024 are presented below:

Valuation Technique	Unobservable Inputs	Range (Weighted Average) ^a	
		2025	2024
Discounted cash flows	Derived credit spreads	-2.11% to 4.66% (0.18%)	-1.54% to 6.11% (0.1%)

^a Unobservable inputs were weighted by the relative fair value of the instruments.

A significant increase (decrease) in credit spreads generally decreases (increases) the FV of the borrowings.

The following table presents the changes in the carrying amounts of ADB's Level 3 borrowings reported at FV for the years ended 31 December 2025 and 2024:

(\$ million)

	2025	2024
Balance, beginning of year	\$ 7,175	\$ 7,033
Total losses (gains) - (realized/unrealized)		
Included in earnings ^a	573	(27)
Included in other comprehensive income ^b	256	(151)
Issuances	5,111	3,540
Maturities/Redemptions	(1,312)	(3,220)
Balance, end of year	\$ 11,803	\$ 7,175

The amount of total losses (gains) for the year included in earnings attributable to the change in net unrealized gains or losses^a relating to liabilities still held at the reporting date

	\$ 150	\$ (29)
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The amount of total (gains) losses for the year included in other comprehensive income attributable to the change in net unrealized gains or losses^c relating to liabilities still held at the reporting date

	\$ (88)	\$ 54
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^a Included in net unrealized gains (OCR-2).

^b Included in unrealized holdings (losses) gains from borrowings and accumulated translation adjustments (Note N).

^c Included in unrealized holding gains (losses) from borrowings (Note N).

NOTE M—CAPITAL STOCK AND MAINTENANCE OF VALUE OF CURRENCY HOLDINGS

Capital Stock

The authorized capital stock of ADB totaling 10,639,233 shares was fully subscribed by members. Of the subscribed shares, 10,106,089 are "callable" and 533,144 are "paid-in". The "callable" share capital is subject to call by ADB only as and when required to meet ADB's obligations incurred on borrowings of funds for inclusion in its OCR or on guarantees chargeable to such resources. The "paid-in" share capital has been received, partly in convertible currencies and partly in the currency of the subscribing member which may be convertible. In accordance with Article 6, paragraph 3 of the Charter, ADB accepts nonnegotiable, noninterest-bearing demand obligations in satisfaction of the portion payable in the currency of the member, provided such currency is not required by ADB for the conduct of its operations. Nonnegotiable, noninterest-bearing demand obligations received on demand amounted to \$5 million (\$12 million – 2024).

continued

In September 2024, Israel became ADB's 69th member, subscribing to 150 shares of ADB's authorized capital stock.

Türkiye became a ADB's regional member effective 30 April 2025, having previously joined as a nonregional member in 1991.

As of 31 December 2025, ADB's shareholders consist of 69 members, 50 from the region and 19 from outside the region (OCR-8).

Maintenance of Value of Currency Holdings

Prior to 1 April 1978, the effective date of the Second Amendment to the IMF Articles, ADB implemented maintenance of value (MOV) in respect of holdings of member currencies in terms of 1966 dollars, in accordance with the provisions of Article 25 of the Charter and relevant policies approved by the Board of Directors. Since then, settlement of MOV has been put in abeyance.

In as much as the valuation of ADB's capital stock and the basis of determining possible MOV obligations are still under consideration, notional amounts have been calculated provisionally in terms of the SDR as receivable from or payable to members in order to maintain the value of members' currency holdings. The notional MOV amounts of receivables and payables are offset against one another and shown as net notional amounts required to maintain value of currency holdings in the EQUITY portion of the Balance Sheet. The carrying book value for such receivables and payables approximates its FV.

The net notional amounts as of 31 December 2025 consisted of (i) the net increase of \$832 million (\$663 million – 2024) in amounts required to maintain the value of currency holdings to the extent of matured and paid-in capital subscriptions due to the increase in the value of the SDR in relation to the US dollar during the period from 1 April 1978 to 31 December 2025 and (ii) the net increase of \$819 million (\$818 million – 2024) in the value of such currency holdings in relation to the US dollar during the same period. Receivable and payable to members are as follows:

(\$ million)	<u>2025</u>	<u>2024</u>
Notional MOV Receivables	\$ 1,738	\$ 1,566
Notional MOV Payables	(87)	(85)
Total	\$ 1,651	\$ 1,481

NOTE N—RESERVES

Ordinary Reserve and Net Income

Under the provisions of Article 40 of the Charter, the Board of Governors shall determine annually what part of the net income shall be allocated, after making provision for reserves, to surplus and what part, if any, shall be distributed to the members.

In May 2025, the Board of Governors approved the following with respect to ADB's 2024 net income of \$1,602 million, after the appropriation of guarantee fees of \$27 million to the Special Reserve: (i) the following adjustments be made to the net income amount to determine the allocable net income: \$63 million representing adjustments for the net unrealized gains for the year ended 31 December 2024, be added to the cumulative revaluation adjustments (CRA) account; (ii) \$1,016 million be allocated to the Ordinary Reserve; (iii) \$394 million be allocated to the ADF; and (iv) \$130 million be allocated to the Technical Assistance Special Fund (TASF).

continued

In May 2024, the Board of Governors approved the following with respect to ADB's 2023 net income of \$910 million, after the appropriation of guarantee fees of \$28 million to the Special Reserve: (i) the following adjustments be made to the net income amount to determine the allocable net income: \$513 million representing adjustments for the net unrealized losses for the year ended 31 December 2023, be added from the CRA account; (ii) \$1,005 million be allocated to the Ordinary Reserve; (iii) \$293 million be allocated to the ADF; (iv) \$110 million be allocated to the TASF; and (v) \$15 million be allocated to the Asia Pacific Disaster Response Fund.

Allocation of One-Time Income from ADF Assets Transfer

On 15 March 2017, the Board of Governors approved the allocation of the one-time income of \$30,748 million from ADF assets transfer to OCR ordinary reserve effective 1 January 2017, pursuant to Resolution No. 387 (See Note A).

Cumulative Revaluation Adjustments Account

In May 2002, the Board of Governors approved the allocation of net income representing the cumulative net unrealized gains (losses) on derivatives, as required by ASC 815 to a separate category of Reserves – CRA account. Beginning 2008, the unrealized portion of net income from equity investments accounted for under equity method is also transferred to this account.

As part of 2024 net income allocation following the Resolution of the Board of Governors in May 2025, the net unrealized gains on financial instruments of \$36 million and the net unrealized gains on equity method investments of \$27 million were transferred to the CRA account.

As part of 2023 net income allocation following the Resolution of the Board of Governors in May 2024, the net unrealized losses on financial instruments of \$535 million and the net unrealized gains on equity method investments of \$22 million were transferred to the CRA account.

Special Reserve

The Special Reserve includes commissions on loans and guarantee fees received which are required to be set aside pursuant to Article 17 of the Charter to meet liabilities on guarantees. For the year ended 31 December 2025, guarantee fees of \$20 million were appropriated to the Special Reserve.

Surplus

Surplus represents funds for future use to be determined by the Board of Governors.

Accumulated Other Comprehensive Income (Loss)

Comprehensive income (loss) has two major components: net income (loss) and other comprehensive income (loss) comprising gains and losses affecting equity that, under US GAAP, are excluded from net income (loss). Other comprehensive income (loss) includes items such as translation adjustments for functional currencies; pension and post-retirement liability adjustment; and unrealized gains and losses on financial instruments classified as AFS, equity investments under equity method and fair value changes of borrowings related to ADB's own credit spread.

continued

The changes in Accumulated Other Comprehensive Loss balances for the years ended 31 December 2025 and 2024 are as follows:

(\$ million)

	Unrealized Holding (Losses) Gains					Postretirement Benefit Asset/Liability Adjustments	Accumulated Other Comprehensive Loss
	Accumulated Translation Adjustments	Investments for liquidity purpose ^a	Equity investments — Operations	Other Debt Securities — Operations	Borrowings		
Balance, 1 January 2025	\$ (161)	\$ (848)	\$ (4)	\$ (3)	\$ 253	\$ 524	\$ (239)
Other comprehensive income (loss) before reclassifications	294	540	1	6	(577)	(252)	12
Amounts reclassified from accumulated other comprehensive income (loss)	—	16	—	—	—	(24)	(8)
Net current-period other comprehensive income (loss)	294	556	1	6	(577)	(276)	4
Balance, 31 December 2025	\$ 133	\$ (292)	\$ (3)	\$ 3	\$ (324)	\$ 248	\$ (235)
Balance, 1 January 2024	\$ 58	\$ (1,057)	\$ (16)	\$ (5)	\$ 496	\$ 221	\$ (303)
Other comprehensive (loss) income before reclassifications	(219)	182	12	2	(243)	329	63
Amounts reclassified from accumulated other comprehensive income (loss)	—	27	—	—	—	(26)	1
Net current-period other comprehensive (loss) income	(219)	209	12	2	(243)	303	64
Balance, 31 December 2024	\$ (161)	\$ (848)	\$ (4)	\$ (3)	\$ 253	\$ 524	\$ (239)

^a Includes securities transferred under repurchase agreements.

The reclassifications of Accumulated Other Comprehensive Income (Loss) to Net Income for the years ended 31 December 2025 and 2024 are presented below:

(\$ million)

Accumulated Other Comprehensive Loss Components	Amounts Reclassified from Accumulated Other Comprehensive Loss ^a		Affected Line Item in the Statement of Income and Expenses
	2025	2024	
Unrealized Holding (Losses) Gains			
Investments for liquidity purpose	\$ (16)	\$ (27)	NET REALIZED GAINS (LOSSES) From investments for liquidity purpose
Pension/Postretirement Liability			
Adjustments Actuarial losses	24	26	Administrative expenses
Total reclassifications for the year	<u>\$ 8</u>	<u>\$ (1)</u>	

^a Amounts in parentheses indicate debits to net income.

continued

NOTE O—INCOME AND EXPENSES

Revenue

REVENUE from loan operations for the years ended 31 December 2025 and 2024 is summarized as follows:

(\$ million)

	Interest	Commitment charge	Other, net ^a	Total
2025				
Sovereign – Regular	\$ 5,898	\$ 49	\$ (20)	\$ 5,927
Sovereign – Concessional	723	–	(2)	721
Nonsovereign	444	5	5	454
Total	\$ 7,065	\$ 54	\$ (17)	\$ 7,102
2024				
Sovereign – Regular	\$ 6,814	\$ 48	\$ (21)	\$ 6,841
Sovereign – Concessional	719	–	(2)	717
Nonsovereign	471	5	4	480
Total	\$ 8,004	\$ 53	\$ (19)	\$ 8,038

^a Includes amortized front-end fees and loan origination costs, risk participation charges, and other loan-related income and/or expenses.

The average yield on the loan portfolio during the year was 4.5% (4.9% – 2024).

REVENUE from investments for liquidity purpose for the year ended 31 December 2025 was \$2,551 million (\$2,731 million – 2024). This comprises interest income including interest earned from securities purchased under resale arrangements. The return on the average investments held during the year was 4.3% (4.8% – 2024) excluding unrealized gains and losses on investments, and 5.2% (5.1% – 2024) including unrealized gains and losses on investments.

REVENUE from equity investment operations for the year ended 31 December 2025 amounted to \$161 million (\$102 million – 2024). This comprises gains from equity method investments totaling \$152 million (\$98 million – 2024) and dividend and other income and expenses from equity investments totaling \$9 million (\$4 million – 2024).

REVENUE from other debt securities for the year ended 31 December 2025 was \$45 million consisting mostly of interest income (\$47 million – 2024).

REVENUE from other sources—net for the year ended 31 December 2025 was \$94 million (\$84 million – 2024). This included income received as administration fees for projects and/or programs totaling \$31 million (\$32 million – 2024), transaction advisory service fee of \$1 million (\$5 million – 2024) and other miscellaneous income totaling \$62 million (\$47 million – 2024).

Expenses

Borrowings and related expenses for the year ended 31 December 2025 amounted to \$7,521 million (\$8,717 million – 2024). These consist of interest expense and other related expenses such as amortization of issuance costs, discounts, and premiums. The average cost of borrowings outstanding after swaps was 4.4% (5.2% – 2024).

Total depreciation expense incurred for the year ended 31 December 2025 amounted to \$51 million (\$40 million – 2024).

continued

Administrative expenses for the year ended 31 December 2025 were allocated between OCR and the ADF in proportion to the relative volume of operational activities. Of the total administrative expenses of \$915 million (\$820 million – 2024), \$98 million (\$91 million – 2024) was accordingly charged to the ADF.

For the year ended 31 December 2025, net provision for credit losses amounted to \$24 million (\$45 million net release of provision for credit losses – 2024).

Net realized gains (losses)

Net realized gains for the year ended 31 December 2025 was \$13 million (\$5 million losses – 2024). This included gains on sale of investments for liquidity purpose totaling \$2 million (\$18 million losses – 2024), gains on sale of equity investments of \$10 million (\$13 million – 2024), impairment losses on equity method investments of \$2 million (nil – 2024), gains on redemptions of other debt securities of \$2 million (nil – 2024), and net gains on redemptions of borrowings of \$1 million (nil – 2024).

Net unrealized gains (losses)

The following table provides information on the unrealized gains or losses included in income for the years ended 31 December 2025 and 2024:

(\$ million)

	<u>2025</u>	<u>2024</u>
Fair value changes from:		
Borrowings and related derivatives	\$ 106	\$ 485
Loans related derivatives	139	(401)
Investments related derivatives	59	(25)
Equity investments	9	(18)
Reclassification of unrealized gains on divested equity investment	–	(2)
Translation adjustments in non-functional currencies	3	(3)
Total	\$ 316	\$ 36

NOTE P—RELATED PARTY TRANSACTIONS

As of 31 December 2025 and 2024, ADB had the following net receivables from and payable to ADF, external funded trust funds under ADB administration (Trust Funds), other Special Funds, and employee benefit plans consisting of the Staff Retirement Plan (SRP), the Retiree Medical Plan Fund (RMPF), and the Defined Contribution (DC) plan. These are included in Miscellaneous under OTHER ASSETS and ACCOUNTS PAYABLE AND OTHER LIABILITIES:

(\$ million)

	<u>2025</u>	<u>2024</u>
Amounts receivable from:		
Asian Development Fund	\$ 47	\$ 29
Other Special Funds	1	1
Trust Funds and Others—net	0	5
Employee Benefit Plans	10	3
Total	\$ 58	\$ 38

0 = less than \$0.5 million.

See Note S for additional information relating to Special Funds and other funds.

continued

NOTE Q—STAFF PENSION AND POSTRETIREMENT MEDICAL BENEFITS

Staff Retirement Plan

ADB has a defined pension benefit plan called the SRP. Every employee, as defined under the SRP, shall, as a condition of service, become a participant from the first day of service, provided the employee has not reached the normal retirement age at that time, which is 60 for staff on board before 1 October 2017; 62 for staff who joined on or after 1 October 2017 but before 1 October 2021; and 65 for staff who joined on or after 1 October 2021. The plan applies also to members of the Board of Directors who may elect to opt out. Retirement benefits are based on an annual accrual rate, length of service and the highest average remuneration observed over 2 consecutive years during eligible service for staff on board before 1 October 2017. For staff hired on or after 1 October 2017, the salary basis for a pension is the highest average three years remuneration, capped at \$121,036 as of 31 December 2025 (\$115,492 – 2024) adjusted each year in line with the structural increase in US dollar salary scales of International Staff based at headquarters. The plan assets are segregated in a separate fund. The costs of administering the plan are absorbed by ADB, except for fees paid to the investment managers and related charges, including custodian fees, which are borne by the SRP.

Participants hired prior to 1 October 2006 are required to contribute 9 1/3% of their salary to the plan while those hired on or after 1 October 2006 are not required to contribute. The annual pension accrual rate is 2.95% for staff hired prior to 1 October 2006 and 1.5% for those hired on or after 1 October 2006. ADB's contribution is determined at a rate sufficient to cover that part of the costs of the SRP not covered by the participants' contributions.

Participants hired before 1 October 2017 may make Discretionary Benefit (XB) contributions. Such contributions earn a prescribed interest crediting rate and benefits are payable to the Participants who reach retirement age or upon termination of employment.

In October 2017, ADB introduced a DC Plan. Participants hired on or after 1 October 2017 may contribute up to 40% of salary into the DC Plan. ADB will make additional contributions to a participant's DC account equal to 20% of the participant's salary above the predefined threshold. ADB will match participant's contributions at a ratio of \$1 to each \$8 (1:8), capped at 12% of salary. For the year ended 31 December 2025, ADB contributed \$12 million to the DC Plan (\$10 million – 2024).

Expected Contributions

ADB's contribution to the SRP varies from year to year, as determined by the Pension Committee, which bases its judgment on the results of annual actuarial valuations of the assets and liabilities of the plan. ADB is expected to contribute \$95 million for 2026 based on a budgeted contribution of 25% of salary.

ADB's staff members are expected to contribute \$34 million representing participants' mandatory contribution of \$4 million and discretionary contributions of \$30 million.

Investment Strategy

Contributions in excess of current benefits payments are invested in international financial markets and in a variety of investment vehicles. The SRP employs 11 external asset managers and 1 global custodian who are required to operate within the guidelines established by the SRP's Investment Committee. The investment of these assets, over the long term, is expected to produce returns higher than short-term investments. The investment policy incorporates the plan's package of desired investment return and tolerance for risk, taking into account the nature and duration of its liabilities. The SRP's assets are diversified among different markets and different asset classes. The use of derivatives for speculation, leverage or taking risks is avoided. Selected derivatives are used for hedging and transactional efficiency purposes.

continued

The SRP's investment policy is periodically reviewed and revised. The SRP's long-term target asset-mix implemented in 2025 is 22% global equity, 8.5% global real assets, and 69.5% global fixed income, global credit and inflation-linked bonds.

For the year ended 31 December 2025, the net return on the SRP assets was 10.63% (8.08% – 2024). ADB expects the long-term rate of return on the assets to be 6.00% (6.25% – 2024).

Assumptions

The assumed overall rate of return takes into account long-term return expectations of the underlying asset classes within the investment portfolio mix. Return expectations are forward looking and, in general, not much weight is given to short-term experience. Unless there is a drastic change in investment policy or market environment, as well as in the liability/benefit policy side, the assumed average long-term investment return on the SRP's assets is expected to remain on average broadly the same, year to year. The discount rate used in determining the benefit obligation is selected in reference to the rates of return on high-quality bonds.

Health Benefit Plan for Retirees

The Health Benefit Plan for Retirees (HBPR) is a self-insured plan. ADB adopts a cost sharing arrangement for the HBPR, where ADB subsidizes 75% of healthcare costs below the stop loss limit incurred by retirees. Retirees include retired members of the Board of Directors and their eligible dependents who elected to participate.

The RMPF holds the assets in trust that will fund the accumulated obligations of the HBPR. The income of RMPF consists of ADB's contributions and investment earnings; it does not have any component attributable to participants' share of HBPR costs. ADB's subsidy for the HBPR is considered ADB's contribution to the fund. The costs of administering the RMPF are absorbed by ADB, while investment management and custodian fees are paid from the RMPF.

The SRP's Pension Committee is responsible for the overall financial management of the RMPF and is assisted by the SRP's Investment Committee.

Expected Contribution

ADB's expected contribution to the RMPF is based on the recommendation of the SRP Pension Committee. For 2026, ADB is expected to contribute \$8 million.

Investment Strategy

The RMPF employs five external asset managers and one global custodian who are required to operate within the guidelines established by the SRP's Investment Committee. The investment of these assets, over the long term, is expected to produce returns higher than short-term investments. The investment policy incorporates the RMPF's package of desired investment return and tolerance for risk in order to ensure the payment of ADB's obligations in respect of the HBPR. The RMPF's assets are diversified among different markets and asset classes. The use of derivatives for speculation, leverage or taking risks is avoided. Selected derivatives are used for hedging and transactional efficiency purposes.

The RMPF's long-term target asset-mix implemented in 2025 is 55% global equity, 20% global fixed income and inflation-linked bonds, 15% sustainable global listed infrastructure, and 10% global credit. For the year ended 31 December 2025, the net return on the RMPF assets was 16.50% (13.46% – 2024).

Assumptions

The overall long-term rate of return is 6.25% per annum (6.25% – 2024).

continued

The following table sets forth the funded status of pension and postretirement medical benefits at 31 December 2025 and 2024:

(\$ million)

	Pension Benefits		Postretirement Medical Benefits	
	2025	2024	2025	2024
Change in plan assets:				
Fair value of plan assets at beginning of year	\$ 4,524	\$ 4,258	\$ 617	\$ 543
Actual return on plan assets	478	340	101	74
Employer's contribution	97	88	9	8
Plan participants' contributions	36	35	–	–
Benefits paid	(219)	(197)	(9)	(8)
Fair value of plan assets at end of year	<u>\$ 4,916</u>	<u>\$ 4,524</u>	<u>\$ 718</u>	<u>\$ 617</u>
Change in projected benefit obligation:				
Projected benefit obligation at beginning of year	\$ 4,689	\$ 4,730	\$ 364	\$ 347
Service cost	73	78	13	14
Interest cost	270	250	23	20
Plan participants' contributions	36	35	–	–
Actuarial (gains) losses	294	(207)	222	(9)
Benefits paid	(219)	(197)	(9)	(8)
Projected benefit obligation at end of year	<u>\$ 5,143</u>	<u>\$ 4,689</u>	<u>\$ 613</u>	<u>\$ 364</u>
Funded status	<u>\$ (227)</u>	<u>\$ (165)</u>	<u>\$ 105</u>	<u>\$ 253</u>
Amounts recognized in the Balance sheet as:				
Accrued pension benefit costs	\$ (227)	\$ (165)		
Net postretirement medical benefit plan asset			\$ 105	\$ 253
Amounts recognized in the Accumulated other comprehensive loss as Pension/Postretirement liability adjustments (Note N)				
	\$ (65)	\$ (165)	\$ (183)	\$ (359)
Weighted-average assumptions as of 31 December (%)				
Discount rate	5.60	5.80	6.10	6.10
Expected return on plan assets	6.00	6.25	6.25	6.25
Rate of compensation increase varies with age and averages	5.75	4.75	N/A	N/A
Interest crediting rate	5.30	5.30	N/A	N/A

The accumulated benefit obligation of the pension plan as of 31 December 2025 was \$4,858 million (\$4,498 million – 2024). The actuarial losses of \$297 million for pension benefit obligation and \$222 million for postretirement medical benefit obligation were mainly due to the change in discount rates and salary scales and medical cost trend increases.

continued

For measurement purposes, a 10.0% annual medical cost trend rate of increase in the per capita cost of covered postretirement medical benefits was assumed for the valuation as of 31 December 2025 (6.5% – 2024). The rate was assumed to decrease gradually to 6.0% by 2034 and remain at that level thereafter.

The following table summarizes the benefit costs associated with pension and postretirement medical benefits for the year ended 31 December 2025 and 2024:

(\$ million)

	Pension Benefits		Postretirement Medical Benefits	
	2025	2024	2025	2024
Components of net periodic benefit cost:				
Service cost	\$ 73	\$ 78	\$ 13	\$ 14
Interest cost	270	250	23	20
Expected return on plan assets	(279)	(267)	(36)	(34)
Amortization of prior service credit (Note N)	(5)	(5)	–	–
Recognized actuarial loss (gain) (Note N)	0	0	(19)	(20)
Net periodic benefit cost	\$ 59	\$ 56	\$ (19)	\$ (20)

0 = less than \$0.5 million.

All components of the net periodic benefit cost are included in “administrative expenses” in the statement of income and expenses, based on the allocation methodology described in Note O.

Estimated Future Benefits Payments

The following table shows the benefit payments expected to be paid in each of the next five years and subsequent five years. The expected benefit payments are based on the same assumptions used to measure the benefit obligation at 31 December 2025.

(\$ million)

Year	Pension Benefits	Postretirement Medical Benefits
2026	\$ 265	\$ 11
2027	278	13
2028	298	15
2029	308	17
2030	328	19
2031–2035	1,853	131

continued

Fair Value Disclosure

The FV of the SRP's and RMPF's assets measured on a recurring basis as of 31 December 2025 and 2024 is shown below:

(\$ million)

2025	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Staff Retirement Plan				
Cash and cash equivalents	\$ 32	\$ —	\$ 32	\$ —
Common/preferred stocks	1,001	1,000	1	—
Investment funds	944	465	479	—
Government or government-related securities	1,231	1,041	190	—
Corporate debt securities	1,695	1,678	17	—
Mortgage/Asset-backed securities:				
Mortgage-backed securities	17	—	17	—
Collateralized mortgage obligations	29	1	28	—
Asset-backed securities	8	8	—	—
Short term investments	12	—	12	—
Derivatives	2	(1)	3	—
Other asset/liabilities ^a —net	(55)	—	(55)	—
Total fair value of SRP assets	\$ 4,916	\$ 4,192	\$ 724	\$ —
Retiree Medical Plan Fund				
Cash and cash equivalents	\$ 9	\$ —	\$ 9	\$ —
Common/preferred stocks	497	497	0	—
Investment funds	76	76	—	—
Government or government-related securities	46	46	0	—
Corporate debt securities	76	71	5	—
Mortgage/Asset-backed securities:				
Mortgage-backed securities	8	2	6	—
Collateralized mortgage obligations	1	—	1	—
Asset-backed securities	1	0	1	—
Short term investments	3	—	3	—
Derivatives	(1)	(0)	(1)	—
Other asset/liabilities ^a —net	2	—	2	—
Total fair value of RMPF assets	\$ 718	\$ 692	\$ 26	\$ —

0 = less than \$0.5 million.

^a Includes receivables and liabilities carried at amounts that approximate fair value.

continued

(\$ million)

2024	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Staff Retirement Plan				
Cash and cash equivalents	\$ 32	\$ –	\$ 32	\$ –
Common/preferred stocks	1,712	1,712	0	–
Investment funds	1,050	787	263	–
Government or government-related securities	690	478	212	–
Corporate debt securities	1,008	976	32	–
Mortgage/Asset-backed securities:				
Mortgage-backed securities	18	6	12	–
Collateralized mortgage obligations	12	2	10	–
Asset-backed securities	15	15	–	–
Short term investments	17	–	17	–
Derivatives	2	(1)	3	–
Other asset/liabilities ^a —net	(32)	–	(32)	–
Total fair value of SRP assets	\$ 4,524	\$ 3,975	\$ 549	\$ –
Retiree Medical Plan Fund				
Cash and cash equivalents	\$ 9	\$ –	\$ 9	\$ –
Common/preferred stocks	433	433	0	–
Investment funds	58	58	–	–
Government or government-related securities	32	31	1	–
Corporate debt securities	72	67	5	–
Mortgage/Asset-backed securities:				
Mortgage-backed securities	8	2	6	–
Collateralized mortgage obligations	2	–	2	–
Short term investments	3	–	3	–
Derivatives	1	(0)	1	–
Other asset/liabilities ^a —net	(1)	–	(1)	–
Total fair value of RMPF assets	\$ 617	\$ 591	\$ 26	\$ –

0 = less than \$0.5 million.

^a Includes receivables and liabilities carried at amounts that approximate fair value.

The FV of the SRP and RMPF Investments including equity securities, fixed income securities and derivatives are provided by independent pricing providers. Equity securities include common and preferred stocks and mutual funds. Fixed income securities include government or government-related securities, corporate obligations, asset and mortgage-backed securities, and short-term investments. Derivatives include futures, swaps and currency forward contracts.

The following table presents the changes in the carrying amounts of SRP and RMPF Level 3 investments for the year ended 31 December 2024. There were no Level 3 investments during 2025 for both SRP and RMPF.

(\$ million)

	Corporate debt securities	
	2024	
	SRP	RMPF
Balance, beginning of the year	\$ 2	\$ 0
Transfer out of Level 3	(2)	(0)
Balance, end of the year	\$ –	\$ –

0 = less than \$0.5 million.

continued

NOTE R—OTHER FAIR VALUE DISCLOSURES

The carrying amounts and FVs of ADB's financial instruments as of 31 December 2025 and 2024 are summarized below:

(\$ million)

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
On-balance sheet financial instruments:				
ASSETS:				
Due from banks	\$ 496	\$ 496	\$ 2,235	\$ 2,235
Investments for liquidity purpose (Note D)	57,725	57,725	46,695	46,695
Securities transferred under repurchase agreements (Note E)	872	872	—	—
Securities purchased under resale arrangements (Note D)	252	252	260	260
Loans outstanding — operations (Note F)	161,063	161,786	153,864	154,436
Equity investments — operations carried at fair value (Note H)	563	563	373	373
Other debt securities — operations (Note I)	552	572	621	645
Derivative assets - borrowings (Note J)	75,750	75,750	61,872	61,872
Derivative assets - investments for liquidity purpose (Note J)	29,554	29,554	26,062	26,062
Derivative assets - loans — operations (Note J)	17,391	17,391	17,671	17,671
Swap related and other collateral (Note J)	508	508	857	857
Future guarantee receivable (Note G)	464	464	331	331
LIABILITIES:				
Borrowings (Note L)	165,951	166,021	146,517	146,604
Derivative liabilities - borrowings (Note J)	78,627	78,627	71,703	71,703
Derivative liabilities - investments for liquidity purpose (Note J)	27,596	27,596	23,292	23,292
Derivative liabilities - loans — operations (Note J)	15,501	15,501	14,821	14,821
Payable under securities repurchase agreements (Note E)	881	881	—	—
Swap related and other collateral (Note J)	1,258	1,258	857	857
Guarantee liability (Note G)	472	472	331	331

As of 31 December 2025 and 2024, ADB has no assets or liabilities measured at FV on a non-recurring basis.

NOTE S—SPECIAL AND OTHER FUNDS

ADB's operations include special operations, which are financed from Special Funds resources. The OCR and Special Funds resources are at all times used, committed, and invested entirely separately from each other. The Board of Governors may approve allocation of the net income of OCR to Special Funds, based on the funding and operational requirements of the funds. The administrative and operational expenses pertaining to the OCR and Special Funds are charged to the respective Special Funds. The administrative expenses of ADB are allocated amongst OCR and Special Funds and are settled regularly.

In addition, ADB, alone or jointly with donors, administers on behalf of the donors, including members of ADB, their agencies and other development institutions, projects/programs supplementing ADB's operations. Such projects/programs are funded with external funds administered by ADB and with external funds not under ADB's administration (referred as trust funds). ADB charges administrative fees for external funds administered by ADB. The trust funds are restricted for specific uses including technical assistance to borrowers and for regional programs, grants for projects, and loans. The responsibilities of ADB under these arrangements range from project processing to project implementation including the facilitation of procurement of goods and services. These funds are held in trust by ADB and are held in a separate investment portfolio. The assets of trust funds are not commingled with ADB's resources, nor are they included in the assets of ADB.

continued

Special Funds and trust funds are not included in the assets of OCR. The net assets as of 31 December 2025 and 2024 are summarized below:

(\$ million)

	2025		2024	
	Total Net Assets	No.	Total Net Assets	No.
Special Funds				
Asian Development Fund	\$1,684	1	\$1,968	1
Technical Assistance Special Fund	518	1	94	1
Japan Special Fund	107	1	111	1
Asian Development Bank Institute	20	1	22	1
Regional Cooperation and Integration Fund	0	1	2	1
Climate Change Fund	12	1	12	1
Asia Pacific Disaster Response Fund	22	1	34	1
Financial Sector Development Partnership Special Fund	2	1	1	1
Subtotal	<u>2,365</u>	<u>8</u>	<u>2,244</u>	<u>8</u>
Trust funds and project specific cofinancing	<u>4,976</u>	<u>171</u>	<u>4,155</u>	<u>184</u>
Total	<u>\$7,341</u>	<u>179</u>	<u>\$6,399</u>	<u>192</u>

0 = less than \$0.5 million.

During the year ended 31 December 2025, a total of \$22 million (\$18 million – 2024) was recorded as compensation for administering projects/programs. The amount has been included in REVENUE From other sources—net.

continued

NOTE T—VARIABLE INTEREST ENTITIES

ADB has identified investments in 49 (45 – 2024) VIEs which are not consolidated by ADB but in which it is deemed to hold significant variable interests at 31 December 2025. These non-consolidated VIEs are mainly (i) operating entities where the total equity invested is considered insufficient to finance its activities without additional subordinated financial support and (ii) private equity funds, where the equity at risk holders lack decision making rights. These VIEs are in the finance, energy, health, and agricultural sectors.

ADB's involvement in these non-consolidated VIEs includes loans, guarantees, and equity investments. Based on the most recent available data from these VIEs at 31 December 2025, the assets of these non-consolidated VIEs totaled \$10,865 million (\$8,577 million – 2024).

The table below shows the carrying value of ADB interests in the non-consolidated VIEs and the maximum exposure to loss of these interests. For guarantees, the maximum exposure is the notional amount of such guarantee, less any counter-guarantee.

(\$ million)

	Carrying Value of ADB's Variable Interests	Committed but Undisbursed	Maximum Exposure to Loss
2025			
Loans — Operations	\$ —	\$ —	\$ —
Equity Investments — Operations	857	707	1,564
Guarantees — Operations	—	—	—
Total	\$ 857	\$ 707	\$ 1,564
2024			
Loans — Operations	\$ —	\$ —	\$ —
Equity Investments — Operations	713	591	1,304
Guarantees — Operations	—	—	—
Total	\$ 713	\$ 591	\$ 1,304

continued

NOTE U—SEGMENT REPORTING

Based on an evaluation of OCR's operations, Management has determined that OCR has only one reportable segment since OCR does not manage its operations by allocating resources based on a determination of the contribution to net income from individual borrowers. ADB's Chief Operating Decision Maker (CODM), the President, regularly reviews information on OCR's overall operating results for purposes of resource allocation and performance assessment.

The following table presents the outstanding balance and associated revenue of OCR's loan, guarantees, other debt securities, and equity investments by geographic region, as of and for the years ended 31 December 2025 and 2024:

(\$ million)

Country	2025		2024	
	Outstanding Balance	Revenue	Outstanding Balance	Revenue
India	\$ 27,329	\$ 1,453	\$ 26,705	\$ 1,609
Bangladesh	17,996	573	16,835	627
People's Republic of China	17,838	880	18,163	1,125
Philippines	17,822	874	15,797	947
Pakistan	17,412	656	16,028	693
Indonesia	14,600	719	13,742	839
Uzbekistan	9,076	376	8,237	375
Others	53,595	1,804	48,983	1,999
Total	\$ 175,668	\$ 7,335	\$ 164,490	\$ 8,214

Revenue comprises revenue from loans, guarantees, other debt securities, and equity investments, and excludes net realized/unrealized gains and losses.

For the year ended 31 December 2025, sovereign loans to three DMCs (three – 2024) each generated more than 10 percent of revenue which amounted to \$1,321 million, \$866 million, and \$844 million (\$1,499 million, \$944 million, and \$1,068 million – 2024).

NOTE V—SUBSEQUENT EVENTS

ADB has evaluated subsequent events after 31 December 2025 through 9 March 2026, the date these Financial Statements are available for issuance. During this period, ADB has raised additional borrowings of approximately \$19,796 million in various currencies.

亚行译文声明

根据亚洲开发银行（“亚行”）在中国银行间债券市场公开发行且截至本文件在中国货币网与上海清算所网站公开披露之日存续的人民币债券的信息披露安排，本报表由英文译为中文。需提请投资人注意，尽管亚行尽力确保翻译的准确性，但英文是亚行的官方语言，因此，任何有关本报表的中文译本均应与英文原版一并阅读。

资产负债表

2025年及2024年12月31日

单位：百万美元

	资产			
	2025		2024	
存放同业款项(附注C和R)		496		2,235
短期投资(附注D, J, O和R)				
政府或政府相关债务	39,988		31,057	
定期存款	7,559		4,602	
其他证券投资	10,178	57,725	11,036	46,695
卖出回购金融资产(附注D, E和R)		872		—
买入返售金融资产(附注D和R)		252		260
发放贷款 — 经营性 (OCR-6, 附注A, F, J, R, T和U) (含未摊销贷款发放费, 2025年度: 2.60亿美元/2024年度: 2.45亿美元)				
主权贷款				
常规主权贷款	119,361		115,352	
优惠主权贷款	35,626		33,332	
	154,987		148,684	
非主权贷款	6,644		5,720	
	161,631		154,404	
减 — 信用减值准备	568	161,063	540	153,864
权益性投资 — 经营性(附注A, H, R, T和U)		1,992		1,627
其他债权投资 — 经营性(附注I, R和U)	573		635	
减 — 信用减值准备	21	552	14	621
应收利息				
短期投资	352		258	
发放贷款 — 经营性	1,321		1,427	
其他债权投资 — 经营性	11	1,684	12	1,697
衍生金融资产(附注J, L和R)				
借款	75,750		61,872	
短期投资	29,554		26,062	
发放贷款 — 经营性	17,391	122,695	17,671	105,605
其他资产				
固定资产(附注K)	336		309	
掉期及其他交易的担保物(附注J和R)	508		857	
退休后医疗福利计划净资产(附注Q)	105		253	
其他(附注D, G, P和R)	770	1,719	579	1,998
合计		349,050		314,602

资产负债表 — 续
2025年及2024年12月31日

	负债及所有者权益		单位：百万美元	
	2025		2024	
借款(OCR-7, 附注J, L和R)		165,951		146,517
衍生金融负债(附注J, L和R)				
借款	78,627		71,703	
短期投资	27,596		23,292	
发放贷款 — 经营性	15,501	121,724	14,821	109,816
卖出回购金融资产款(附注E和R)		881		—
应付账款及其他负债				
掉期及其他交易的担保物(附注J和R)	1,258		857	
应付养老金福利成本(附注Q)	227		165	
表外敞口信用损失负债(附注F, G和I)	144		121	
其他(附注D, G, K, P和R)	855	2,484	691	1,834
总负债		291,040		258,167
股东权益(OCR-4)				
股本(OCR-8, 附注M)				
法定股本和认购股本(SDR106,392百万)	145,833		138,749	
减 — 可催缴股本(SDR101,061百万)	138,525		131,796	
实收的认购股本(SDR5,331百万)	7,308		6,953	
减 — 折价	14		13	
	7,294		6,940	
认购股本不可转让的不计息即期债务	(5)	7,289	(12)	6,928
维持货币价值的净名义额(附注M)	(1,651)		(1,481)	
一般储备(附注N)				
ADF资产转入(附注A和N)	30,748		30,748	
留存收益提取	17,808	48,556	16,792	47,540
专项储备(附注N)		578		558
盈余公积(附注N)		1,065		1,065
价值重估储备(附注N)		525		462
未分配利润(OCR-4, 附注N)		1,883		1,602
其他综合损失(附注N)		(235)		(239)
股东权益总计		58,010		56,435
负债及股东权益总计		349,050		314,602

附注为财务报表的组成部分(详见OCR-9)。

利润表

2025年度及2024年度

单位：百万美元

	2025		2024	
营业收入				
贷款 — 经营性(附注F, J和O)				
常规主权贷款	5,927		6,841	
优惠主权贷款	721		717	
非主权贷款	454	7,102	480	8,038
短期投资(附注D, J和O)				
利息	2,551		2,731	
权益性投资 — 经营性(附注O)	161		102	
担保业务 — 经营性(附注N)	27		27	
其他债权投资 — 经营性(附注O)	45		47	
其他收益净额(附注O和S)	94		84	
小计		9,980		11,029
营业支出(附注O)				
借款及相关费用(附注J和L)	(7,521)		(8,717)	
行政管理费用(附注K, N和Q)	(817)		(729)	
信用减值(拨备)转回 — 净额(附注F, G和I)	(24)		45	
其他费用	(44)		(30)	
小计		(8,406)		(9,431)
已实现收益(损失)净额(附注O)				
短期投资(附注D, J和N)	2		(18)	
权益性投资 — 经营性(附注N)	8		13	
其他债权投资 — 经营性	2		—	
借款(附注J)	1		0	
小计		13		(5)
未实现收益净额(附注H, J, L和O)		316		36
净利润		1,903		1,629

注：0 = 少于0.5百万美元

附注为财务报表的组成部分(详见OCR-9)。

利润表 — 续
2025年度及2024年度

单位：百万美元

	2025		2024	
净利润(OCR-2)		1,903		1,629
其他综合收益(附注N)				
未实现持有收益(损失):				
短期投资	556		209	
权益性投资 — 经营性	1		12	
其他债权投资 — 经营性	6		2	
借款	(577)	(14)	(243)	(20)
退休后福利资产/负债调整		(276)		303
外币报表折算差额		294		(219)
		4		64
综合收益总额		1,907		1,693

附注为财务报表的组成部分(详见OCR-9)。

权益变动表

2025年度及2024年度

单位：百万美元

	股本	不可转让的 不计息的 即期债务	维持货币价 值的 净名义额	一般储备	专项储备	盈余公积	价值重估储 备	未分配 利润	其他综合收 益(损失)	合计
2023年12月31日	7,139	(26)	(1,532)	46,535	531	1,065	975	910	(303)	55,294
综合收益总额(OCR-3, 附注N)								1,629	64	1,693
担保费划拨(附注N)					27			(27)		—
兑现即期债务		13								13
美元汇率变动影响	(199)	0	51							(148)
提取各项储备(附注N)				1,005			(513)	(492)		—
对特别基金的分配(附注N)								(418)		(418)
2024年12月31日	6,940	(12)	(1,481)	47,540	558	1,065	462	1,602	(239)	56,435
综合收益总额(OCR-3, 附注N)								1,903	4	1,907
担保费划拨(附注N)					20			(20)		—
兑现即期债务		7								7
美元汇率变动影响	354	0	(170)							184
提取各项储备(附注N)				1,016			63	(1,079)		—
对特别基金的分配(附注N)								(524)		(524)
2025年12月31日	7,294	(5)	(1,651)	48,556	578	1,065	525	1,883	(235)	58,010

USD = 美元。

注：0 = 少于0.5百万美元。由于四舍五入，可能导致存在尾差。

附注为财务报表的组成部分(详见OCR-9)。

现金流量表
2025年度及2024年度

单位：百万美元

	2025	2024
经营活动产生的现金流量		
收到的经营性贷款的利息及其他收费	7,104	7,981
收到的短期投资的利息	2,023	2,260
收到的买入返售/卖出回购金融资产的利息	11	22
收到的其他债权投资的利息及其他收入 — 经营性	49	45
收到的权益性投资的分红 — 经营性	110	90
支付的利息及其他财务费用	(7,539)	(8,612)
支付的行政管理费用	(890)	(781)
其他净变动额	85	88
经营活动产生的现金流量净额	953	1,093
投资活动产生的现金流量		
出售短期投资收到的现金	4,595	3,155
短期投资到期收回的现金	304,230	318,562
购买短期投资支付的现金	(319,334)	(322,918)
买入返售金融资产收到的现金	69,946	109,776
买入返售金融资产支付的现金	(69,938)	(109,394)
收回偿还贷款本金的现金 — 经营性	13,028	12,891
发放贷款支付的现金	(17,579)	(17,400)
衍生金融工具现金净流入	1,305	1,382
购买固定资产支付的现金	(69)	(77)
出售权益性投资收到的现金 — 经营性	22	79
购买权益性投资支付的现金 — 经营性	(319)	(115)
其他债权投资到期收到的现金 — 经营性	206	66
购买其他债权投资支付的现金 — 经营性	(136)	(186)
投资活动使用的现金流量净额	(14,043)	(4,179)
融资活动产生的现金流量		
新增借款收到的现金	47,421	43,901
偿还借款支出的现金	(35,337)	(38,835)
支付发行费支出的现金	(27)	(22)
股东即期债务收到的现金	7	13
衍生金融工具现金净流出	(404)	(278)
掉期交易的担保物的净变动额	400	466
转入特别基金的资源	(524)	(418)
融资活动产生的现金流量净额	11,536	4,827
汇率变动对存放同业款项的影响	(534)	(40)
存放同业款项净(减少)增加额	(2,088)	1,701
期初现金余额		
存放同业款项	2,235	998
掉期及其他交易的担保物	857	393
合计	3,092	1,391
期末现金余额		
存放同业款项	496	2,235
掉期及其他交易的担保物	508	857
合计	1,004	3,092

现金流量表 - 续
2025年度及2024年度

单位：百万美元

	2025	2024
净利润调节为经营活动现金流量：		
净利润(OCR-2)	1,903	1,629
调节项：		
折旧和摊销	30	(189)
信用减值拨备(转回)	24	(45)
已实现(收益)损失净额	(13)	5
权益性投资的收益	(152)	(98)
未实现收益净额	(316)	(36)
贷款 — 经营性、短期投资、其他债权投资 — 经营性及掉期交易收入的变动	(384)	(199)
借款、掉期交易的应付利息以及其他费用变动	98	(387)
养老金和退休后福利负债的变动	(276)	304
其他净变动额	39	109
经营活动产生的现金流量净额	<u>953</u>	<u>1,093</u>

附注为财务报表的组成部分(详见OCR-9)。