

**New
Development
Bank**

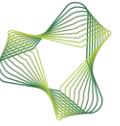
Investor Presentation

September 2018



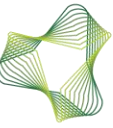


Overview of NDB



Organizing Principles and Distinguishing Features

Key institution in BRICS cooperative framework	<ul style="list-style-type: none">- Established by BRICS to invest in and promote financial cooperation among BRICS- Central role in BRICS relationship evident in high level political attention and strong financial support
Core competence is infrastructure and sustainable development	<ul style="list-style-type: none">- NDB is focusing on projects that promote environmental sustainability
Lean operation, partnering with other development institutions	<ul style="list-style-type: none">- Cooperation with global, regional and national development finance institutions is a core operating principle- Enhances development impact of NDB operations and enables NDB to maintain lean operating profile
Full member support for maintaining a very strong financial profile	<ul style="list-style-type: none">- Members fully committed to maintaining a very strong credit profile, equivalent to the strongest amongst NDB's peers- Low leverage, rigorous project selection, best-in-class risk management policies and highly experienced management team are the key elements of NDB's financial profile



Who We Are

- NDB is a Multilateral Development Bank established by BRICS countries to mobilise resources for infrastructure and sustainable development projects
- The membership is open to members of the United Nations

High Capitalisation

- High level of initial **authorized capital of US\$100bn** with initial **subscribed capital of US\$50bn** and **paid-in capital of US\$10bn** places NDB amongst the largest MDBs globally
- **Equal capital contribution** and voting power amongst the five founding members

Credit Strengths

- **AA+ long-term international credit rating with stable outlook**
- **Conservative risk management and financial policies**
- Sound governance structure, led by a **highly experienced management team**

Flexibility

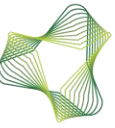
- Support of public and private projects through **loans, guarantees, equity participation and other financial instruments**

Improving Efficiency

- NDB aims to structure, negotiate, review, and **approve loans within a period of 6 months** without compromising on risk management standards and credit quality

Driving Innovation

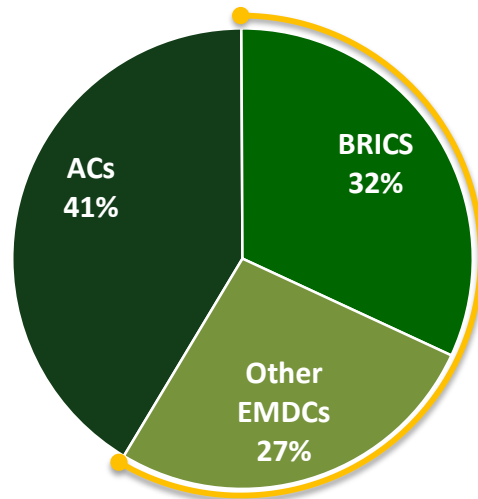
- **Support the development of financial markets in member states**, provide financing in both local and hard currencies and apply country systems after examining their reliability



Uniquely Positioned Multilateral Lender

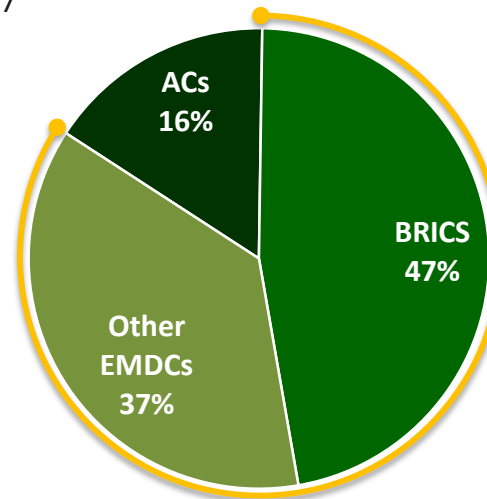
Considerable contributions of BRICS to the world economy and growing need for infrastructure investments

32% of total global GDP
2017



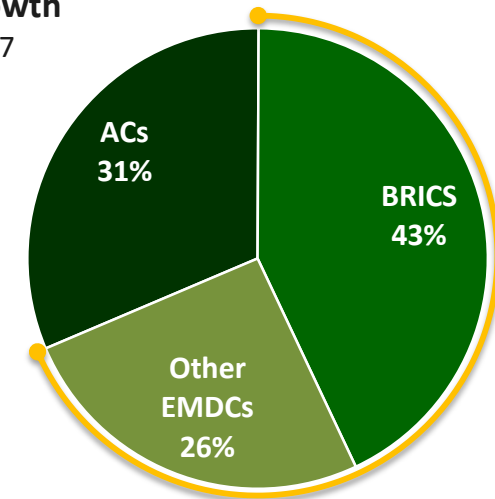
EMs
59%

47% of total global population
2017



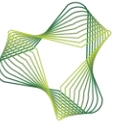
EMs
84%

43% of contribution to global GDP growth
2017

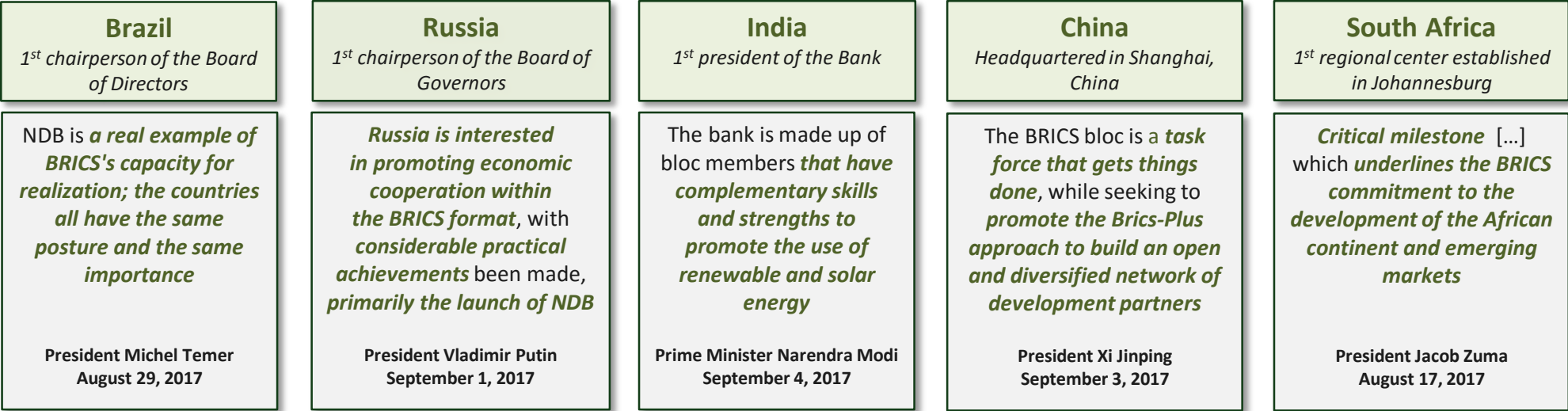


EMs
69%

Note: ACs stands for Advanced Countries and EMDCs stands for Emerging and Developing Countries according to the Country Classifications of IMF
The GDP shares are based on the purchasing-power-parity valuation of economies' GDP
Source: IMF WEO, IMF COFER



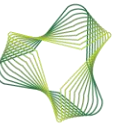
Policy Mandate Represents a Concrete Avenue for BRICS Cooperation



Existing cooperative framework

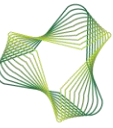


Source: Various press releases



Key Milestones





Credit Strengths – International Credit Rating

S&P Global Ratings

AA+ Stable Outlook

Long-Term Issuer Credit Rating

A-1+ Stable Outlook

Short-Term issuer Credit Rating

Rating Drivers

- Strong business profile and extremely strong financial profile
- Extraordinary shareholder support
- Sound and prudent risk management policies
- Robust and solid capitalization and ample liquidity
- Senior Management has wide experience in MDBs with balanced and capable of delivering on NDB's mandate

Fitch Ratings

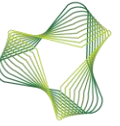
AA+ Stable Outlook

Long-Term Issuer Default Rating

F1+ Stable Outlook

Short-Term Issuer Default Rating

- Excellent capitalization endowed with subscribed paid-in capital
- Low risk profile and strong risk management, reflecting the bank's self-imposed prudential rules
- Very strong level of aggregated expertise and seniority of the bank's management team
- Strong preferred creditor status
- Strong shareholders' commitment to provide support to the bank



Credit Strengths – China Domestic Rating

China Chengxin International Credit Rating

AAA Stable Outlook

Local Currency Issuer Rating

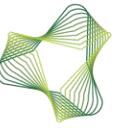
China Lianhe Credit Rating

AAA Stable Outlook

Long-Term Local Currency Issuer Rating

Rating Drivers

- Strong shareholder support and timely contribution of paid-in capital
- Sound management, governance standards, and prudent risk management framework
- Clear development strategy
- High quality of the loan portfolio and very low risk of default
- Significant amount of paid-in capital and strong ability of fund raising
- Rapid growth guaranteed by robust demand for financing of infrastructure and sustainable development projects in member countries



Benchmarking to Peer Group

Strong capitalisation and high liquidity metrics in line with other AAA rated MDBs

	NDB	AiIB	ADB	AfDB ¹	EBRD ²	EIB ²	IBRD	IFC
Credit Rating³	AA+	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Total Assets (US\$ billion)	\$10	\$19	\$182	\$46	\$68	\$660	\$406	\$92
Liquidity⁴	41%	55%	21%	39%	44%	7%	18%	50%
Leverage⁵	4%	0%	72%	77%	71%	91%	90%	73%
Total Shareholders Equity (excluding callable capital, US\$ billion)	\$10	\$19	\$50	\$10	\$19	\$85	\$40	\$25
Total Subscribed Capital (US\$ billion)	\$50	\$95	\$151	\$93	\$36	\$292	\$253	\$3
Paid-in-capital as % of total subscribed capital	20%	20%	5%	8%	21%	9%	6%	100%
Net income⁶ (US\$ million)	\$31	\$112	\$31,522 ⁶	\$245	\$713	\$3,311	\$260	\$1,523

Source: Annual Audited Financial Statements of each institution as at 31 December 2017, except for IFC and IBRD, where Annual Audited Financial Statements as of 30 June 2017 were used

1. Figures for AfDB were translated into US\$ using a year-end exchange rate of 1UA=\$1.42 and an average exchange rate for 2017 of 1UA=\$1.39

2. Figures for EIB and EBRD were translated into US\$ using a year-end exchange rate of 1EUR=\$1.201 and an average exchange rate for 2017 of 1EUR=\$1.18

3. S&P Long-Term Issuer Credit Rating of each institution

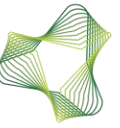
4. Liquidity = Liquid Assets / Total Assets

5. Leverage = Total Liabilities / (Total Liabilities + Shareholders' Equity (excluding callable capital))

6. Figures for AiIB and NDB represent operating profit. Figures for IBRD and IFC represent net income before transfers to IDA. Figures for ADB represent one-time income transfer from ADF assets of US\$30,748mn



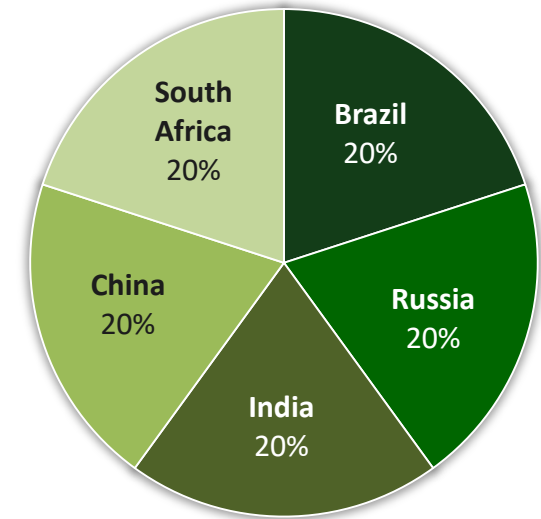
Governance and Management

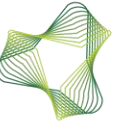


Strong Shareholder Support and Long-Term Commitment

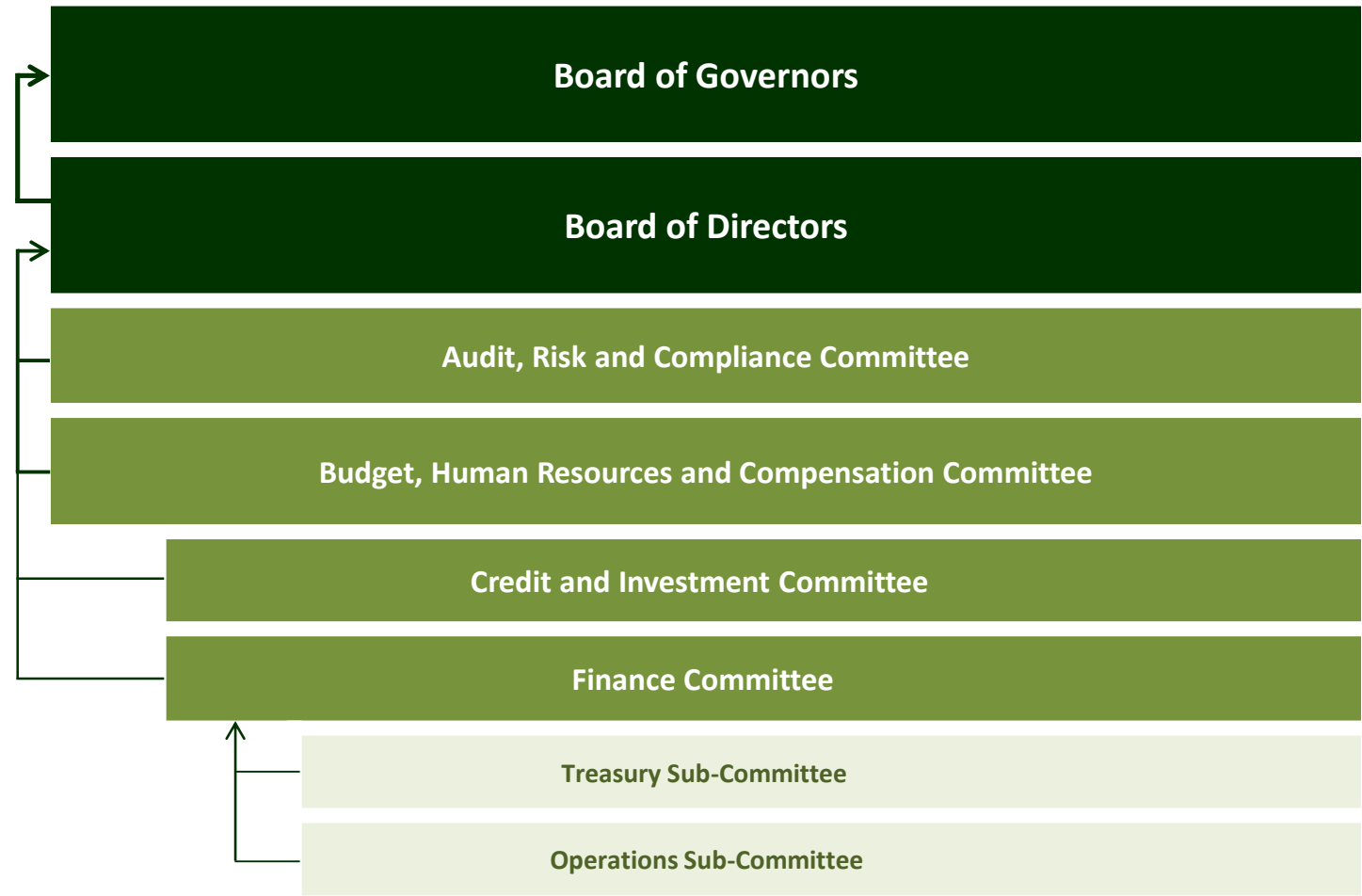
- One of the highest ratios of paid-in capital to subscribed capital (20%) and one of the highest committed amongst all MDBs
- High commitment of member countries to NDB represent their **vested interest in the institution** and a **greater propensity to support NDB in times of distress**
- **Equal voting power amongst founding shareholders**
- **No member holds veto power**
- **Preferential treatment in member countries** with extensive immunities, privileges and exemptions

Ownership Structure
Share of voting rights

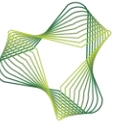




Governance Structure



→ Reporting lines



Highly Experienced Management Team



President & Board Member

Mr. K.V. Kamath

- Over 40 years of banking experience in Project Finance, Venture Capital and Credit
- Prior roles include Chairman of ICICI Bank and Infosys Limited, Board member, Schlumberger Ltd.
- 8+ years at Asian Development Bank's Private Sector Department
- Recipient of Padma Bhushan, one of India's highest civilian honors
- Internationally recognised business leader - CNBC's Asian Business Leader of the year (2001), Businessman of the Year (Forbes Asia, 2007), Business Leader of the Year (Economic Times, 2007)
- President of the Confederation of Indian Industry (2008-09) and Co-Chair of World Economic Forum Annual meeting in Davos



**VP
Chief Financial Officer**
Mr. Leslie Maasdorp

- 25+ years of Public and Private Sector experience
- Prior roles as Managing Director and President of Bank of Merrill Lynch for Southern Africa, Vice Chairman of Barclays Capital and Absa Capital
- Served in several senior leadership roles in the Government of South Africa
- Served as International Advisor to Goldman Sachs International
- Young Global leader of the World Economic Forum



**VP
Chief Operations Officer**
Mr. Xian Zhu

- Extensive experience (16y+) at World Bank and ADB
- Prior roles as Strategy and Operations director at the World Bank for South Asia, responsible for South Asia Region's overall operations and portfolio management and Senior Advisor, Infrastructure Department, ADB
- Worked in various capacities in the Ministry of Finance, China
- Recipient of the Heinz Fellowship



**VP
Chief Risk Officer**
Mr. Sarquis J. B. Sarquis

- 25+ years of public sector experience, including senior positions at Brazil's Ministry of External Relations
- Extensive experience in working with multilateral organizations, including OECD, IMF, World Bank, WTO and UN
- Holds PhD and MSC in Economics (London School of Economics)
- Recipient of the Gilbert de Botton Award in Finance Research

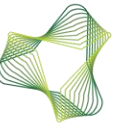


**VP
HR, IT, Corporate Communications and Chief Administrative Officer**
Mr. Vladimir Kazbekov

- Extensive experience in the public sector and in the field of development finance
- Served in several senior roles in the Russian Ministry of Foreign Affairs and Presidential Executive Office
- Worked in executive position for the Russian National Development Bank (Vnesheconombank) for 15 years and greatly contributed to the development of BRICS Interbank cooperation mechanism



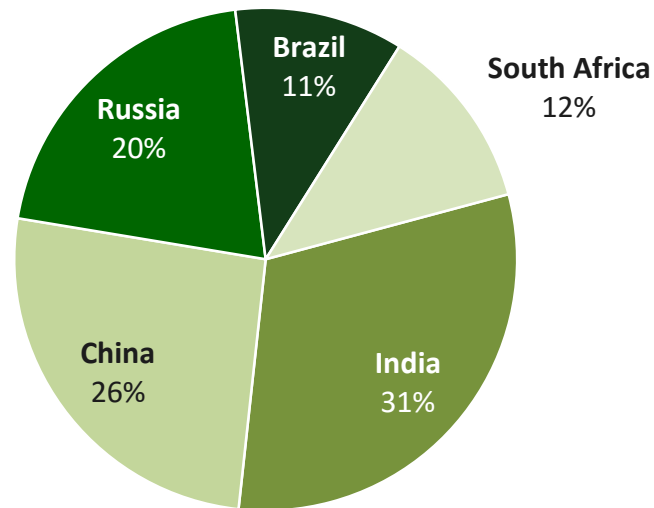
Lending Activities



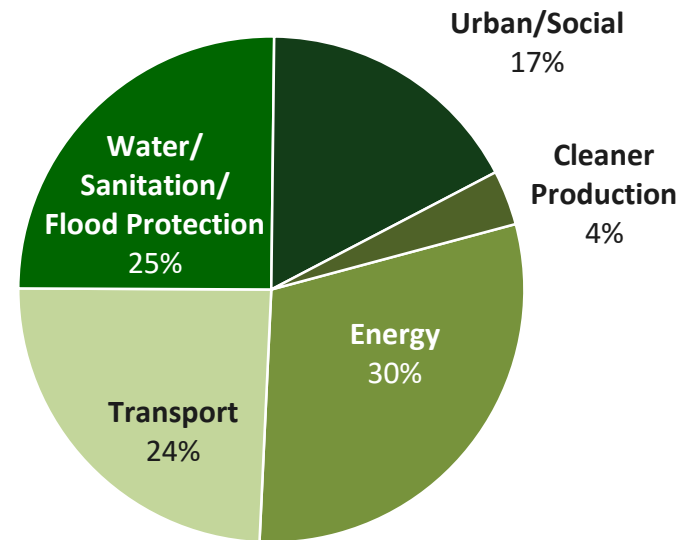
Support for Infrastructure and Sustainable Development

Breakdown of loan approvals, as at September 1, 2018

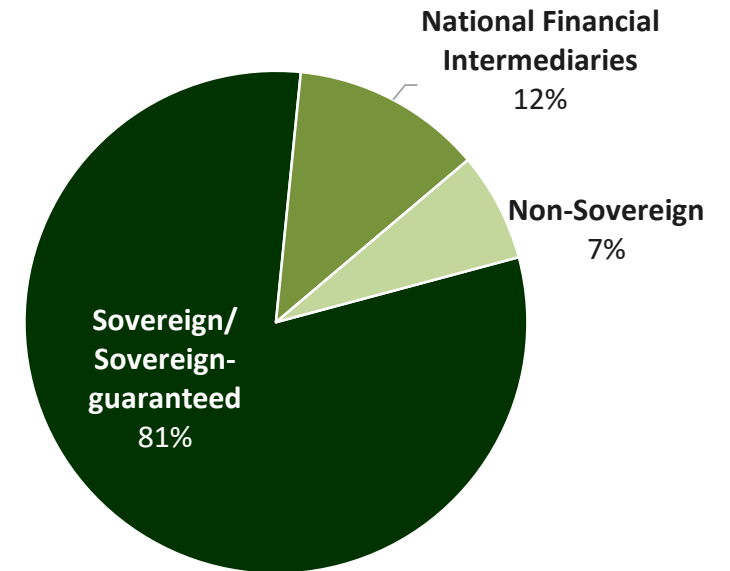
By country



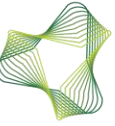
By sector



By loan type

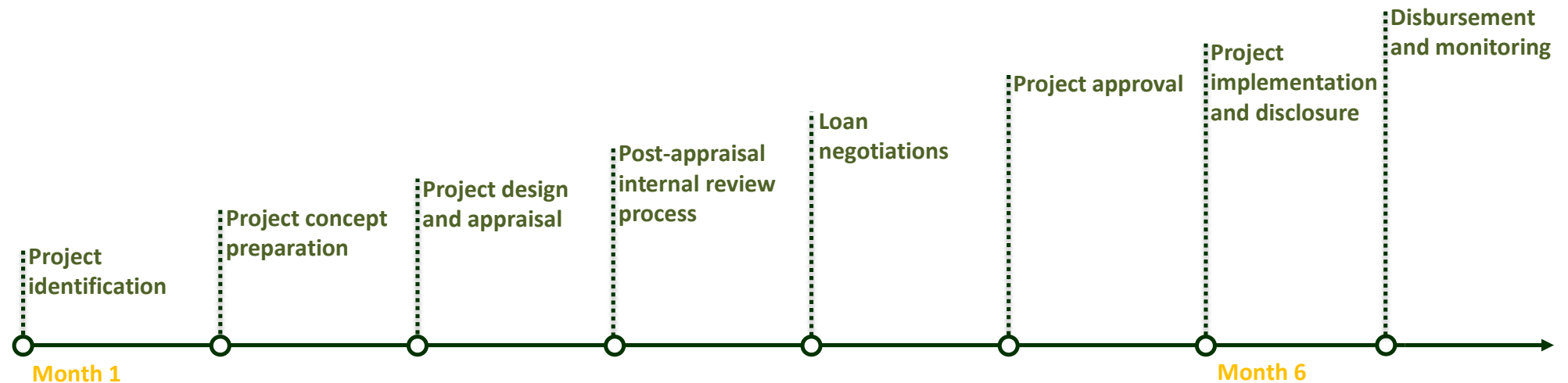


Note: Loans are classified by total loan notional, in approximate US\$ terms

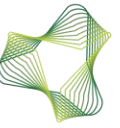


Rigorous Project Appraisal

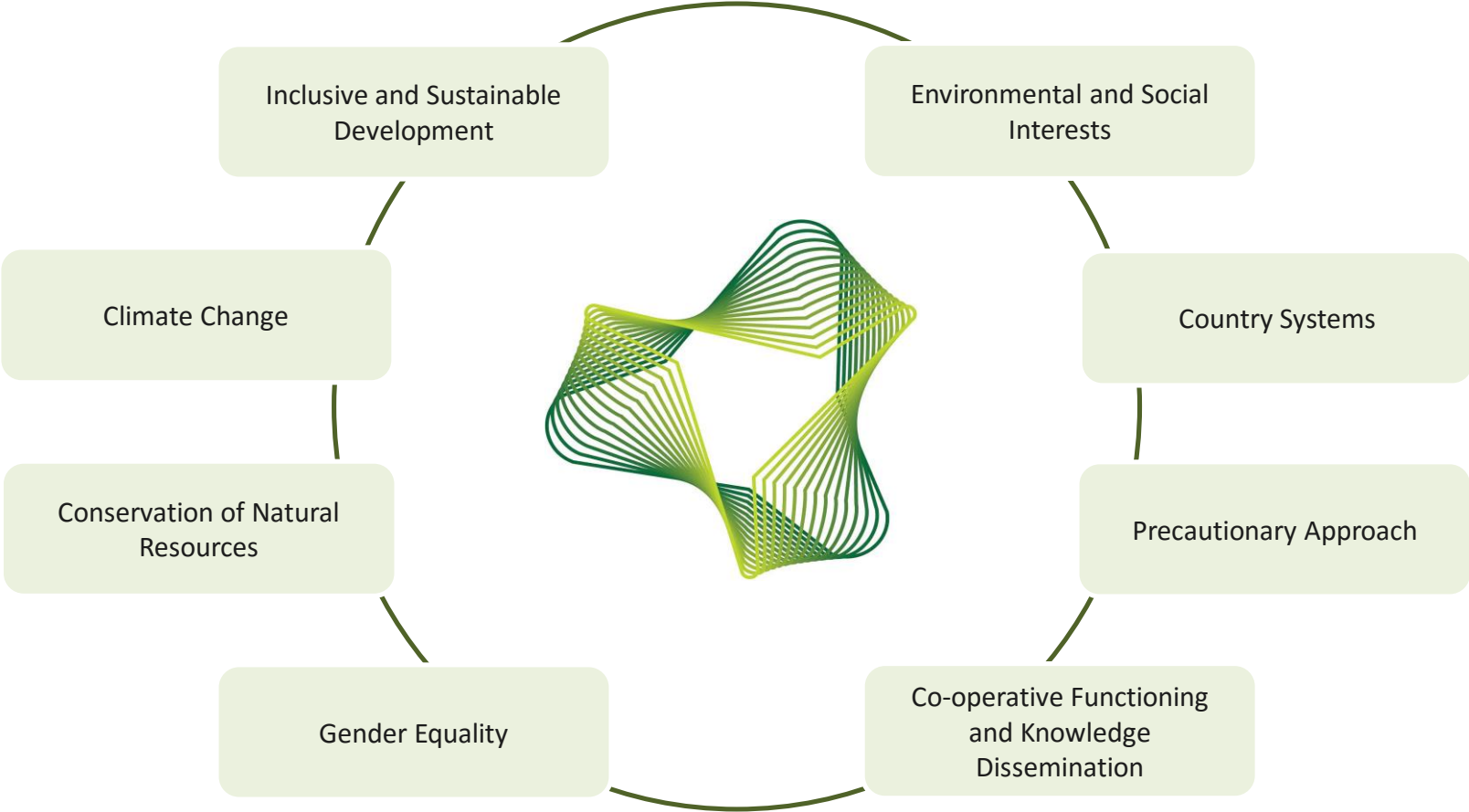
NDB aims to structure, negotiate, review and approve loans within a period of 6 months without compromising on its risk management standards and credit quality



- Environmental, social and developmental analysis
- Thorough screening and approval requirements
- Credit risk analysis and appraisal
- Screening/review from legal perspective
- Compliance, environmental, anti-money laundering and counter terrorism management checks

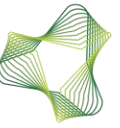


Environmental and Social Framework Underpins NDB's Operations





Borrowing Activities



Key Targets and Present Achievements

Key targets

- Diversification across markets, currencies, tenors and instruments
- Promoting green financing instruments, including green bond issuances

Highlights of the Inaugural Green Bond Issuance

Issue Date	July 18 th , 2016
Amount	CNY3bn
Issuer Ratings	AAA (China Domestic Rating)
Issue Format	Public Offering
Tenor	5-year
Coupon	3.07%

- Rated AAA by leading domestic rating agencies in China
- Final order-book was more than 3x oversubscribed
- More than 30 investors participated in the bidding process
- The proceeds are used for “green” infrastructure and sustainable development projects
- Independent third-party certification agency (EY) provided assurance to confirm that the bond meets the criteria of Green Bond Principles and the Green bond regulations in China* to be qualified as “Green”

Selected Projects for the Use of Proceeds from the inaugural Green Bond



- Shanghai Lingang Hongbo New Energy Development Co. Ltd.
 - Renewable energy (solar)
 - 100 MW solar rooftop PV and avoided 73,000t CO₂/year
- Putian Pinghai Bay offshore Wind Power
 - Renewable energy (wind)
 - 700 MW offshore wind power and avoided 869,900t CO₂/year



- BNDES
 - Renewable energy (wind, solar etc.)
 - 600 MW renewable energy and avoided 1,000,000t CO₂/year

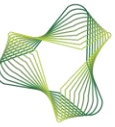


- Eurasian Development Bank and International Investment Bank
 - Renewable energy (hydro-electric)
 - 50 MW renewable energy and avoided 48,000t CO₂/year

*The Green bond regulations in China refer to the PBOC’s No 39 Announcement and the PBOC’s Green Bond Endorsed Project Catalogue



Financial Summary



Key Financial Metrics

Statement of Comprehensive Income (US\$ million)	1 Jan 2018 – 31 Mar 2018	1 Jan 2017 – 31 Dec 2017	3 Jul 2015 – 31 Dec 2016
Net interest income	20.5	49.8	22.3
Net gains/(losses) on financial instruments ¹	(1.7)	1.3	2.5
Staff costs and other operating expenses ²	(7.5)	(26.0)	(18.0)
Impairment provisions	(0.6)	(0)	-
Foreign exchange gains / (losses)	3.4	5.8	(2.4)
Operating profit	14.0	30.9	4.4

Statement of Financial Position (US\$ million)	As at 31 Mar 2018	As at 31 Dec 2017	As at 31 Dec 2016
Assets			
Cash and cash equivalents	206.3	1,019.9	347.8
Due from banks other than cash and cash equivalents	4,007.8	3,212.4	2,284.9
Derivative financial assets	20.6	-	-
Loans and advances	47.1	23.9	-
Paid-in capital receivables	5,957.6	5,933.4	7,401.0
Other assets ³	46.3	34.6	20.0
Total assets	10,285.7	10,224.1	10,053.7
Liabilities			
Derivative financial liabilities	2.3	3.3	44.0
Financial liabilities ⁴	473.3	449.4	403.1
Other liabilities	3.2	2.8	1.2
Total liabilities	478.8	455.5	448.3
Equity			
Paid-in capital	10,000.0	10,000.0	10,000.0
Other reserves	(242.4)	(266.7)	(399.0)
Retained earnings	49.2	35.3	4.4
Total equity	9,806.9	9,768.6	9,605.4
Total equity and liabilities	10,285.7	10,224.1	10,053.7

In keeping to NDB's operating principles as a **lean organisation**, administrative expenses are expected to kept low

Credit exposure arising from **investments due from banks** are rated at senior investment grade

Financial liabilities relates to NDB's five-year RMB green bond

Total capital **contributions received and paid-in capital** receivables due

Difference between the present value and the nominal value of outstanding paid-in capital

Source: NDB Audited IFRS Financial Statements as at the end of 2016 and 2017, NDB Unaudited Financial Statements for 3 months ended 31 March 2018. Note: Figures may not add up due to rounding

1. Net gains/(losses) on financial instruments at fair value through profit or loss

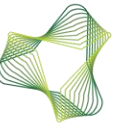
2. Staff costs and other operating expenses, including other income

3. Other assets, including property and equipment and intangible assets





4. Financial liabilities designated at fair value through profit or loss

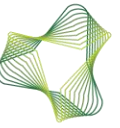


Annexure







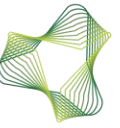
Loans Approved in 2016

Country	Borrower	Type	Loan Amount	Purpose	Loan currency
Russia 	Eurasian Development Bank and International Investment Bank	Loan to NFI	US\$100mn	Construction of small hydroelectric power plants in Karelia with total capacity of 49.8 MW	US\$
India 	Canara Bank	Sovereign-guaranteed financing	US\$250mn	On-lending to renewable energy projects in solar and wind energy, hydropower and other areas with a total capacity of 500 MW of clean energy	US\$
	Government of India	Sovereign financing	US\$350mn	To upgrade approximately 1,500km of major district roads in Madhya Pradesh	US\$
China 	Government of China	Sovereign financing	US\$81mn (CNY525mn)	To support a distributed solar power project in the Lingang Industrial Area. In this flagship development zone, rooftop solar power installations will have a total capacity of 100 MW	CNY
	Government of China	Sovereign financing	US\$298mn (CNY2bn)	To generate 873 million kWh of electricity in the Pinghai Bay in Putian, Fujian Province	CNY
South Africa 	Eskom Holdings	Sovereign-guaranteed financing	US\$180mn	Financing grid connection infrastructure for renewable energy projects	US\$








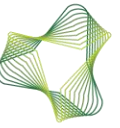
Loans Approved in 2017

Country	Borrower	Type	Loan Amount	Purpose	Loan currency
Brazil 	BNDES, Brazil's national bank for economic and social development	Loan to NFI	US\$300mn	To support renewable energy and transmission projects. A diversified set of sub-projects in solar, wind, hydropower and other areas with additional capacity of 600 MW will be financed by BNDES on an on-lending basis	US\$
Russia 	Government of the Russian Federation	Sovereign financing	US\$460mn	Development of infrastructure and implementation of information technology systems of the judicial system in Russia	US\$
	Government of the Russian Federation	Sovereign financing	US\$68.8mn	Construction of a toll transport corridor connecting the Ufa city center to the M-5 federal highway	US\$
India 	Government of India	Sovereign financing	US\$470mn	On-lending to the Government of Madhya Pradesh for developing the rural drinking water supply scheme in the state of Madhya Pradesh	US\$
	Government of India	Sovereign financing	US\$345mn	On-lending to the Government of Rajasthan for rehabilitating the Indira Gandhi canal system	US\$
China 	Government of China	Sovereign financing	US\$300mn (CNY2bn)	To enhance flood control, and improve water quality in Hunan province's Xiang River watershed.	CNY
	Government of China	Sovereign financing	US\$200mn	To promote energy conservation, resources recycling and pollutants reduction through technology upgrade.	US\$





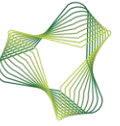
Loans Approved in 2018 1/2

Country	Borrower	Type	Loan Amount	Purpose	Loan currency
Brazil 	The Government of the State of Pará	Sovereign-guaranteed financing	US\$50mn	Construction of urban roads and drainage, sanitation and telecommunication in small urban cities in 29 municipalities of the State of Pará	US\$
	The Government of the State of Maranhão	Sovereign-guaranteed financing	US\$71mn	Improvement and reconstruction of 143 km of the MA-006 Maranhão State highway	US\$
	Petroleo Brasileiro S.A (Petrobras)	Non-Sovereign financing	US\$200mn	Upgrading of the infrastructure of 2 existing refineries with the objective of reducing harmful emissions and preventing water and soil contamination	US\$
Russia 	Government of the Russian Federation	Sovereign financing	US\$320mn	Modernization and construction of integrated water supply and sanitation systems along the Volga river to combat water pollution	US\$
	Government of the Russian Federation	Sovereign financing	US\$220mn	Tourism infrastructure development with a focus on the preservation of cultural heritage and development of urban infrastructure of 9 historic cities of national significance	US\$
India 	Government of India	Sovereign financing	US\$350mn	Construction and upgrading of rural roads with a total length of 4,000 km, spread across 26 districts in the state of Bihar, and benefiting approximately 3,400 places of habitation	US\$
China 	Government of China	Sovereign financing	US\$300mn	Sustainable infrastructure development in 7 small cities in Chongqing Municipality, to improve the living conditions of local residents	US\$
South Africa 	Transnet SOC Ltd. (Transnet)	Non-Sovereign financing	US\$200mn	To enhance the capacity of port in Durban, through rehabilitating of container terminal berths and upgrading of port infrastructure to provide additional slots for larger vessels	US\$



Loans Approved in 2018 2/2

Country	Borrower	Type	Loan Amount	Purpose	Loan currency
China 	Government of China	Sovereign financing	US\$300mn	Construction of the first urban rail line in the city of Luoyang stretching 22 km along 18 stations	US\$
South Africa 	The Development Bank of Southern Africa (“DBSA”)	Loan to NFI	US\$300mn	Loan to a NFI for on-lending to sustainable development projects within the energy sector in South Africa that contribute to the reduction in CO ₂ emissions, improvement of energy sector mix and robustness, as well as to the increase of energy efficiency	US\$



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