NEW DEVELOPMENT BANK SOVEREIGN GUARANTEED LOAN PRICING

New Development Bank ('NDB' or 'the Bank') sovereign guaranteed loan pricing is based on a floating benchmark rate plus a spread that is fixed over the life of the loan. The applicable spread is the sum of the contractual spread, the maturity premium, the market risk premium and the cost of funds over benchmark rate. The lending spread will vary according to average repayment maturity. In addition to the spread over benchmark rate, the Bank charges a front-end fee and a commitment fee. The individual components of the lending spread applicable to different maturity categories are presented in Table 1:

Table 1: Lending Spread for Sovereign Guaranteed Loans Denominated in USD

	6-Month LIBOR + Fixed Spread (As on date)					
Benchmark	**6-Month LIBOR**					
Average Repayment Maturity	**Up to 8 years**	**Greater than 8 to 10 years**	**Greater than 10 to 12 years**	**Greater than 12 to 15 years**	**Greater than 15 to 18 years**	**Greater than 18 to 19 years**
Contractual Lending Spread	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Maturity Premium	0.00%	0.05%	0.10%	0.20%	0.30%	0.35%
Market Risk Premium	0.05%	0.10%	0.10%	0.10%	0.15%	0.15%
Cost of Funds over Benchmark Rate	0.10%	0.20%	0.25%	0.25%	0.30%	0.35%
Lending Spread	**0.65%**	**0.85%**	**0.95%**	**1.05%**	**1.25%**	**1.35%**

The front-end fee and the commitment fee are set out in Table 2:

Table 2: Front-end Fee and Commitment Fee

Type of Charge	Rate (basis points)	Basis
Front-end Fee	25	Approved loan amount
Commitment Fee	25	The commitment fee is levied on the accrued portion of undisbursed net-loan balance. The charge will be effective 60 days after the signing of the loan agreement. The accrued balance will be 15% of net loan balance undisbursed in the first year, 45% of net loan balance undisbursed in the second year, 85% of net loan balance undisbursed in the third year, and 100% of net loan balance undisbursed thereafter.