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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED HEREIN (THE "**SECURITIES**") HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND INCLUDE SECURITIES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR, THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN THE INTERNAL REVENUE CODE OF 1996, AS AMENDED (THE "**U.S. TAX CODE**")), EXCEPT IN CERTAIN TRANSACTIONS PERMITTED BY U.S. TAX REGULATIONS AND THE SECURITIES ACT.

THE FOLLOWING BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Confirmation of your Representation:** In order to be eligible to view this Base Prospectus or make an investment decision with respect to the securities, investors must not be a U.S. person (as defined in the U.S. Tax Code). By accepting the e-mail and accessing this Base Prospectus, you shall be deemed to have represented to us that you are not a U.S. person (as defined in the U.S. Tax Code); the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; and that you consent to delivery of such Base Prospectus by electronic transmission.

You are reminded that this Base Prospectus has been delivered to you on the basis that you are a person into whose possession this Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Base Prospectus to any other person.

This Base Prospectus does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Arranger and Dealers (as defined herein) or any affiliate of the Arranger or applicable Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Arranger or such Dealer or such affiliate on behalf of New Development Bank (the "**Issuer**") in such jurisdiction.

Under no circumstances shall this Base Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. This Base Prospectus may only be communicated to persons in the United Kingdom in circumstances where Section 21(1) of the Financial Services and Markets Act 2000, as amended, does not apply.

This Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Arranger, the Dealers nor any person who controls any of the foregoing nor any director, officer, employee representative nor agent of any of the foregoing nor affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuer or the Paying Agents described herein.

## BASE PROSPECTUS



# NEW DEVELOPMENT BANK

## U.S.\$50,000,000,000

### Euro Medium Term Note Programme

Under this U.S.\$50,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), New Development Bank ("**NDB**" or the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). The Issuer was formed by the respective Governments of the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa, pursuant to the Issuer's Articles of Agreement which entered into force on 15 July 2015 (the "**Articles of Agreement**").

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$50,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement (as defined in "Subscription and Sale")), subject to increase as described herein. The Notes may be issued on a continuing basis to the Dealer(s) specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this base prospectus (the "**Base Prospectus**") to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in the Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as the competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") as a base prospectus issued in compliance with the Prospectus Regulation for the purpose of giving information with regard to the issue of Notes issued under the Programme. The Central Bank has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer that is the subject of the Base Prospectus nor as an endorsement of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. Furthermore, such approval relates only to Notes which are to be admitted to trading on a regulated market for the purposes of the Prospectus Regulation and/or which are to be offered to the public in any Member State of the European Economic Area. This Base Prospectus is valid for a period of 12 months from the date of approval. The obligation to supplement the Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Base Prospectus is no longer valid.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for Notes issued under the Programme within 12 months of the date of this Base Prospectus to be admitted to the official list of Euronext Dublin (the "**Official List**") and to trading on its regulated market (the "**Regulated Market**"). The Regulated Market is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**MiFID II**"). This base prospectus constitutes a Base Prospectus for the purpose of the Prospectus Regulation. References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on the Regulated Market.

Each Series (as defined in "*Overview of the Programme – Distribution*") of Notes will be represented on issue by either: (i) a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**"); or (ii) a global note certificate (each a "**Global Note Certificate**") in registered form. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Overview – Form of the Notes*".

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (as defined below) and save that the minimum denomination of each Note admitted to trading on a regulated market situated or operating within the European Economic Area (the "**EEA**") and/or offered to the public in an EEA state in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act (see "*Subscription and Sale*"). The Issuer has been rated AA+ by Standard and Poor's Global Ratings ("**S&P**"), AA+ by Fitch Ratings Inc. ("**Fitch**") and AAA by Japan Credit Rating Agency, Ltd. ("**JCR**"). The Programme has been rated AA+ by S&P and AA+ by Fitch. S&P, Fitch and JCR are not established in the EEA and are not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating each of S&P and Fitch has given to the Notes is not endorsed by a credit rating

agency established in the European Economic Area (the "EEA") and registered under the CRA Regulation. Where a Tranche (as defined herein) of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by S&P or Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

*Arranger and Dealer*

**HSBC**

The date of this Base Prospectus is 12 December 2019

## IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect the import of such information.

The Dealers have not independently verified the information contained herein (including any information incorporated by reference herein). Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus, or accepts any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

### **Product Governance under Directive 2014/65/EU (as amended)**

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## **IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY**

### **THE NOTES ARE NOT OBLIGATIONS OF ANY GOVERNMENT.**

This Base Prospectus may only be used for the purposes for which it has been published.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA, Hong Kong, Japan and Singapore - see "*Subscription and Sale*".

This Base Prospectus has been prepared on a basis that would permit an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Regulation to publish a prospectus. As a result, any offer of Notes in any Member State of the European Economic Area must be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes in that Member State may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

**Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### **Ratings**

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be: (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation; or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless: (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation; or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

## Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) Notes are legal investments for it; (2) Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## Benchmark Regulation

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/2011 (the "**Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmarks Regulation. Transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

Amounts payable under the Notes may, *inter alia*, be calculated by reference to the London inter-bank offered rate ("**LIBOR**"), which is provided by ICE Benchmark Administration Limited, the Euro inter-bank offered rate ("**EURIBOR**") which is provided by the European Money Markets Institute, the Sterling Overnight Index Average ("**SONIA**") which is provided by the Bank of England and the Secured Overnight

Financing Rate ("**SOFR**") which is provided by the Federal Reserve Bank of New York. As at the date of this Base Prospectus, the European Money Markets Institute, the Bank of England and the Federal Reserve Bank of New York do not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply or other exemptions from the Benchmark Regulation apply, such that the European Money Markets Institute, the Bank of England and the Federal Reserve Bank of New York are not (currently) required to obtain such authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence). As at the date of this Base Prospectus, ICE Benchmark Administration Limited appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation.

### **Forward-Looking Statements**

This Base Prospectus includes forward-looking statements. All statements other than statements of historical fact included in this Base Prospectus regarding, among other things, the fiscal condition, debt or prospects of the Issuer may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "project", "intend", "estimate", "anticipate", "believe", "continue", "could", "should", "would" or the like. Although the Issuer believes that expectations reflected in its forward-looking statements are reasonable as at the date of this Base Prospectus, there can be no assurance that such expectations will prove to have been correct and actual results may differ materially. The Issuer undertakes no obligation to update the forward-looking statements contained in this Base Prospectus or any other forward-looking statement it may make.

### **PRESENTATION OF INFORMATION**

In this Base Prospectus, all references to:

- References in this Base Prospectus to the "**Group**" are to the Issuer and its consolidated subsidiaries from time to time, taken as a whole;
- "**U.S. dollars**", "**USD**", "**U.S.\$**" and "**\$**" refer to United States dollars;
- "**Sterling**", "**GBP**" and "**£**" refer to pounds sterling; and
- "**euro**", "**EUR**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.



## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following information which has been previously published or are published simultaneously with this Base Prospectus and which have been filed with Euronext Dublin and the Central Bank of Ireland:

1. the unaudited condensed financial statements of the Issuer in respect of the period ended 30 September 2019 (found at: <https://www.ndb.int/wp-content/uploads/2019/12/INDEPENDENT-AUDITOR.pdf>) (the "**Interim Financial Statements**");
2. the Independent Auditor's Report and the audited financial statements (including the notes thereto) of the Issuer in respect of the year ended 31 December 2018 (set out on pages 64 to 102, of the 2018 Annual Report of the Issuer found at: [https://www.ndb.int/wp-content/uploads/2019/07/NDB\\_AR2018.pdf](https://www.ndb.int/wp-content/uploads/2019/07/NDB_AR2018.pdf)) (the "**2018 Financial Statements**"); and
3. the Independent Auditor's Report and the audited financial statements (including the notes thereto) of the Issuer in respect of the year ended 31 December 2017 (set out on pages 56 to 96, of the 2017 Annual Report of the Issuer found at: [https://www.ndb.int/wp-content/uploads/2018/07/NDB\\_AR2017.pdf](https://www.ndb.int/wp-content/uploads/2018/07/NDB_AR2017.pdf)) (the "**2017 Financial Statements**" and together with the Interim Financial Statements and the 2018 Financial Statements, the "**Financial Statements**").

The Interim Financial Statements have been prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting" with special presentation that the figures for the year ended December 31, 2018 is included in the unaudited condensed statement of profit or loss and other comprehensive income.

Such documents shall be incorporated in and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Those parts of the documents incorporated by reference in this Base Prospectus which are not specifically incorporated by reference in this Base Prospectus are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Base Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus. Unless specifically incorporated by reference into this Base Prospectus, information contained on any website does not form part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained without charge from the registered office of the Issuer and are available for viewing on the website of the Issuer following the links above.

## **SUPPLEMENTARY PROSPECTUS**

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus.

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## **RISK FACTORS**

*In purchasing the Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

### **Risks related to the Issuer**

***The Issuer is an international financial institution and Notes issued under the Programme are not guaranteed by any sovereign entity or agency***

The Issuer is an international organisation founded by its member states pursuant to the Articles of Agreement (as defined herein). The Articles of Agreement have the status of a treaty under public international law and the Issuer is a creation of, and subject to, public international law. The Issuer's existence, powers, privileges, immunities, liabilities and operations are subject to and governed by the Articles of Agreement. The Issuer is not subject to regulation by any state. Accordingly, while the Issuer has established policies and procedures to govern its internal operations in accordance with international standards, the operations of the Issuer are not subject to external regulatory oversight unlike domestic financial institutions of its member states.

Although founded by its member states, the Issuer is a legal entity separate from both the governments of its members and the agencies of such governments. The principal of any Notes issued under the Programme, and interest due or to become due in respect of such Notes, constitute obligations solely of the Issuer and do not constitute the obligation of, nor are they guaranteed or insured by any of its member states or sovereign entities or agencies thereof. Since the Issuer's obligations are not guaranteed or insured by any one sovereign or member state, the Issuer does not have one single lender of last recourse.

### ***Credit risk***

Credit risk is defined as risk of financial loss arising from the failure of the borrower or other obligor, to meet its contractual obligations to the Issuer. It can arise from both funded and non-funded transactions that are contingent in nature. As the Issuer provides financial support through loans, guarantees, equity investment and other financial activities, the inability or unwillingness of borrowers or obligors to meet their financial obligations towards the Issuer leads to credit risk. According to the nature of the Issuer's business, the principal sources of credit risks are:

- (a) credit risk in its sovereign operations;
- (b) credit risk in its non-sovereign operations; and
- (c) obligors credit risk in its treasury business.

The Issuer mainly relies on external credit ratings from major international rating agencies (e.g. Moody's Investors Service, Standard and Poor's Global Ratings and Fitch Ratings) to provide an initial assessment of the credit quality of borrowers and treasury counterparties. In cases where the loans are guaranteed by the governments of the individual countries, the credit risk is assessed on the guarantor. The risk division of the Issuer monitors the overall credit risk profile of the Issuer on a periodic basis. For loans without a sovereign guarantee, in addition to external credit ratings, the Issuer uses an internal credit rating taking into account specific project, sector, macro and country credit risks. The risk division monitors the overall credit risk profile of the Issuer on a periodic basis.

In addition, the majority of the Issuer's portfolio is located within jurisdictions and economic sectors for which adequate statistical and qualitative information is available and thus credit recommendations are made on information from the most reliable of these sources. With regard to specific projects, the Issuer conducts a due diligence process. However, the Issuer's relatively short track record, combined with the medium-and long-term nature of a large part of the credit portfolio, offers no assurance that these techniques will prove sufficient to mitigate credit risks inherent to such operations. Whilst nil was due from borrowers or was classified as a default as at 31 December 2018, the Issuer is in the process of building its loan portfolio. As such, the Issuer still considers credit risk to be a material risk to its business as it is not possible to eliminate entirely the possibility of adverse credit risk events. This in turn could have a material adverse effect on the Issuer's financial condition and results of operations.

### ***Operational risk***

Operational risk can be defined as being the risk of losses resulting from inadequate or failed internal processes, people and systems, or from external events. It thus excludes strategic and reputation risks but includes legal and regulatory risks. The Issuer's operational risk management framework is built on three key principles:

- (a) business units are responsible for directly managing operational risks in their respective functional areas;
- (b) a dedicated central operational risk team coordinates the process and assists business units to anticipate, identify, mitigate, and control operational risk; and
- (c) oversight is provided by the Audit, Risk and Compliance Committee and independent control functions such as the Internal Audit division.

The Issuer has established a comprehensive operational risk management framework and control system. However, a framework or control system, no matter how well designed and operated, can only provide reasonable, not absolute, assurance that the objectives of the control system will be satisfied. Inherent limitations in any system of controls include the possibility that judgments in decision making could be faulty and that breakdowns could occur as a result of simple human error or mistake. The design of the Issuer's control system is based in part upon certain assumptions about the likelihood of future events. There can be no assurance that the Issuer will not suffer losses from any failure of these controls to detect or contain operational risk in the future. Consequently, the potential inadequacy of the Issuer's internal processes or systems may result in unauthorised transactions and errors not being detected, or the Issuer's insurance may not cover the Issuer's losses from such transactions or errors, which may have a material adverse effect on the Issuer's financial condition and/or results of operations.

### ***Liquidity risk***

The Issuer's liquidity risk arises largely in the following way:

- (a) insufficient liquidity to settle obligations or to meet cash flow needs, including but not limited to the inability to maintain normal lending operations via loan disbursements and other payment obligations; and
- (b) inability to liquidate an investment within the required period of time without undue loss of value.

The Issuer utilises a set of short-term, long-term and stressed metrics for identifying, monitoring and managing liquidity risk. The Issuer balances the placement and tenor of its liquid assets to optimise interest income and provide a source of liquidity for strategic and day-to-day cash needs, as well as meeting unanticipated funding requirements.

Despite having a conservative approach to liquidity risk, it does not mitigate entirely the possibility that liquidity shortages and severe market conditions may have an adverse impact on the Issuer's financial condition.

### ***Market risk***

Market risk is the risk that variations in market rates and values of the Issuer's assets, liabilities and off-balance sheet positions result in a loss to the Issuer. The Issuer's exposure to market risk is currently derived

from interest rate risks and exchange rate risks that emanate from the Issuer's operations. These risks are further described below:

(a) *Interest rate risk*

Interest rate risk is defined as the risk of adverse impact on the Issuer's financial position, including its income and economic value, due to interest rate movements. The Issuer's lending and investment activities expose the Issuer to interest rate risk, whilst changes in the macro-economic environment significantly impact the movement of interest rate curves in different currencies to which the Issuer is exposed. For instance, movements in global interest rates have also continued to be unpredictable. The decision of the U.S. Federal Reserve to raise interest rates in December 2015 for the first time since 2006 and recently in December 2018 (although interest rates were cut in September 2019) has likely further exacerbated the reduced liquidity environment.

(b) *Exchange rate risk*

The exchange rate risk the Issuer faces arises from the impact of exchange rate variations on net unhedged positions in non-USD currencies. Movements in currencies, in which the Issuer transacts, relative to its functional currency (USD), may affect the Issuer's results. In addition, the policies of the governments of the Issuer's member states can have a material impact on foreign currency exchange rates and such policies are subject to change. The Issuer is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and to limits on its open currency positions pursuant to its internal policies. The Issuer is sensitive to exchange rate fluctuations of the U.S. dollar and its loan portfolio reflects this. For example, as at 31 December 2018 and as at 30 September 2019, 12 per cent. and 10 per cent., respectively of all of NDB's loan principals were made in non-USD currencies, highlighting the Issuer's relatively exposed position.

Whilst the Issuer has low appetite for market risk and believes that it has implemented the appropriate policies, systems and processes to minimise these risks, investors should note that a worsening of current global financial market conditions could lead to decreases in investor and consumer confidence, market volatility, economic disruption and, as a result, could have an adverse effect on the business, results of operations, financial condition and prospects of the Issuer irrespective of steps currently taken to adequately control these risks.

**Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

**Risks related to the structure of a particular issue of Notes**

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes:

***If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return***

An optional redemption feature of the Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes or when the Issuer is perceived by the market to have a redemption right available to it, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates***

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

**Risks related to Notes generally**

Set out below is a description of material risks relating to the Notes generally:

***The terms of the Notes contain provisions which may permit their modification without the consent of all investors***

The terms of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

***The value of the Notes could be adversely affected by a change in English law or administrative practice***

The terms of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

***Investors who purchase Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

***Reliance on Euroclear and Clearstream, Luxembourg procedures***

Notes issued under the Programme will be represented on issue by one or more Global Notes or Global Note Certificates that may be delivered to a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in each Global Note or Global Note Certificate (as applicable), investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note or Global Note Certificate held through it. While the Notes are represented by a Global Note or Global Note Certificate, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes or Global Note Certificates (as applicable), the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note or Global Note Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note or Global Note Certificate (as applicable).

Holders of beneficial interests in a Global Note or Global Note Certificate will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

***The Notes are unsecured and the terms and conditions permit the Issuer to create security over its assets***

The Notes will be unsecured. If the Issuer defaults on the Notes, or in the event of a bankruptcy, liquidation or reorganisation, then, to the extent that the Issuer has granted security over its assets, the assets that secure those obligations will be used to satisfy the obligations thereunder before the Issuer could sell or otherwise dispose of those assets in order to make any payment on the Notes. As a result of the granting of such security, there may only be limited assets available to make payments on the Notes in such circumstances.

***Certain benchmark rates, including LIBOR and EURIBOR, may be discontinued or reformed in the future - including the potential phasing-out of LIBOR after 2021***

LIBOR, EURIBOR and other interest rate or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

The Benchmark Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds became applicable from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. The Benchmark Regulation could have a material impact on any Notes linked to LIBOR, EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks."

As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 and, on 12 July 2018, announced that the LIBOR benchmark may cease to be a regulated benchmark under the Benchmark Regulation. Such announcements indicate that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021.

At this time, it is not possible to predict the effect of any establishment of alternative reference rates or any other reforms to LIBOR that may be enacted in the United Kingdom or elsewhere. Uncertainty as to the nature of such alternative reference rates or other reforms may adversely affect the trading market for LIBOR-linked securities. The potential elimination of benchmarks, such as LIBOR, the establishment of alternative reference rates or changes in the manner of administration of a benchmark could also require adjustments to the terms of benchmark-linked securities and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form.

The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 6(i) (*Benchmark Discontinuation*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to LIBOR, EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The "Terms and Conditions of the Notes" provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published



(or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions), the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

***The market continues to develop in relation to SONIA and SOFR as reference rates for Floating Rate Notes***

On 29 November 2017, the Bank of England and the FCA announced that, from January 2018, the Bank of England's Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to SONIA over the next four years across sterling bond, loan and derivatives markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. Investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Floating Rate Notes that reference a SONIA rate issued under this Programme. As SONIA is published and calculated by the Bank of England based on data received from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that SONIA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes linked to SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

SOFR is published by the Federal Reserve Bank of New York (the "**Federal Reserve**") and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities. The Federal Reserve notes on its publication page for SOFR that the Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice. Because SOFR is published by the Federal Reserve based on data received from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes linked to SOFR. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes. The Federal Reserve began to publish SOFR in April 2018. The Federal Reserve has also begun publishing historical indicative SOFR rates going back to 2014. Investors should not rely on any historical changes or trends in SOFR as an indicator of future changes in SOFR. Also, since SOFR is a relatively new market index, Notes linked to SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of the Notes linked to SOFR may be lower than those of later-issued indexed debt securities as a result.

The Issuer may in the future also issue Notes referencing SONIA or SOFR that differ materially in terms of interest determination when compared with any previous SONIA-referenced or SOFR-referenced Notes issued under the Programme. The nascent development of Compounded Daily SONIA, Compounded Daily SOFR and Weighted Average SOFR as interest reference rates for the Eurobond markets, as well as continued development of SONIA-based and SOFR-based rates for such markets and market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or otherwise affect the market price of any SONIA-referenced or SOFR-referenced Notes issued under the Programme. Interest on Notes which reference Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes that reference a SONIA rate or SOFR rate to reliably estimate the amount of interest that will be payable on such Notes. Further, if the Notes become due and payable under Condition 11 (*Events of Default*), the Rate of Interest applicable to the Notes shall be determined on the date the Notes became due and payable and shall not be reset thereafter. In addition, the manner of adoption or application of SONIA reference rates and SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA and SOFR in other markets, such as the derivatives and loan markets.

Investors should carefully consider how any mismatch between the adoption of SONIA reference rates and SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes referencing a SONIA rate or a SOFR rate. Investors should consider these matters when making their investment decision with respect to any such Notes.

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

***In respect of any Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds", there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor***

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds or an amount equal to the proceeds from an offer of those Notes specifically for assets and projects that promote climate-friendly, environmental and other sustainable purposes ("**Eligible Assets**"). Prospective investors should determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or the Dealers that the use of such proceeds or an amount equal to such proceeds for any Eligible Assets will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Assets. Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes a "green" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or such other similar label, nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors by the Issuer, the Dealers or any other person that any projects or uses the subject of, or related to, any Eligible Assets will meet any or all investor expectations regarding such "green" or other similarly-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Assets.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Eligible Assets to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as

of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green" or other similarly-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, social or sustainability impact of any projects or uses, the subject of or related to, any Eligible Assets. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds or an amount equal to the proceeds of any Notes so specified for Eligible Assets in, or substantially in, the manner described in this Base Prospectus and the relevant Final Terms, there can be no assurance from the Issuer, the Dealers or any other person that the relevant project(s) or use(s) the subject of, or related to, any Eligible Assets will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Assets. Nor can there be any assurance that such Eligible Assets will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment, social or other "sustainable" projects) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds or an amount equal to such proceeds of any issue of Notes for any Eligible Assets as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Assets and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

***Under the Articles of Agreement as in force from time to time, no tax of any kind shall be levied by a member state of the Issuer on any obligation or security issued by the Issuer***

Under the Articles of Agreement, the Issuer is exempt from any obligation for the payment, withholding or collection of any tax by a member state. Accordingly, the interest due on the Notes will be paid to the Paying Agents without deduction in respect of any tax by a member state. If any taxation does apply to payments due on the Notes, notwithstanding the provisions of the Articles of Agreement, neither the Issuer nor the Paying Agents will make any additional payment in the event of any deduction or withholding being required in respect of such taxation and neither the Issuer nor the Paying Agents shall be liable to any holder of the Notes or to any other person for any commissions, costs, losses or expenses in relation to or resulting from such withholding or payment. Please see "*Taxation – Tax status of the Issuer*".

### **Risks related to the market generally**

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes***

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices

that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

***If an investor holds Notes which are not denominated in the investor's home currency, the investor will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency-equivalent yield on the Notes; (ii) the Investor's Currency-equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates***

Investment in Fixed Rate Notes involves the risk that, if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

***Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes***

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, issuers listing notes on a Regulated Market are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

## OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, a new drawdown prospectus will be published.

Words and expressions defined in "Summary of Provisions relating to the Notes while in Global Form" and "Terms and Conditions of the Notes" shall have the same meanings in this Overview.

<b>Issuer:</b>	New Development Bank
<b>Legal Entity Identifier ("LEI")</b>	254900VPI91W77OUM06
<b>Description:</b>	U.S.\$50,000,000,000 Euro Medium Term Note Programme
<b>Arranger:</b>	HSBC Bank plc
<b>Dealers:</b>	HSBC Bank plc

and any other Dealers appointed in accordance with the Programme Agreement.

<b>Certain Restrictions:</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ") including the following restrictions applicable at the date of this Base Prospectus.
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### Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000, as amended, unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent - see "*Subscription and Sale*".

<b>Fiscal Agent:</b>	HSBC Bank plc
<b>Registrar:</b>	HSBC Bank plc
<b>Listing Agent:</b>	Walkers Listing Services Limited
<b>Programme Size:</b>	Up to U.S.\$50,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the Programme Agreement.
<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The Notes will be issued in series (each a " <b>Series</b> ") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each

Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the "**Final Terms**").

**Currencies:**

Notes may be denominated in, subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.

**Maturities:**

The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

**Issue Price:**

Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

**Form of the Notes:**

The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). For further information, see "Form of the Notes".

**Fixed Rate Notes:**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (b) on the basis of the reference rate set out in the applicable Final Terms.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

<b>Zero Coupon Notes:</b>	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
<b>Redemption:</b>	<p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity or that such Notes will be redeemable at the option of the Issuer upon giving notice to the Noteholders on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. The Notes will only be redeemed at an amount other than 100 per cent. of their nominal amount in the case of certain Zero Coupon Notes.</p> <p>Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution - see "<i>Certain Restrictions - Notes having a maturity of less than one year</i>" above.</p>
<b>Benchmark Discontinuation:</b>	In the case of Floating Rate Notes, if the Issuer determines that a Benchmark Event has occurred, the Issuer may in consultation with an Independent Adviser, determine that: (i) the relevant benchmark or screen rate may be replaced by a Successor Rate; or (ii) if there is no Successor Rate but the Issuer determines there is an Alternative Rate, such Alternative Rate. An Adjustment Spread may also be applied to the Successor Rate or the Alternative Rate (as the case may be). This is further described in Condition 6(i).
<b>Denomination of Notes:</b>	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency - see " <i>Certain Restrictions - Notes having a maturity of less than one year</i> " above - and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
<b>Taxation:</b>	Pursuant to its Articles of Agreement, payments of principal and interest may be made by the Issuer without withholding or other deduction for any withholding taxes imposed by a member of the Issuer. The Issuer will not pay additional amounts to holders of Notes in respect of any withholding tax.
<b>Cross Acceleration:</b>	The terms of the Notes will contain a cross acceleration provision as further described in Condition 11(c).
<b>Status of the Notes:</b>	The Notes constitute the direct, unconditional obligations of the Issuer which will at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future unsecured obligations of the Issuer save for such obligations as may be preferred by provisions of law that are both mandatory and general application. The Notes are not obligations of any government.
<b>Rating:</b>	The Programme has been rated AA+ by S&P and AA+ by Fitch. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not

necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

S&P, Fitch and JCR are not established in the European Union and registered under Regulation 1060/2009/EC of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended).

**Listing:**

Application has been made for the Notes to be admitted to listing on the Official List and to trading on the Regulated Market.

Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading.

**Governing Law:**

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, Hong Kong, Japan and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes – see "*Subscription and Sale*".

**Use of Proceeds:**

The net proceeds from each issue of Notes will be used for the general corporate purposes of the Issuer. The Notes may be referred to as "**Green Bonds**", "**Social Bonds**" or "**Sustainability Bonds**" (as specified in the relevant Final Terms). If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.



## **SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

### **Clearing System Accountholders**

In relation to any Tranche of Notes represented by a Global Note, references in the Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper. (See terms and conditions set out under "*Terms and Conditions of the Notes*" below).

In relation to any Tranche of Notes represented by one or more Global Note Certificates, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name the relevant Global Note Certificate is for the time being registered in the Register and which is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Note Certificate (each an "**Accountholder**") must look solely to Euroclear, Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer, to the holder of such Global Note or Global Note Certificate and in relation to all other rights arising under such Global Note or Global Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Note Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Note Certificate, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Note Certificate.

### **Deed of Covenant**

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or Global Note Certificate will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Note or Global Note Certificate became void, they had been the holders of Definitive Notes or Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### **Transfers of Interests in Global Notes and Global Note Certificates**

Transfers of interests in Global Notes and Global Note Certificates within Euroclear and Clearstream, Luxembourg or any other relevant clearing system will be in accordance with their respective rules and operating procedures. None of the Issuer, the Registrar, the Dealers or the Agents will have any responsibility or liability for any aspect of the records of any of Euroclear and Clearstream, Luxembourg or any other relevant clearing system or any of their respective participants relating to payments made on account of beneficial ownership interests in a Global Note or Global Note Certificate or for maintaining, supervising or reviewing any of the records of Euroclear and Clearstream, Luxembourg or any other relevant clearing system or the records of their respective participants relating to such beneficial ownership interests.

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holdings of Notes. Consequently, the ability to transfer interests in a Global Note Certificate to such persons will be limited. Because clearing systems only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Note Certificate to pledge such interest to persons or entities which do not participate in the relevant clearing systems, or otherwise take actions in respect of such interest, may be affected by the lack of an Individual Note Certificate representing such interest.

Although Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Note Certificates among participants and account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Registrar, the Dealers or the Agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their respective operations.

While a Global Note Certificate is lodged with Euroclear, Clearstream, Luxembourg or any relevant clearing system, Individual Note Certificates for the relevant Series of Notes will not be eligible for clearing and settlement through such clearing systems.

#### **Conditions applicable to Global Notes and Global Note Certificates**

Each Global Note and Global Note Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Note Certificate. The following is a summary of certain of those provisions:

**Payments:** All payments in respect of the Global Note or Global Note Certificate which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Note Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

**Payment Business Day:** In the case of a Global Note, or a Global Note Certificate, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

**Payment Record Date:** Each payment in respect of a Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

**Exercise of put option:** In order to exercise the option contained in Condition 8(d) (*Redemption at the option of Noteholders*) the bearer of a Permanent Global Note or the holder of a Global Note Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

**Partial exercise of call option:** In connection with an exercise of the option contained in Condition 8(b) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Note Certificate may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

**Notices:** Notwithstanding Condition 17 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Note Certificate and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Note Certificate is deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given

to the Noteholders in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

***Electronic Consent and Written Resolution:*** While any Global Note or Global Note Certificate is held on behalf of a clearing system, then:

- (a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**") shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and
  
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer and Fiscal Agent shall be entitled to rely on consent or instructions given in writing directly to the Issuer and Fiscal Agent by: (a) accountholders in the clearing system with entitlements to such Global Note or Global Note Certificate and/or; where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer and Fiscal Agent shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

## FORM OF THE NOTES

Notes that are issued under the Programme shall either be in the form of Bearer Notes or Registered Notes, as set out in the Final Terms for the relevant Tranche of Notes.

Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.

Each Tranche of Bearer Notes will initially be in the form of either a temporary global note (a "**Temporary Global Note**") or, if so specified in the relevant Final Terms, a permanent global note (a "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**"). So long as the Bearer Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) as specified in the relevant Final Terms.

Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream, Luxembourg S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Notes in definitive bearer form ("**Definitive Notes**"). The Temporary Global Notes may not be exchangeable for Definitive Notes in relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount. In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, the Permanent Global Note shall only be exchangeable for Definitive Notes in the limited circumstances described in the Permanent Global Note.

If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, either have interest coupons ("**Coupons**") attached and, if appropriate, a talon ("**Talon**") for further Coupons.

Each Tranche of Registered Notes will be represented by either individual note certificates ("**Individual Note Certificates**") or one or more global note certificates ("**Global Note Certificates**").

Each Note represented by a Global Note Certificate will be registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common depositary.

Each Note represented by a Global Note Certificate will either be: (a) in the case of a Certificate which is not to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common depositary; or (b) in the case of a Certificate to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the relevant Global Note Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, the Global Note Certificate shall only be exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate.

## APPLICABLE FINAL TERMS

*The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**[MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any *negative* target market]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer[*s/s'*] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[*s/s'*] target market assessment) and determining appropriate distribution channels.]

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, "**MiFID II**")/MiFID II]; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (THE "SFA")** - [To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)]".<sup>1</sup>

Final Terms dated [•]

## NEW DEVELOPMENT BANK

**Legal Entity Identifier: 254900VPI91W77OUM06**

**Issue of [Aggregate Principal Amount of Tranche] [Title of Notes] (the "Notes") under its Euro Medium Term Note Programme**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 12 December 2019 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (as used herein, "**Prospectus Regulation**" means Regulation (EU) 2017/1129) (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus, including the documents incorporated by reference. The Base Prospectus is available for viewing at <https://www.ndb.int/investor-relations/>.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold within the United States or its possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). Each Dealer has agreed that it will not offer or, sell any Notes within the

<sup>1</sup> For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

United States or its possessions or to, or for the account or benefit of, U.S. persons, except in accordance with Rule 903 of Regulation S.

[In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.]

[Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

#### PART A – CONTRACTUAL TERMS

1. (i) Series Number: [•]
- (ii) Tranche Number: [•] *(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
- (iii) Date on which the Notes will be consolidated and form a single series: The Notes will be consolidated and form a single Series with [•] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [22] below, which is expected to occur on or about [•]] [Not Applicable]
2. Specified Currency or Currencies: [•]
3. Aggregate Principal Amount: [•]
  - (i) Series: [•]
  - (ii) Tranche: [•]
4. (i) Issue Price: [•] per cent. of the Aggregate Principal Amount [plus accrued interest from *[insert date]* (in the case of fungible issues only, if applicable)]
5. (i) Specified Denominations: [•] [and integral multiples of [•] in excess thereof up to and including [•]. No Notes in definitive form will be issued with a denomination above [•]]
  - (ii) Calculation Amount: [•]
6. [(i)] Issue Date: [•]  
[(ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]]
7. Maturity Date: [•] *specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*
8. Interest Basis: [[•] per cent. Fixed Rate]  
[EURIBOR / LIBOR / SONIA / SOFR +/- [•] per cent. Floating Rate]

[Zero Coupon]

*(further particulars specified below)*

9. Redemption/Payment Basis: [Redemption at par]/[•] per Calculation Amount]
10. Change of Interest or Redemption/  
Payment Basis: [•] [Not Applicable]
11. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
12. Status of the Notes: Senior
13. Method of distribution: [Syndicated/Non-syndicated]
14. Date of approval for issuance of Notes  
obtained: [•] [Not applicable]

*(N.B. Only relevant where authorisation is required for the particular tranche of Notes )*

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate [(s)] of Interest: [•] per cent. per annum [payable [annually/ semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]] [Not applicable]
- (v) Day Count Fraction: [Actual/Actual (ICMA)]  
[Actual/365]  
[Actual/365 (Fixed)]  
[Actual/360]  
[30/360]  
[30E/360 / Eurobond Basis]  
[30E/360 (ISDA)]
16. Floating Rate Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Interest Period(s): [•]

- (ii) Specified Interest Payment Dates: [•]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (iv) Additional Business Centre(s): [•] [Not Applicable]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ ISDA Determination]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Fiscal Agent]): [[Name] shall be the Calculation Agent (*no need to specify if the Fiscal Agent is to perform this function*)]
- (vii) Screen Rate Determination: [Applicable – Term Rate/Applicable – Overnight Rate/Not Applicable]
- Reference Rate [EURIBOR / LIBOR / SONIA / SOFR]
- Interest Determination Date(s): [•]
- Relevant Screen Page: [•]
- Overnight Reference Rate: [Compounded Daily SONIA/Compounded Daily SOFR/Weighted Average/Not Applicable]
- Observation Method: [Lag/Lock-out/Not Applicable]
- Observation Look-back Period [[•]/Not Applicable]
- (In the case of Compounded Daily SONIA: "p" London Banking Days, where "p" shall not be less than five without the prior agreement of the Calculation Agent)
- (viii) ISDA Determination:
- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]
- ISDA Benchmarks Supplement [Applicable/Not Applicable]
- (ix) Margin(s): [+/-][•] per cent. per annum
- (x) Minimum Rate of Interest: [•] per cent. per annum
- (xi) Maximum Rate of Interest: [•] per cent. per annum
- (xii) Day Count Fraction: [•]
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]



- (xiv) Linear Interpolation [Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation / Not Applicable]
- (xv) Reference Rate Replacement [Applicable/Not Applicable].
17. Zero Coupon Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Day Count Fraction in relation to Early Redemption Amounts: [Actual/Actual (ICMA)]
- [Actual/365]
- [Actual/365 (Fixed)]
- [Actual/360]
- [30/360]
- [30E/360 / Eurobond Basis]
- [30E/360 (ISDA)]

#### **PROVISIONS RELATING TO REDEMPTION**

18. Call Option: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount
- (iv) Notice period: [•]
- (v) [•]
19. Maturity Call [Applicable/Not Applicable]
- (i) Optional Redemption Date (Maturity Call) [•]
20. Put Option: [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Optional Redemption Date(s): [•]
  - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•] per Calculation Amount
  - (iii) Notice period: [•]
20. Final Redemption Amount: [•] per Calculation Amount
21. Early Redemption Amount:
- Early Redemption Amount(s) per Calculation Amount payable on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): *[Not Applicable (if the Early Termination Amount are the principal amount of the Notes/or the Early Termination Amount if different from the principal amount of the Notes)]*

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

22. Form of Notes:

#### **Bearer Notes:**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]

[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice.]

[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[In relation to any Notes issued with a denomination of U.S.\$100,000 (or equivalent) and integral multiples of U.S.\$1,000 (or equivalent), the Permanent Global Note representing such Notes shall only be exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note. Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.]

#### **Registered Notes:**

[Global Note Certificate exchangeable for Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances described in the Global Note Certificate]

[and]

[Global Note Certificate [(•) nominal amount]] registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/ a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS)).]

23. New Global Note: [Yes/No]
24. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give *details. Note that this item relates to the date and place of payment, and not interest period end dates*]
25. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
26. Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

*(If the offer of the Notes clearly do not constitute "packaged products", "Not Applicable" should be specified. If the offer of the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*

### THIRD PARTY INFORMATION

[(•) has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

### RESPONSIBILITY

New Development Bank accepts responsibility for the information contained in these Final Terms.

**SIGNED** on behalf of **NEW DEVELOPMENT BANK**:

By: .....  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on The Irish Stock Exchange, trading as Euronext Dublin's regulated market with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on The Irish Stock Exchange, trading as Euronext Dublin's regulated market with effect from [•]].

Estimate of total expenses related to admission to trading: [•]

### 2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [Standard and Poor's Global Ratings/Fitch Ratings].]

[Each of [Insert credit rating agency/ies] [is/are] established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended).]

[[Insert credit rating agency/ies] [is/are] not established in the European Union and [has/have] not applied for registration under Regulation (EC) No. 1060/2009.]

[Not Applicable]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating)*

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealer], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. *Amend as appropriate if there are other interests*]

### 4. YIELD (Fixed Rate Notes only)

Indication of yield: [•]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 5. HISTORIC INTEREST RATES (*Floating Rate Notes Only*)

Details of historic [EURIBOR/SONIA/SOFR] rates can be obtained from [Reuters].

The Issuer does not intend to provide post-issuance information.

### 6. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer/use of proceeds: [General corporate purposes][Green Bonds/Social Bonds/Sustainability Bonds]

(ii) Estimated net proceeds: [•]

(iii) Estimated total expenses: [•]

7. **OPERATIONAL INFORMATION**

(i) ISIN Code: [•]

(ii) Common Code: [•]

(iii) CFI: [[See/[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]

(iv) FISN: [[See/[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]

*(If the CFI and/or FISN is not required, it/they should be specified to be "Not Applicable")*

(v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(vi) Delivery: Delivery [against/free of] payment

(vii) Names and addresses of additional Paying Agent(s) (if any): [•]

(viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,[include this text for registered notes])] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may

then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

- (ix) Relevant Benchmark[s] [EURIBOR / LIBOR / SONIA / SOFR] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [name of administrator] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]/ [Not Applicable]

8. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) Date of [Subscription] Agreement: [•]
- (iii) If syndicated names of Managers: [Not Applicable/give names]
- (iv) If non-syndicated name of Dealer: [give name(s)]
- (v) Stabilising Manager (if any): [Not Applicable/give name]
- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category [1/2/3]]

(*In the case of Bearer Notes*) – [TEFRA C/TEFRA D/ TEFRA not applicable]

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" above.*

### 1. INTRODUCTION

#### (a) Programme:

New Development Bank (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.\$50,000,000 in aggregate principal amount of notes (the "**Notes**").

#### (b) Final Terms:

Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of Final Terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

#### (c) Agency Agreement:

The Notes are the subject of an issue and paying agency agreement dated 12 December 2019 (as amended and/or supplemented from time to time, the "**Agency Agreement**") between the Issuer, HSBC Bank plc as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), HSBC Bank plc as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

#### (d) Deed of Covenant:

The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Notes are constituted by a deed of covenant dated 12 December 2019 (as amended and/or supplemented from time to time, the "**Deed of Covenant**") entered into by the Issuer.

#### (e) The Notes:

All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for inspection by Noteholders during normal business hours at the Specified Office of the Fiscal Agent, the initial Specified Office of which is set out below.

#### (f) Summaries:

Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at

the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

## 2. INTERPRETATION

### (a) Definitions:

In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Business Day**" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
  - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and



- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Agent"** means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

**"Calculation Amount"** has the meaning given in the relevant Final Terms;

**"Coupon Sheet"** means, in respect of a Note, a coupon sheet relating to the Note;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if **"Actual/Actual (ICMA)"** is so specified, means:
- (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (b) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if **"Actual/365"** or **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if **"30/360"** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**"Y<sub>1</sub>"** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**"Y<sub>2</sub>"** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**"M<sub>1</sub>"** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30";

- (vi) if "30E/360" or "Eurobond Basis" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (vii) if "30E/360 (ISDA)" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**" has the meaning given in the relevant Final Terms;

"**Interest Payment Date**" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**ISDA Benchmarks Supplement**" means the Benchmarks Supplement (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) published by the International Swaps and Derivatives Association, Inc.;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms and, if specified in the relevant Final Terms, as supplemented by any applicable supplement to ISDA Definitions) as published by the International Swaps and Derivatives Association, Inc.);

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**Margin**" has the meaning given in the relevant Final Terms;

"**Maturity Date**" has the meaning given in the relevant Final Terms;

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Maturity Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

"**Payment Business Day**" means:

- (i) if the currency of payment is euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided, however, that** in relation to euro, it means the principal financial centre of such Member State of the EU as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

**"Record Date"** has the meaning given in Condition 10 (*Payments – Registered Notes*);

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

**"Reference Banks"** has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in consultation with the Issuer in the market that is most closely connected with the Reference Rate;

**"Reference Price"** has the meaning given in the relevant Final Terms;

**"Reference Rate"** has the meaning given in the relevant Final Terms;

**"Regular Period"** means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders by the Issuer in accordance with Condition 17 (*Notices*);

**"Relevant Financial Centre"** has the meaning given in the relevant Final Terms;

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Final Terms;

**"Specified Currency"** has the meaning given in the relevant Final Terms;

**"Specified Denomination(s)"** has the meaning given in the relevant Final Terms;

**"Specified Office"** has the meaning given in the Agency Agreement;

**"Specified Period"** has the meaning given in the relevant Final Terms;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which the TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty establishing the European Union, as amended; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

(b) **Interpretation:**

In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "**outstanding**" shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **FORM, DENOMINATION, TITLE AND TRANSFER**

(a) **Bearer Notes:**

Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

(b) **Title to Bearer Notes:**

Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

(c) **Registered Notes:**

Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.

(d) **Title to Registered Notes:**

The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(e) **Ownership:**

The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(f) **Transfers of Registered Notes:**

Subject to Condition 3(i) (*Closed periods*) and Condition 3(j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) **Registration and delivery of Note Certificates:**

Within five business days of the surrender of a Note Certificate in accordance with Condition 3(f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this Condition 3, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) **No charge:**

The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, Registrar or (as the case may be) Transfer Agent may require in respect of) any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) **Closed periods:**

Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(j) **Regulations concerning transfers and registration:**

All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **STATUS**

The Notes constitute the direct and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer save for such obligations as may be preferred by provisions of law that are both of mandatory and general application.

**THE NOTES ARE NOT OBLIGATIONS OF ANY GOVERNMENT.**

5. **FIXED RATE NOTE PROVISIONS**

(a) **Application:**

This Condition 5 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) **Accrual of interest:**

The Notes bear interest from and including the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments – Bearer Notes*) and Condition 10 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until whichever is the earlier of: (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) **Fixed Coupon Amount:**

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount or Broken Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount or Broken Amount in respect of the relevant Specified Denomination.

(d) **Calculation of interest amount:**

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.



6. **FLOATING RATE NOTE PROVISIONS**

(a) **Application:**

This Condition 6 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) **Accrual of interest:**

The Notes bear interest from and including the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments – Bearer Notes*) and Condition 10 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of: (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) **Screen Rate Determination – Term Rate**

If Screen Rate Determination – Term Rate is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (A) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period. Where a different Margin or maximum Rate of Interest or minimum Rate of Interest is to be applied

to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or maximum Rate of Interest or minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or maximum or minimum Rate of Interest relating to that last preceding Interest Period.

(d) **Screen Rate Determination – Overnight Rate**

- (i) If Screen Rate Determination – Overnight Rate is specified in the relevant Final Terms and the "Overnight Reference Rate" is specified as Compounded Daily SONIA, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin.

As used herein:

"**Compounded Daily SONIA**" will be, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on each Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"**d<sub>0</sub>**", for any Interest Period, is the number of London Banking Days in the relevant Interest Period;

"**i**" is, for any Interest Period, a series of whole numbers from one to d<sub>0</sub>, each representing the relevant London Banking Days in chronological order from, and including, the first London Banking Day in such Interest Period to, and including, the last London Banking Day in such Interest Period;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n<sub>i</sub>**" means, for any London Banking Day "i", the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

"**Observation Period**" means, in respect of an Interest Period, the period from, and including, the date which is "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding the date which is "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" means the whole number specified as the Observation Look-back Period in the applicable Final Terms, such number representing a number of London Banking Days and which shall not be specified in the applicable Final Terms as less than five without the prior agreement of the Calculation Agent;

the "**SONIA rate**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise

published by such authorised distributors (on the London Banking Day immediately following such London Banking Day); and

"SONIA<sub>T-pLBD</sub>" means the SONIA rate for the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i".

*For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA rate in respect of any London Banking Day. The SONIA rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA rate for the previous London Banking Day but without compounding.*

If, in respect of any London Banking Day in the relevant Observation Period, the Calculation Agent determines that the SONIA rate is not available or has not been published by the relevant authorised distributors, the Calculation Agent will determine such SONIA rate as being:

- (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on such day in the relevant Observation Period; plus (ii) the mean of the spread of the SONIA rate to the Bank Rate over the previous five London Banking Days on which a SONIA rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those spreads) and lowest spread (or, if there is more than one lowest spread, one only of those spreads) to the Bank Rate; or
- (ii) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the paragraphs above, if the Bank of England publishes guidance as to: (i) how the SONIA rate is to be determined; or (ii) any rate that is to replace the SONIA rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA rate for the purpose of the Notes for so long as the SONIA rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Conditions or the Agency Agreement are required in order for the Calculation Agent to follow such guidance in order to determine the Rate of Interest, the Calculation Agent shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions or the Agency Agreement.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing paragraphs of this Condition 6(d)(i) by the Calculation Agent, the Rate of Interest shall be: (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (including applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 11 (*Events of Default*), in respect of Notes to which this Condition 6(d)(i) applies, the final Interest Determination Date shall, notwithstanding any Interest Determination Date

specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Notes remain outstanding, be that determined on such date.

- (ii) If Screen Rate Determination – Overnight Rate is specified in the relevant Final Terms and:
- (A) the "Overnight Reference Rate" is specified as Compounded Daily SOFR, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin; or
  - (B) the "Overnight Reference Rate" is specified as Weighted Average SOFR, the Rate of Interest for each Interest Period will, subject as provided below, be Weighted Average SOFR plus or minus (as indicated in the applicable Final Terms) the Margin.

As used herein:

"**Compounded Daily SOFR**" will be, with respect to an Interest Period, the rate of return of a daily compound interest investment (with SOFR as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on each Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SOFR}_{i-p\text{USBD}} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

"**Weighted Average SOFR**" will be, in relation to any Interest Period, the arithmetic mean of "SOFR<sub>i</sub>" in effect during such Interest Period (each such U.S. Government Securities Business Day, "i"), and will be calculated by the Calculation Agent on each Interest Determination Date by multiplying the relevant "SOFR<sub>i</sub>" by the number of days such "SOFR<sub>i</sub>" is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period.

For these purposes:

"**d**" is the number of calendar days in the relevant Interest Period;

"**i**" is, for any Interest Period, a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in such Interest Period;

"**n<sub>i</sub>**" means, for any U.S. Government Securities Business Day "i", the number of calendar days from, and including, such U.S. Government Securities Business Day "i" up to, but excluding, the following U.S. Government Securities Business Day;

"**SOFR<sub>i</sub>**" means, for any U.S. Government Securities Business Day "i":

- (a) where in the relevant Final Terms "Lag" is specified as the Observation Method, the SOFR in respect of such U.S. Government Securities Business Day;
- (b) where in the relevant Final Terms "Lock-Out" is specified as the Observation Method:
  - (A) if such U.S. Government Securities Business Day is a SOFR Reset Date, SOFR in relation to the U.S. Government Securities Business Day immediately preceding such SOFR Reset Date; and
  - (B) if such U.S. Government Securities Business Day is not a SOFR Reset Date (being a U.S. Government Securities Business Day falling in the

Cut-Off Period), SOFR in relation to the U.S. Government Securities Business Day immediately preceding the last SOFR Reset Date in such Interest Period;

"**SOFR<sub>i-pUSBD</sub>**" means, the SOFR rate for the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i".

"**p**" means:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, the number of U.S. Government Securities Business Days included in the Observation Look-back Period specified in the applicable Final Terms (or, if no such number is specified, five U.S. Government Securities Business Days); and
- (b) where in the applicable Final Terms "Lock-out" is specified as the Observation Method, zero;

"**USBD**" means any U.S. Government Securities Business Day;

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

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

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

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

"**OBFR Index Cessation Event**" means the occurrence of one or more of the following events:

- (a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the daily Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the daily Overnight Bank Funding Rate permanently or indefinitely, **provided that**, at that time, there is no successor administrator that will continue to publish or provide a daily Overnight Bank Funding Rate;
- (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the daily Overnight Bank Funding Rate) has ceased or will cease to provide the daily Overnight Bank Funding Rate permanently or indefinitely, **provided that**, at that time, there is no successor administrator that will continue to publish or provide the daily Overnight Bank Funding Rate; or
- (c) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Overnight Bank Funding Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

"**SIFMA**" means the Securities Industry and Financial Markets Association or any successor thereto;

"SOFR" means:

- (a) in relation to any U.S. Government Securities Business Day (the "**SOFR Determination Date**"), the daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date;
- (b) if the rate specified in paragraph (a) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have not both occurred, the daily Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website;
- (c) if the rate specified in paragraph (a) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have both occurred, "**SOFR**" in relation to such SOFR Determination Date shall be the rate that was recommended as the replacement for the daily Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the daily Secured Overnight Financing Rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads); **provided, however, that**, if no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Effective Date, then:
  - (A) subject to paragraph (B) below, "SOFR" in relation to each SOFR Determination Date falling on or after the SOFR Index Cessation Effective Date shall be equal to the rate determined in accordance with (a) or (b) above (as applicable) but as if:
    - (1) references in this Condition 6(d)(ii) to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred:
      - (aa) for the purposes of determining Compounded Daily SOFR, " $d_0$ " shall be construed so that it means the aggregate of (x) the number of U.S. Government Securities Business Days in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) the number of New York City Banking Days in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and "i" shall be construed accordingly); and
      - (bb) for the purposes of determining Weighted Average SOFR, "Weighted Average SOFR" shall be construed so that it means the arithmetic mean of (x)  $SOFR_i$  in effect for each U.S. Government Securities Business Day in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y)  $SOFR_i$  in effect for each New York City Banking Day in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and the definition of "Weighted Average SOFR" shall be construed accordingly);

- (2) references to "daily Secured Overnight Financing Rate" were to the daily Overnight Bank Funding Rate;
  - (3) references to "SOFR Index Cessation Event" were references to "OBFR Index Cessation Event"; and
  - (4) references to "SOFR Index Cessation Effective Date" were references to "OBFR Index Cessation Effective Date"; and
- (B) if the rate specified in paragraph (A) above is not so published and an OBFR Index Cessation Event and an OBFR Index Cessation Effective Date have both occurred, then, in relation to each SOFR Determination Date falling on or after the later of the SOFR Index Cessation Effective Date and the OBFR Index Cessation Effective Date, "**SOFR**" shall be equal to the rate determined in accordance with (i) above but as if:
- (1) references in this Condition 6(d)(ii) to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred:
    - (aa) for the purposes of determining Compounded Daily SOFR, " $d_0$ " shall be construed so that it means the aggregate of (x) the number of U.S. Government Securities Business Days in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) the number of New York City Banking Days in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and "i" shall be construed accordingly); and
    - (bb) for the purposes of determining Weighted Average SOFR, "Weighted Average SOFR" shall be construed so that it means the arithmetic mean of (x)  $SOFR_i$  in effect for each U.S. Government Securities Business Day in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y)  $SOFR_i$  in effect for each New York City Banking Day in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and the definition of "Weighted Average SOFR" shall be construed accordingly); and
  - (2) the reference in paragraph (a) above to the "daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date" were a reference to the short-term interest rate target set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date, or if the Federal Open Market Committee has not set a single rate, the midpoint of the short-term interest rate target range set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place with 0.005 being rounded upwards);

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

**"SOFR Index Cessation Event"** means the occurrence of one or more of the following events:

- (a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the daily Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the daily Secured Overnight Financing Rate permanently or indefinitely, **provided that**, at that time, there is no successor administrator that will continue to publish or provide a daily Secured Overnight Financing Rate;
- (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the daily Secured Overnight Financing Rate) has ceased or will cease to provide the daily Secured Overnight Financing Rate permanently or indefinitely, **provided that**, at that time there is no successor administrator that will continue to publish or provide the daily Secured Overnight Financing Rate; or
- (c) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Secured Overnight Financing Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

**"SOFR Reset Date"** means, in relation to any Interest Period, each U.S. Government Securities Business Day during such Interest Period, other than any U.S. Government Securities Business Day in the period from (and including) the day following the Interest Determination Date to (but excluding) the corresponding Interest Payment Date (such period, the **"Cut-Off Period"**);

**"U.S. Government Securities Business Day"** means any day except for a Saturday, Sunday or a day on which SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

The Issuer may at any time, following consultation with an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets (in each case appointed by the Issuer at its own expense), specify such changes to paragraph (c) of the definition of "SOFR" set out in this Condition 6(d)(ii) as it determines are reasonably necessary to ensure the proper operation and comparability to the Overnight Reference Rate of rates determined in accordance with such paragraph, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 6(d)(ii)). Promptly following the determination of such change the Issuer shall give notice thereof to the Fiscal Agent, the Calculation Agent and the Noteholders in accordance with Condition 17 (*Notices*). No consent of the Noteholders shall be required in connection with effecting the relevant changes, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement (if required)).

(e) **ISDA Determination:**

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where **"ISDA Rate"** in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:



- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on LIBOR for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.

(f) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period **provided however that** if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means (a) in relation to Screen Rate Determination – Term Rate and Screen Rate Determination – Overnight Rate, the period of time designated in the Reference Rate and (b) in relation to ISDA Determination, the Designated Maturity.

(g) **Maximum or Minimum Rate of Interest:**

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(h) **Calculation of Interest Amount:**

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(i) **Benchmark Discontinuation:**

If:

- (A) Reference Rate Replacement is specified as being applicable in the relevant Final Terms; and
- (B) the Issuer (in consultation with the Calculation Agent (or the person specified in the relevant Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that a Benchmark Event has occurred, when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Reference Rate (as applicable), then, notwithstanding the foregoing provisions of this Condition 6, the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the "**Alternative Benchmark Rate**") and, in either case, an alternative screen page or source (the "**Alternative Relevant Screen Page**") and an Adjustment Spread (if applicable) no later than three (3) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**Interest Determination Cut-off Date**") for the purposes of determining the Rate of Interest applicable to the Notes for future Interest Periods (subject to the subsequent operation of this Condition 6(i)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Agents or the Noteholders for any determination made by it pursuant to this Condition 6(i);

- (ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Reference Rate (as applicable) in customary market usage for the purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the Interest Determination Cut-off Date in accordance with sub-paragraph (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant in customary market usage for purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Reference Rate (as applicable), and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; **provided, however, that** if this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (iii), the Reference Rate applicable to such Interest Period shall be equal to the Reference Rate for a term equivalent to the relevant Interest Period published on the Relevant Screen Page as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period (as applicable), the relevant Margin relating to the Interest Period, in place of the margin relating to that last preceding Interest Period). For the avoidance of doubt, this paragraph shall apply to the next succeeding Interest Period, and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 6(i);
- (iv) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Notes for all future Interest Periods (as applicable) (subject to the subsequent operation of this Condition 6(i));
- (v) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) by reference to such Successor Rate or Alternative Benchmark Rate;

- (vi) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the Notes for all future Interest Periods (as applicable) (subject to the subsequent operation of this Condition 6(i)); and
- (vii) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Calculation Agent, the Fiscal Agent and the Noteholders in accordance with Condition 17 (*Notices*).

As used in this Condition 6(i):

**"Adjustment Spread"** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or
- (C) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate.

**"Alternative Benchmark Rate"** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 6(i)(ii) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

**"Benchmark Event"** means:

- (A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the relevant Reference Rate that it has ceased, or will, by a specified date within the following six months, cease, publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate); or

- (C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified date within the following six months, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, (i) such Reference Rate is no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or
- (F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

**"Successor Rate"** means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

**"Independent Adviser"** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 6(i).

(j) **Calculation of other amounts:**

If the relevant Final Terms specify that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

(k) **Publication:**

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(l) **Notifications etc:**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

7. **ZERO COUPON NOTE PROVISIONS**

(a) **Application:**

This Condition 7 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

(b) **Late payment on Zero Coupon Notes:**

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

8. **REDEMPTION AND PURCHASE**

(a) **Scheduled redemption:**

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 9 (*Payments – Bearer Notes*) and Condition 10 (*Payments – Registered Notes*).

(b) **Redemption at the option of the Issuer:**

- (i) If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (ii) If the Maturity Call option is specified in the relevant Final Terms as being applicable, the Issuer may, having given not less than 30 days' notice nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in the period from but excluding the date falling on the Optional Redemption Date (Maturity Call), redeem all, but not some only, of the Notes then outstanding at the principal amount outstanding of the Notes, together with interest accrued to but excluding the date fixed for redemption.

(c) **Partial redemption:**

If the Notes are to be redeemed in part only on any date in accordance with Condition 8(b) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law and the rules of each listing authority, stock exchange, regulated market and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 8(b) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(d) **Redemption at the option of Noteholders:**

If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 8(d), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 8(d), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 8(d), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(e) **Early redemption of Zero Coupon Notes:**

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 8(e) or, if none is so specified, a Day Count Fraction of 30E/360.

(f) **No other redemption:**

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 8(a) (*Scheduled redemption*) to 8(e) (*Early redemption of Zero Coupon Notes*) above.

(g) **Purchase:**

The Issuer may at any time purchase Notes in the open market or otherwise at any price and such Notes may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation (**provided that**, if the Notes are to be cancelled, they are purchased together with all unmatured Coupons relating to them).

(h) **Cancellation:**

All Notes redeemed and any unmatured Coupons attached to or surrendered with them shall be cancelled and all Notes so cancelled and any Notes cancelled pursuant to Condition 8(g) (*Purchase*) above (together with all unmatured Coupons cancelled with them) may not be reissued or resold.

9. **PAYMENTS – BEARER NOTES**

This Condition 9 is only applicable to Bearer Notes

(a) **Principal:**

Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).

(b) **Interest:**

Payments of interest shall, subject to Condition 9(f) (*Payments on business days*) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 9(a) (*Principal*) above.

(c) **Payments subject to fiscal laws:**

All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) **Deductions for unmatured Coupons:**

If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
  - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-Condition would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
  - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 9(a) (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

(e) **Unmatured Coupons void:**

If the relevant Final Terms specify that this Condition 9 is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Bearer Note or early redemption in whole of such Note pursuant to Condition 8(d) (*Redemption and Purchase – Redemption at the option of Noteholders*), Condition 8(b) (*Redemption and Purchase – Redemption at the option of the Issuer*) or Condition 11 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(f) **Payments on business days:**

If the due date for payment of **any** amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(g) **Payments other than in respect of matured Coupons:**

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States.

(h) **Partial payments:**

If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(i) **Exchange of Talons:**

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 12 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

10. **PAYMENTS – REGISTERED NOTES**

This Condition 10 is only applicable to Registered Notes.

(a) **Principal:**

Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) **Interest:**

Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal



Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) **Payments subject to fiscal laws:**

All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) **Payments on business days:**

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 10 arriving after the due date for payment or being lost in the mail.

(e) **Partial payments:**

If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) **Record date:**

Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

11. **EVENTS OF DEFAULT**

If any of the following events or circumstances occurs and continues in relation to the Notes (each an "**Event of Default**"):

(a) **Non-payment:**

The Issuer defaults in the payment in full of any principal or interest due on the Notes on the due date and such default continues for a period of 90 days; and

(b) **Breach of other obligations:**

The Issuer fails to perform any of its other covenants under any of the Notes and such failure continues for the period of 90 days after written notice thereof shall have been given to the Issuer and the Fiscal Agent at the office of the Fiscal Agent by the holders of not less than 25% in principal amount of all the Notes at the time outstanding.

(c) **Cross-acceleration:**

The Issuer defaults, as defined in any instruments evidencing, securing or protecting any notes or bonds (other than the Notes) which shall have been issued, assumed or guaranteed by the Issuer, and maturing more than one year from the date of its issuance, with respect to more than 5 per cent.

of the Issuer paid-in-capital, and the maturity of such instruments shall have been accelerated so that the same shall have become due and payable prior to the date on which the same would otherwise have become due and payable and such acceleration shall not have been rescinded or annulled.

If any Event of Default shall occur and continue in relation to the Notes, then the principal of the Notes then outstanding (if not already due) may be declared to be due and payable on the thirtieth day following written notice given to the Issuer and the Fiscal Agent at the office of the Fiscal Agent by the holders of not less than a majority in principal amount of the Notes at the time outstanding, unless all Events of Default in respect of the Notes have been cured prior to the expiration of such 30 days' period. If, at any time after the principal of the Notes shall have been so declared due and payable and before any judgment or decree for the payment of amounts due thereon shall have been entered, all arrears of interest upon the Notes and all other sums due in respect thereof, except any principal or interest payments which shall not have matured or come due by their terms, shall have been duly paid by the Issuer and all other Events of Default thereunder shall have been cured, the holders of not less than a majority in principal amount of the Notes then outstanding, by written notice given to the Issuer or the Fiscal Agent at the office of the Fiscal Agent, may rescind such declaration, but no such rescission shall impair any right consequent on any subsequent Event of Default.

12. **PRESCRIPTION**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

13. **REPLACEMENT OF NOTES AND COUPONS**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

14. **AGENTS**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (i) the Issuer shall at all times maintain a Fiscal Agent and a Registrar; and
- (ii) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (iii) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer

shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

15. **MEETINGS OF NOTEHOLDERS**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Fiscal Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

In addition, the parties to the Agency Agreement may agree such modifications to the Agency Agreement and these Conditions as may be required in order to give effect to Condition 6(i) (*Benchmark Discontinuation*) in connection with effecting any Alternative Reference Rate, Successor Rate, Adjustment Spread, or related changes referred to in Condition 6(i) (*Benchmark Discontinuation*) without the requirement for the consent or sanction of the Noteholders or Couponholders.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 17 as soon as practicable thereafter.

16. **FURTHER ISSUES**

The Issuer shall be at liberty from time to time, without the consent of the Noteholders or the Couponholders, to create and issue further notes ranking equally in all respects (or in all respects save for the date for and amount of the first payment of interest thereon) so that the same shall be consolidated and form a single series with the Notes.

17. **NOTICES**

(a) **Bearer Notes:**

Notices to the Holders of Bearer Notes shall be valid if published: (a) in a leading English language daily newspaper of general circulation in London; and (b) if and for so long as the Bearer Notes are admitted to trading on, and listed on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin, a daily newspaper of general circulation in Ireland. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Irish Times* in Dublin. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

(b) **Registered Notes:**

Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Registered Notes are for the time being listed or by which they have been admitted to trading.

18. **ROUNDING**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

19. **GOVERNING LAW AND JURISDICTION**

(a) **Governing law**

The Agency Agreement, the Deed of Covenant, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law.

(b) **Jurisdiction**

(i) Subject to Condition 19(b)(vii), any dispute, controversy, difference or claim arising out of, relating to, or in connection with the Notes, including the existence, validity, interpretation, performance, breach or termination thereof or any non-contractual obligations arising out of, relating to, or in connection with the Notes or the consequence of their nullity, shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre ("**HKIAC**") under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted (the "**HKIAC Rules**").

(ii) The seat of the arbitration shall be Hong Kong. Hong Kong law will be the procedural law of any arbitration hereunder.

- (iii) The arbitral tribunal shall consist of three arbitrators. The members of the arbitral tribunal shall be appointed in the manner set out in the HKIAC Rules. The appointing authority shall be HKIAC. The language of the arbitration shall be English.
- (iv) Unless otherwise expressly provided in the relevant Final Terms, the arbitral tribunal will have no authority to award (i) punitive damages or (ii) damages for consequential or indirect losses.
- (v) The arbitral tribunal shall not be authorised to grant, and no holder of Notes shall seek from any judicial authority, any interim measures or pre-award or emergency relief against the Issuer, notwithstanding any provisions of the HKIAC Rules to the contrary.
- (vi) At the election of the Issuer, any further dispute, controversy or claim which arises out of these Notes shall be consolidated with any ongoing proceedings before the arbitral tribunal, but no other party shall be joined to, and no other disputes, controversies or claims shall be consolidated with, such on-going proceedings before the arbitral tribunal.
- (vii) Notwithstanding the provisions of this Condition 19(b), nothing contained herein or in the relevant Final Terms shall operate or be regarded as a waiver, renunciation or other modification by the Issuer of any status, immunities, privileges or exemptions of the Issuer under its Articles of Agreement, all of its basic documents, any applicable law or international practice.

## USE OF PROCEEDS

The net proceeds from each issue of Notes will be used for the general corporate purposes of the Issuer. The Notes may also be referred to as "**Green Bonds**", "**Social Bonds**" or "**Sustainability Bonds**" (as specified in the relevant Final Terms). If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## DESCRIPTION OF THE ISSUER

### 1. BACKGROUND AND HISTORY

- 1.1 The leaders of the Federative Republic of Brazil ("**Brazil**"), the Russian Federation ("**Russia**"), the Republic of India ("**India**"), the People's Republic of China ("**China**") and the Republic of South Africa ("**South Africa**" and collectively, the "**BRICS**" countries), signed the Agreement on the New Development Bank and its annexed Articles of Agreement of the New Development Bank (the "**Articles of Agreement**") on 15 July 2014. The Articles of Agreement entered into force on 3 July 2015, formalising the establishment of the Issuer as a multilateral development bank. Whilst its headquarters are located in Shanghai, the Issuer is not subject to the laws nor is it registered under the laws, of any particular jurisdiction. However, as per Article 5(5) of Agreement between NDB and China entered into on 27 February 2016, the law applicable in China shall apply within the headquarters of NDB. Otherwise, the Issuer's existence, powers, privileges, immunities, liabilities and operations are solely subject to and governed by the Articles of Agreement.
- 1.2 The purpose of the Issuer is to mobilise resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries to complement the existing efforts of multilateral and regional financial institutions for global growth and development.
- 1.3 The authorised capital of the Issuer is USD 100 billion and the subscribed capital of the Issuer is USD 50 billion. Each founding member initially subscribed for 100,000 shares, investing an aggregate of USD 10 billion; of which 20,000 shares correspond to paid-in capital and 80,000 shares correspond to callable capital. The voting power of each member is equal to its subscribed shares in the capital of the Issuer. Pursuant to the Articles of Agreement, the contribution of the amount initially subscribed by each founding member to the paid-in capital was to be made in dollars, in 7 instalments. As at the date of this Base Prospectus, the Issuer had received all paid-in capital contributions on time or in advance of the schedule stipulated in the Articles of Agreement. As at 30 September 2019, the paid-in capital received is USD 5.6 billion in total.

	Number of Shares	Share Holding	Voting Rights
<b>Country</b>	<i>(% of Total)</i>		
Brazil .....	100,000	20	20
Russia .....	100,000	20	20
India .....	100,000	20	20
China .....	100,000	20	20
South Africa .....	100,000	20	20
Unallocated Shares .....	500,000	–	–
<b>Total</b> .....	<b>1,000,000</b>	<b>100</b>	<b>100</b>

- 1.4 In addition to the founding members, membership is open to members of the United Nations at such times and in accordance with such terms and conditions as the Issuer shall determine by a special majority at a meeting of the Board of Governors.
- 1.5 On 1 April 2017, during the second Annual Meeting of the Board of Governors in New Delhi, India, the Board of Governors approved the terms, conditions and procedures for the admission of new members to the New Development Bank. As at the date of this Base Prospectus, no decision on the admission of any new members has been made.
- 1.6 The registered address and principal place of business of the Issuer is 32-36 Floors, BRICS Tower, 333 Lujiazui Ring Road, Pudong Area, Shanghai – 200120, China and its business telephone number is +86 (0)21 80216131. The website of the Issuer is [www.ndb.int](http://www.ndb.int). The information contained on the Issuer's website does not form part of this Base Prospectus.

### 2. MANAGEMENT STRATEGY

- 2.1 The overarching goal of the NDB for the coming five years is to build on the progress achieved since the beginning of its operations in July 2015 and to firmly establish NDB as a trusted provider of development cooperation services and a financial intermediary aimed at safeguarding resources contributed by shareholders and investors.

- 2.2 As at 30 September 2019, NDB has approved 42 projects in all member countries with loans aggregating over USD 11.556 billion. All projects are coherent with NDB's core focus on infrastructure and sustainable development.

The following table sets forth a breakdown of approved loans, cancelled loans, maximum facility of loans, effective facility of loans and principal made by NDB as at 31 December 2018, 30 September 2018 and 30 September 2019:

#### Loans

Metric	31 December		30 September	
	2018	2018	2018	2019
Approved loans.....	Number	30 <sup>2</sup>	26	42
Cancelled loans.....	Number	1	1	1
Approved loans.....	USD million	8,078 <sup>3</sup>	6,519	11,556
Cancelled loans.....	USD million	250	250	250
Maximum facility of loans.....	USD million	4,558	3,684	8,219
Effective facility of loans.....	USD million	2,968	2,669	6,832
Principal.....	USD million	625	382	1,076

The following table sets forth a breakdown of loans approved by area of operation as at the years ended 31 December 2018 and 2017 and the period ended 30 September 2019:

#### Loans approved by area of operation<sup>4</sup>

	31 December		30 September
	2018	2017	2019
	<i>(USD millions)</i>		
Clean energy.....	2,187 <sup>5</sup>	1,218	3,019
Environmental efficiency.....	700	200	700
Irrigation, Water resource management and Sanitation.....	1,426	1,122	1,741
Social infrastructure.....	460	460	460
Transport infrastructure.....	2,175	419	3,612
Urban development.....	1,130	–	2,024
<b>Total.....</b>	<b>8,078</b>	<b>3,419</b>	<b>11,556</b>

The following table sets forth a breakdown of loans approved by type of operation as at the years ended 31 December 2018 and 2017 and the period ended 30 September 2019.

#### Loans approved by type of operation<sup>6</sup>

	31 December		30 September
	2018	2017	2019
	<i>(USD millions)</i>		
Sovereign.....	6,678 <sup>7</sup>	3,019	9,780
Non-sovereign.....	1,400 <sup>8</sup>	400	1,776
<b>Total.....</b>	<b>8,078</b>	<b>3,419</b>	<b>11,556</b>

<sup>2</sup> Includes the USD 250 million loan to Canara Bank for its Renewable Energy Financing Scheme, approved in 2016 and cancelled in 2018.

<sup>3</sup> Includes the USD 250 million loan to Canara Bank for its Renewable Energy Financing Scheme, approved in 2016 and cancelled in 2018.

<sup>4</sup> Includes the USD 250 million loan to Canara Bank for its Renewable Energy Financing Scheme, approved in 2016 and cancelled in 2018.

<sup>5</sup> Includes the USD 250 million loan to Canara Bank for its Renewable Energy Financing Scheme, approved in 2016 and cancelled in 2018.

<sup>6</sup> Includes the USD 250 million loan to Canara Bank for its Renewable Energy Financing Scheme, approved in 2016 and cancelled in 2018.

<sup>7</sup> Includes the USD 250 million loan to Canara Bank for its Renewable Energy Financing Scheme, approved in 2016 and cancelled in 2018.

<sup>8</sup> USD 700 million relates to approved loans to national financial institutions and USD 700 million relates to loans approved in the private sector.



## 2.3 **Non-performing Loans**

The Issuer monitors financial assets for non-performance on an ongoing basis. The Issuer identifies financial assets as being credit-impaired when one or more events that could have a detrimental impact on future cash flows of the financial asset have occurred. Events may be either quantitative or qualitative in nature such as delay in interest or principal payment exceeding 30 days, significant rating downgrades, a history of arrears within 12 months, cross default, material regulatory action against the borrower, and failure to comply with covenants or loan condition renegotiation. NDB has not identified exposure to non-performing loans or financial assets as at 30 September 2019.

2.4 NDB intends to focus its business in three broad areas: relationships, projects and instruments, and approaches:

2.4.1 ***New Relationships***. A relationship of equality, mutual respect and trust between NDB and member countries permeates all aspects of the Issuer's policies and operations. National sovereignty is paramount. NDB supports projects tailored to the needs of individual countries, respecting their development priorities and strategies. The Issuer follows, whenever possible, nationally-defined laws and procedures on project implementation without compromising quality. While NDB is open to advanced country members, the Issuer intends to remain governed by emerging markets and developing economies, and policies, project selection, and relationship with borrowers will reflect that. Most of NDB's decisions are taken on the basis of a simple majority, and no single member has veto power over any matter. These arrangements strengthen NDB by giving all members a stake in the success of the institution.

2.4.2 ***New Projects and Instruments***. Sustainable infrastructure development is at the core of NDB's operational strategy. Physical infrastructure is a critical enabler of faster and inclusive economic growth, and sustainability criteria are essential to ensure this infrastructure safeguards the physical and social environment for current and future generations. NDB is helping to fill an important gap in the global development finance architecture, as financing for and technical expertise in sustainable infrastructure development is limited, despite growing demand. NDB retains the flexibility to provide funding to other areas, including traditional infrastructure and sustainable development projects in line with the borrowing country's overall development agenda. Local currency financing is a key component of NDB's value proposition, as it mitigates risks faced by borrowers and supports the deepening of capital markets of member countries.

2.4.3 ***New Approaches***. NDB aims to be fast, flexible and efficient by designing a more streamlined project review and implementation oversight without unnecessary bureaucracy. The Issuer is using a risk-based approach to project approval and oversight that mandates more intensive ex-ante reviews for complex, risky projects, while low-risk projects go through a more streamlined procedure with ex-post checks. Staff performance indicators and incentives are designed to be oriented towards risk evaluation, disbursement and outcomes, rather than just approvals. A lean and flat organization structure, able to evolve as NDB grows, will result in lower administrative costs and more efficient decision-making. At the outset, NDB is operating with a non-resident Board of Directors, which also reduces administrative costs and focuses Board debates on high-level policy issues and particularly complex projects, rather than routine day-to-day operations.

## 2.5 **Business operations and principal activities**

2.5.1 The Issuer intends to make use of the financial model of other multilateral development banks, as financial institutions created by governments, to leverage capital for development purposes, to contribute to the investment needs of the founding members and other emerging markets and developing countries.

2.5.2 To fulfil its purpose, the Issuer supports infrastructure and sustainable development projects, in both the public or private sectors. Initially, this support is offered through loans. Subsequently, the Issuer proposes to use other instruments such as guarantees and equity participation, as well as other financial instruments.

2.5.3 The Issuer is helping to fill an important gap in the global development finance architecture, as financing for, and technical expertise in sustainable infrastructure development is limited, despite the growing demand in this area.

- 2.5.4 The Issuer retains the flexibility to provide funding in other areas, including traditional infrastructure and sustainable development projects in line with the borrowing country's overall development agenda and intends to utilise a full range of financing instruments, moving beyond long-term loans to include guarantees, syndicated loans with private investors, equity investments, project bonds and co-financing arrangements with national and multilateral development finance institutions.
- 2.5.5 Local currency financing is a key component of the Issuer's value proposition, as it mitigates risks faced by borrowers and supports the deepening of capital markets of member countries. The Issuer has established the following funding platforms for the purposes of raising finance in the capital markets from time to time:
- an RMB 10,000,000,000 domestic medium term note programme in China;
  - a ZAR 10,000,000,000 domestic medium term note programme in South Africa;
  - a USD 2,000,000,000 euro-commercial paper programme; and
  - a RUB 100,000,000,000 domestic medium term note programme in Russia.
- 2.5.6 As at 30 September 2019, the total outstanding balance of: (i) financial liabilities designed at fair value through profit or loss (consisting of RMB – denominated bonds with a maturity of over 1 year) was USD 855 million; and (ii) note payables (consisting of euro-commercial papers with a maturity of less than 1 year) was USD 669 million.

## **2.6 Funding**

- 2.6.1 The Issuer's funding strategy aims to ensure that sufficient resources are available to meet the Issuer's liquidity needs. This is primarily driven by the Issuer's expanding loan portfolio as well as its operating and other expenses. Broadly, the Issuer's funding strategy focuses on the following main areas:
- diversification of funding portfolio in terms of currencies, tenors and types of interest rates;
  - access to the international capital markets;
  - domestic borrowing programmes in the BRICS;
  - benchmark size transactions;
  - regular issuances; and
  - a focus on green and sustainability financing instruments.
- 2.6.2 The Issuer expects to utilise a diversified portfolio of funding instruments in hard currency, the local currencies of member countries, as well as other currencies based on the parameters of its loan portfolio and demand from its borrowers. The Issuer aims to raise funds in global capital markets and the local capital markets of its members with due regard to appropriate hedging mechanisms within the Issuer's policy and risk management framework.
- 2.6.3 The Issuer intends to continue to actively explore opportunities of green financing instruments, including green bond issuances. Please see "*Environment and Social Framework*" below for further details.

## **2.7 Investments**

The Issuer pursues a conservative investment policy wherein the cash proceeds are placed in highly rated and highly liquid financial instruments.

## 2.8 Capital Adequacy

Capital is important to NDB as it is a permanent source of funding for operations and growth and it provides a buffer to absorb losses. Capital not only reduces the risk of insolvency but enables NDB to continue conducting its business in times of stress and also reduces the effects of financial and economic downturn. Thus, NDB monitors the capital adequacy within a capital management framework and policies approved by the Board of Governors.

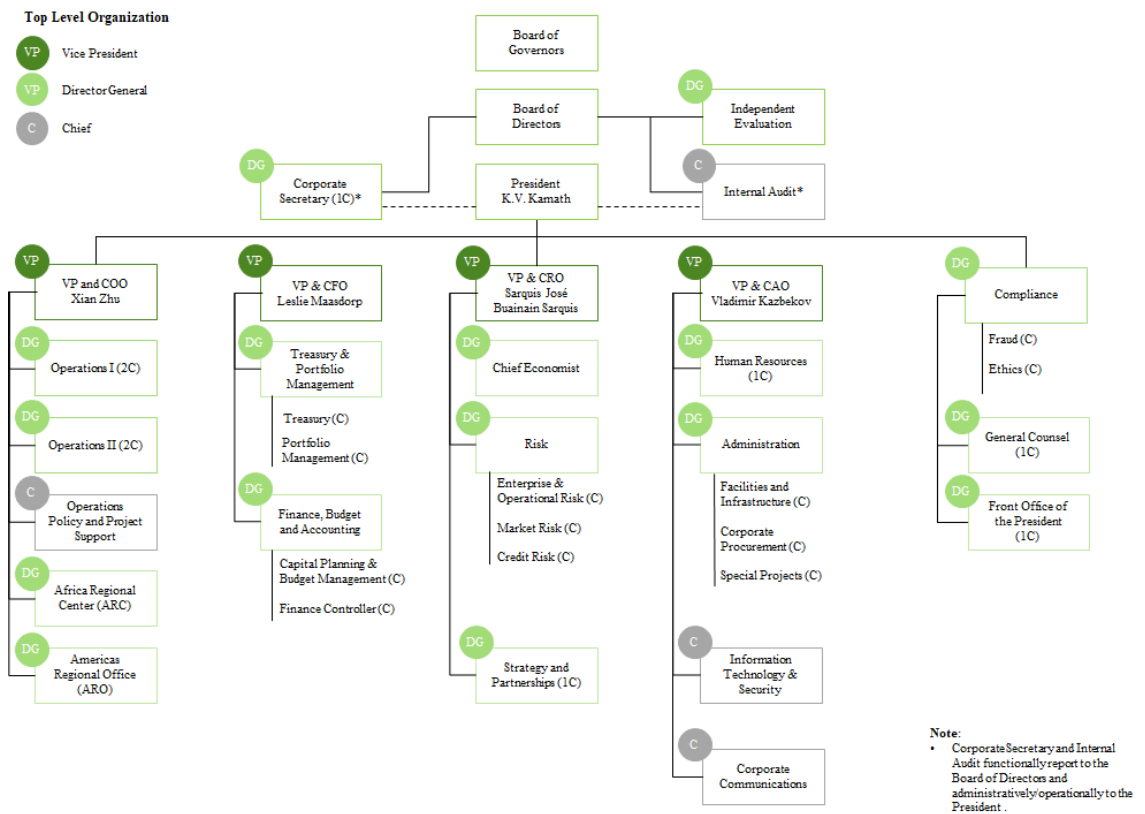
## 3. GOVERNANCE

3.1 The Issuer's governance structure supports its commitment to operate in a prudent manner and provides oversight, control and guidance.

3.2 As a multilateral development bank, the Issuer is committed to promoting the highest levels of transparency, responsible conduct, integrity and accountability. The Issuer's Articles of Agreement elaborate the key governance structures, clearly defining the respective roles of the Governors, Directors, President and Management. In order to assist the Board of Directors in discharging its oversight and decision making responsibilities, committees have been established to consider the audit, compliance, risk, budget, human resources, among other areas. Furthermore, the Board of Directors has adopted the Board of Directors Governance Structure, which elaborates the role of the Board committees.

3.3 The Issuer functions under the oversight of the Board of Governors and the Board of Directors. The senior management team comprises of the President and four Vice Presidents. The Board of Governors, Board of Directors and the senior management team have extensive experience in dealing with and managing multilateral development banks and are dedicated to building an organisation that holds itself to the highest standards of corporate governance and operational effectiveness.

3.4 As at the date of this Base Prospectus, the organisational structure of the Issuer can be depicted as follows:



### 3.5 Board of Governors

3.5.1 The Board of Governors is the highest decision making authority of the Issuer. Each member country appoints one Governor at the ministerial level and one Alternate Governor. The appointment of each Governor and their corresponding length of term is dependent on respective member country criteria and procedures. Every year the Board of Governors elects one of the Governors to act as a chairperson. As at the date of this Base Prospectus, the Chairperson of the Board of Governors is the Governor for Brazil.

3.5.2 All the powers of the Issuer vest in the Board of Governors. The Board of Governors is responsible for the approval of the General Strategy, expansion of membership, increase and decrease the capital stock, authorising the conclusion of general agreements for cooperation with other international organizations, approving the annual accounts, among other areas.

3.5.3 The Board of Governors is required to hold an annual meeting and additional such other meetings as may be provided for by the Board or called by the Board of Directors.

3.5.4 The following is a list of the members of the Board of Governors as at the date of this Base Prospectus:

<u>Name</u>	<u>Position</u>
Paulo Guedes.....	Minister of Economy of Brazil
Anton Siluanov.....	First Deputy Prime Minister and Minister of Finance of Russia
Nirmala Sitharaman.....	Minister of Finance of India
Kun Liu.....	Minister of Finance of China
Tito Titus Mboweni.....	Chairman of the Board of Governors, Minister of Finance of South Africa

3.5.5 Governors shall be at ministerial level, and may be replaced from time to time by the relevant member pursuant to Article 11 (Board of Governors: composition and powers) of the Articles of Agreement.

3.5.6 There are no potential conflicts of interest, nor are there any interests that would be material to any issue of Notes under the Programme, existing between any duties owed to the Issuer by the Board of Governors listed above and their private interests and/or duties.

### 3.6 Board of Directors

3.6.1 The Issuer has a non-resident Board of Directors (the "**Board**"). Each of the founding members appoints one Director and one Alternate Director to the Board for a term of two years. The Directors may be re-elected. The President is also a member of the Board, but shall have no vote except a deciding vote in case of an equal division.

3.6.2 The Board is responsible for the conduct of the general operations of the Issuer, including decisions on business strategies and country strategies, loans, guarantees, equity investments, borrowing by the Issuer, setting basic operational procedures and charges, furnishing of technical assistance and other operations of the Issuer. The Board also approves the budget of the Issuer. The Board is required to meet at least quarterly.

3.6.3 The following is a list of the members of the Board as at the date of this Base Prospectus:

<u>Name</u>	<u>Member Country</u>	<u>Position</u>	<u>Business Address</u>
Marcos Troyjo.....	Brazil	Deputy Minister for Foreign Trade and International Affairs, Ministry of Economy	Esplanada dos Ministérios, Bloco K, 8º andar, Sala 874, CEP 70040-906, Brasília-DF, Brazil
Sergei Storchak.....	Russia	Deputy Minister of Finance	Department for International Financial Affairs, Ministry of Finance, 9 Ilinka Street, 109097, Moscow, Russian Federation
K. Rajaraman.....	India	Additional Secretary, Department of Economic Affairs, Ministry of Finance	Room # 57, North Block, Department of Economic Affairs, Ministry of Finance, Government of India, 110001
Wencai Zhang.....	China	Director General, Department of International Financial and Economic Director General,	Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, 3

<b>Name</b>	<b>Member Country</b>	<b>Position</b>	<b>Business Address</b>
Enoch Godongwana	South Africa	Department of International Financial and Economic Cooperation, Ministry of Finance	Nansanxiang, Sanlihe, Xicheng District. Beijing, 100820, China
		Director of New Development Bank, Chairman, Development Bank of Southern Africa Ltd	240 Madiba Street, Pretoria, 0001
K. V. Kamath	India	President of New Development Bank	New Development Bank, 36 Floor, BRICS Tower 333 Lujiazui Ring Road, Pudong Area Shanghai, 200120 China

3.6.4 There are no potential conflicts of interest, nor are there any interests that would be material to any issue of Notes under the Programme, existing between any duties owed to the Issuer by the Board listed above and their private interests and/or duties.

### 3.7 Senior Management

3.7.1 The Board of Governors elected Mr. Kundapur Vaman Kamath from India as the first President of the Issuer. The President is the chief of the operating staff of the Issuer and conducts the ordinary business of the Issuer under the direction of the Directors.

3.7.2 The Senior Management team is composed of the President and four Vice Presidents. The Vice Presidents are appointed from each founding member country other than the country of the President.

3.7.3 The four Vice Presidents were appointed by the Board of Governors on the recommendation of the President.

3.7.4 The management team is highly experienced in areas such as multilateral banking, commercial banking, corporate finance and public policy.

3.7.5 As at the date of this Base Prospectus, the following is a list and profile of the Senior Management team members:

<b>Name</b>	<b>Profile</b>
Kundapur Vaman Kamath <i>(President)</i>	Mr. Kamath started his career in 1971 with ICICI Bank, India's largest private sector bank. In 1988, he joined the Asian Development Bank in the private sector department. He returned to India in 1996 as Managing Director & Chief Executive Officer of ICICI Bank where he was a driving force behind ICICI's global expansion, making it India's first 'universal bank'. Mr. Kamath retired as Managing Director and Chief Executive Officer of ICICI Bank to become the non- executive Chairman from 2009 to 2015. Mr. Kamath also served on the Board of Schlumberger Limited and as Chairman of Infosys Limited, India's largest software company.
Sarquis José Buainain Sarquis <i>(Vice President, Chief Risk Officer)</i>	Since 1991, Mr. Sarquis has held several positions at the Ministry of External Relations in Brazil, among which are Head of International Economic Organisations and Adviser on international finance, investment, trade and development. More recently, he has been Deputy Chief of Mission at the Embassy in Tokyo (2014-2017) and previously, he was Minister-Counsellor for the Organisation for Economic Cooperation and Development (OECD) affairs at the Embassy in Paris (2009-2014). He has accumulated extensive experience in working with multilateral

Name	Profile
Vladimir Kazbekov <i>(Vice President, Chief Administrative Officer)</i>	<p>organisations, including the OECD, the International Monetary Fund, the World Bank, the World Trade Organisation and the United Nations. He has also lectured, researched and participated in major international conferences in the fields of macroeconomics, growth, trade and international finance.</p> <p>Mr. Kazbekov started his career in the Russian Ministry of Foreign Affairs, predominantly in Asian countries, where he served for nearly 20 years before being appointed as the Deputy Director of the Foreign Policy Department of the Presidential Executive Office of the Russian Federation. Mr. Kazbekov gained more than 15 years of experience in development banking at the Russian National Development Bank, Vnesheconombank, where he was appointed as an executive and contributed extensively to the development of the BRICS interbank cooperation mechanism.</p>
Xian Zhu <i>(Vice President, Chief Operations Officer)</i>	<p>Over the past three decades, Mr. Zhu assumed various senior management roles in the public sector. Most recently, Mr. Zhu served as Vice President and Chief Ethics Officer at the World Bank Group (WBG) from 2012 to 2015. Between 2002 and 2012, he served at the WBG as Strategy and Operations Director for South Asia, Country Director for Bangladesh and Country Director for the Pacific Islands, Papua New Guinea, and Timor Leste. From 1999 to 2001, Mr. Zhu served as Executive Director for China in the WBG. In 2001, Mr. Zhu served in Asian Development Bank. Until the late 1990s, Mr. Zhu worked at China's Ministry of Finance in various capacities.</p>
Leslie Maasdorp <i>(Vice President, Chief Financial Officer)</i>	<p>Over the past 25 years Mr. Leslie Maasdorp has occupied senior leadership roles in both private and public sectors. Most recently he served as a Managing Director and President of Bank of America Merrill Lynch for Southern Africa for a period of four years. Prior to that he served in a dual role as Vice Chairman of Barclays Capital and Absa Capital. In 2002 he was the first African to be appointed as International Advisor to Goldman Sachs International.</p> <p>Before his 13 years as a global investment banker, he served in several senior leadership roles in the Government of South Africa. In 1994 after the transition to democracy, he was appointed as Special Advisor to the Minister of Labour and in 1999, in his role as Deputy Director General of the Department of Public Enterprises, he led the restructuring and privatization of state owned enterprises for the South African Government.</p> <p>He is a former Chairman and CEO of Advtech, a leading provider of private education in South Africa. Leslie is a young global leader of the World Economic Forum. He holds a BA degree in Economics and Psychology from the University of the Western Cape and a Master of Science degree in Economics from the School of Oriental and African Studies, at the University of London.</p>

3.7.6 The business address of each member of the Senior Management team is at 36<sup>th</sup> Floor, BRICS Tower, 333 Lujiazui Ring Road, Pudong Area, Shanghai – 200120, China.

3.7.7 There are no potential conflicts of interest, nor are there any interests that would be material to any issue of Notes under the Programme, existing between any duties owed to the Issuer by the Senior Management team listed above and their private interests and/or duties.

### 3.8 **Employees**

As at 31 December 2018, NDB had approximately 144 full-time employees (compared to 106 as at 31 December 2017).

### 3.9 **The Issuer's approach to good corporate governance**

3.9.1 All activities of the Issuer are governed by Board-approved policies and the Code of Business Conduct and Ethics. Board-approved policies outline internal self- assessment mechanisms to ensure compliance to internal policies and processes. These mechanisms are aimed at managing risk, promoting transparency, and upholding responsible conduct and integrity. Accountability is also ascertained during internal audit and independent evaluation. The Issuer has also adopted Anti-Corruption, Anti-Fraud and Anti-Money Laundering Policy.

3.9.2 The Issuer is committed in promoting the highest levels of accountability, responsible conduct, integrity and transparency, and the Board monitors the Issuer's application of its internal governance standards and governance policies.

#### (a) **Accountability**

Board-approved policies outline internal self-assessment mechanisms to ensure compliance to internal policies and processes. These mechanisms are aimed at managing risk, promoting transparency, and upholding responsible conduct and integrity. Policy compliance is continually monitored throughout the organisation and policies are regularly reviewed and updated as necessary. Accountability is also ascertained during internal audit and independent evaluation.

#### (b) **Upholding responsible conduct and integrity**

The Issuer and its employees recognise that trust in a financial institution is based on responsible conduct and commitment to integrity in all its dealings. All activities of the Issuer are governed through a Board-approved Code of Business Conduct and Ethics that emphasizes the principles of transparency, accountability and integrity. The Issuer has further adopted anti-corruption and anti-money laundering principles to underscore its commitment to the global fight against corruption, money laundering and terrorism financing. Whistleblowing procedures are established and continuously reviewed to ensure that the Issuer is updated about alleged misconduct and instances of corruption and money laundering, if any, in the course of deploying its funds to projects or for corporate procurement purposes.

#### (c) **Transparency**

The Issuer is guided by an underlying presumption that information concerning its activities will be made available in a timely manner to the public in the absence of an appropriate reason for confidentiality, in accordance with the Issuer's Board-approved Information Disclosure Policy. Transparency will strengthen the credibility of and the confidence in the institution and will allow the scrutiny of stakeholders and the public in general, which will help the Issuer to review and improve its procedures. Public information includes the following broad categories: Governance Information, Operational Information, Financial Information, Policies and Strategies of the Issuer.

3.9.3 The Issuer has established a number of appropriately constituted committees to support the appropriate application of governance practices and principles. The committees are described in more detail below.

### 3.10 Committees

3.10.1 The Articles of Agreement of the Issuer stipulate that the Board, in exercising its functions, shall appoint a Credit and Investment Committee or any such other committees as it deems advisable for carrying out the general operations of the Issuer. Consequently the Board has approved the constitution of several committees to assist it in discharging its oversight and decision making responsibilities.

3.10.2 The committees that comprise of Board members are the Audit, Risk and Compliance Committee and the Budget, Human Resources and Compensation Committee. The committees comprised of management are the Credit and Investment Committee, the Finance Committee, the Operations Sub-Committee and the Treasury Sub-Committee.

#### (a) **Audit, Risk and Compliance Committee**

The Audit, Risk and Compliance Committee of the Issuer is comprised of all of the Board members and is responsible for assisting the Board with regard to fulfilling its corporate governance oversight responsibilities for the audit, risk and compliance of the Issuer.

The purpose of the Audit, Risk and Compliance Committee is to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to:

- (i) the integrity of the Issuer's financial statements;
- (ii) review and monitoring of the Issuer's independent registered auditors and their qualifications and independence;
- (iii) the performance of the internal audit function and independent registered auditors;
- (iv) the deployment of policies and assessing adequacy of outcomes;
- (v) compliance with legal and other requirements with a view to ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting;
- (vi) identification, evaluation and mitigation of credit, market and operational risks of the Issuer; and
- (vii) overall responsibility for monitoring and approving the risk management framework and associated practices of the Issuer; and
- (viii) reviewing and approving risk disclosures statements in public documents or disclosures.

The primary role of the Audit, Risk and Compliance Committee is to oversee the financial reporting and disclosure process, the compliance with the Issuer's Code of Business Conduct and Ethics, qualification and independence of the External and Internal Audit team, adequacy and reliability of the internal control systems, especially those relating to the reporting of the Issuer's financial statements, as well as effective implementation of the risk framework.

The Chairperson of the Audit, Risk and Compliance Committee is appointed through a consultative process of the Board facilitated by the Chairperson of the Board and shall not be the Chairperson of the Board. In the event that the Chairperson is not present at the meeting, the Audit, Risk and Compliance Committee shall elect an acting Chairperson. The Corporate Secretary acts as the secretary to the Audit, Risk and Compliance Committee.

The Audit, Risk and Compliance Committee meets quarterly or as needed.



(b) **Budget, Human Resources and Compensation Committee**

The purpose of the Budget, Human Resources and Compensation Committee is to oversee the budget, human resources and compensation related activities of the Issuer and undertake the functions provided for under the Code of Conduct for Board Officials.

To fulfil this obligation, the Budget, Human Resources and Compensation Committee relies on the Issuer's Management for the preparation and execution of budgets in accordance with organisational objectives; for preparation of and revisions to the human resources policies as well as associated policies related to compensation and benefits.

The Budget, Human Resources and Compensation Committee comprises of all members of the Board. The Chairperson of the Budget, Human Resources and Compensation Committee is appointed through a consultative process facilitated by the Chairperson of the Board. The Chairperson of the Budget, Human Resources and Compensation Committee shall not be the Chairperson of the Board or the Chairperson of any other Committee. The Corporate Secretary acts as the secretary to the Committee.

The Budget, Human Resources and Compensation Committee meets quarterly or as needed.

(c) **Credit and Investment Committee**

The purpose of the Credit and Investment Committee is to assist the Board with regard to fulfilling its responsibilities for the credit activities of the Issuer.

The Credit and Investment Committee is expected to satisfy itself that the Issuer's credit activities are adequate and effective. In this regard, the specific responsibility that the Credit and Investment Committee will carry out on behalf of the Board is responsible for decisions on loans, guarantees, equity investments and technical assistance of no more than a limit amount to be established by the Board in due course.

The Credit and Investment Committee comprises of the President and four Vice-Presidents of the Issuer. The Chairperson of the Credit and Investment Committee is the President of the Issuer. In the absence of the President, the Vice-Presidents may elect amongst themselves one of the Vice-Presidents to chair the meeting. The Corporate Secretary acts as the secretary to the Credit and Investment Committee.

The Credit and Investment Committee meets monthly or as needed.

(d) **Finance Committee**

The Finance Committee has oversight responsibility on financial matters of the Issuer relating to credit/operations, treasury and risks associated thereto. In this regard, the specific responsibilities relating to oversight of and recommendations to the Board is on the areas of financial policies and guidelines, financial operations including loan loss provisioning, asset and liability management and financial risk management

The Finance Committee comprises of the President and four Vice-Presidents. The Finance Committee is chaired by the President. In the absence of the President, the Vice-Presidents may elect amongst themselves one of the Vice- Presidents to chair the meeting. If a member of the Finance Committee ceases to be a staff member of the Issuer, a replacement will be appointed. The Corporate Secretary acts as the Secretary to the Finance Committee.

The Finance Committee meets monthly or as needed.

(e) **Operations Sub-Committee**

The Operations Sub-Committee is expected to satisfy itself that the Issuer's credit management activities are adequate and effective. In this regard, the specific responsibilities that the Operations Sub-Committee is to monitor credit specific financial policies, credit risk management and review of loan loss provisioning.

The Operations Sub-Committee comprises of two groups of members. Group A comprises of the four Vice-Presidents and Group B comprises of six Directors General from Treasury, Risk, Operations, Compliance, Finance and the General Counsel. The Operations Sub-Committee is co-chaired by the Vice- Presidents. If a member of the Operations Sub-Committee ceases to be a staff member of the Issuer, a replacement will be appointed. The designated person from the Risk department shall act as the Secretary to the Operations Sub- Committee.

The Operations Sub-Committee meets quarterly or as needed.

(f) **Treasury Sub-Committee**

The Treasury Sub-Committee is expected to satisfy itself that NDB's treasury activities are adequate and effective. In this regard, the specific responsibilities that the Treasury Sub-Committee carries out on are develop and monitor the treasury business strategy, treasury risk management including limit monitoring, liquidity, monitor Treasury specific policies and asset liability management.

The Treasury Sub-Committee comprises of two groups of members. Group A comprises of the four Vice-Presidents and Group B comprises of six Directors General from Treasury, Risk, Operations, Compliance and the General Counsel. The Treasury Sub-Committee is co-chaired by the Vice-Presidents. If a member of the Treasury Sub-Committee ceases to be a staff member of the Issuer, a replacement will be appointed. The designated person from the Finance, Budget and Accounting department shall act as the Secretary to the Treasury Sub-Committee.

The Treasury Sub-Committee meets quarterly or as needed or as needed.

4. **RISK MANAGEMENT**

4.1 Risk management is a transparent and centralised function that is independent of business operations. Together with enhancing risk awareness and promoting a strong institutional risk prevention and awareness culture across the Issuer, standards and controls have been developed in a proactive manner to ensure that risks are effectively managed. The Issuer has a robust risk management framework, and its governance structure provides for independent and regular reporting of risk issues to the Audit, Risk and Compliance Committee of the Board that include the Issuer's performance across key risk indicators. The risk management framework is continually monitored and strengthened, commensurate with the development of the Issuer. The primary responsibility for risk management at an operational level rests with the management. Management and various committees are tasked with integrating the management of risk into the day-to-day activities of the Issuer, by monitoring related risk parameters and tolerance through policies and procedures under the strategy approved by the Board.

4.2 Please see Note 5 (*Financial Risk Management*) of the 2018 Financial Statements for further details.

5. **ENVIRONMENT AND SOCIAL FRAMEWORK**

5.1 Sustainability is at the core of NDB's business. As per Article 2 of the Articles of Agreement, "The purpose of the Issuer shall be to mobilize resources for infrastructure and sustainable development projects in the Federal Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa (BRICS) and other emerging market economies and developing countries...". Accordingly, promotion of infrastructure and sustainable development projects is a key focus area for the Issuer.

5.2 The Issuer's Environment and Social Framework (the "**Framework**") sets out NDB's core principles which govern the operations of NDB on environment and social management. It includes two parts: (i) Part 1 which provides an overarching policy for addressing environment and social management in operations; and (ii) Part 2 Environmental and Social Standards which set forth the key mandatory requirements with respect to Environment, Involuntary Resettlement, and Indigenous Peoples.

- 5.3 The aim of the Framework is to, amongst other things: (i) manage environmental and social risks and impacts in projects; (ii) manage the operational and reputational risks of NDB and its stakeholders; (iii) factor-in mainstream environmental and social considerations into the Issuer's general decision-making processes; and (iv) encourage good environmental and social practices in its operations.
- 5.4 The core principles of the Framework are outlined as follows:
- (a) ***Inclusive and sustainable development:*** A principle focus area of NDB is to ensure inclusive sharing of development benefits and opportunities including among the traditionally deprived sections such as the poor, disadvantaged, women, children and minorities. The process of inclusion entails both access to and delivery of services. NDB recognizes the importance of maintaining policy and operating standards which (i) promote sustainable development; (ii) are aligned with international good practices; and (iii) effectively respond to environmental and social risks;
  - (b) ***Country systems:*** NDB promotes the use of strong country and corporate systems in the management of environment and social risks and impacts. NDB also assists in further strengthening the country systems through a variety of mechanisms in both the public and private sector, including by (i) favouring use of country systems, with adequate support, at the operational level as it also fosters greater accountability and ownership; (ii) coordinating closely with other multilateral development banks, international financial institutions and relevant centres of expertise; and (iii) maintaining a risk based and outcome focused approach through measures aligned with the core principles;
  - (c) ***Environment and social interests:*** NDB integrates the principles of environment and social sustainability into its policies and operations, as an integral part of its decision making process, to ensure its financing and investment in infrastructure and sustainable development projects have minimal adverse impact on environment and people;
  - (d) ***Climate change:*** NDB seeks to promote mitigation and adaptation measures to address climate change. Recognizing the sustainable nature of green economic growth and the associated benefits, NDB aims to build upon existing green economic growth initiatives and provide support for the new ones at regional, national, sub-national and private sector level. NDB also encourages climate proofing of its infrastructure financing and investments to build resilience to climate change;
  - (e) ***Conservation of natural resources:*** NDB promotes the conservation of natural resources including energy, water and supports sustainable land use management and urban development;
  - (f) ***Gender equality:*** NDB believes that gender equality is important to successful and sustainable economic development and accordingly considers it imperative to mainstream gender equality issues in all its operations;
  - (g) ***Precautionary approach:*** NDB uses a precautionary approach to justify discretionary decisions in situations where there is the possibility of environmental and social harm from making project decisions; and
  - (h) ***Co-operative functioning and knowledge dissemination:*** NDB seeks to complement the existing efforts of multilateral financial institutions, regional financial institutions and other agencies. In co-financed projects, NDB seeks to promote harmonization of its policies with partnering financial institutions and other agencies by way of adopting a common approach to appraisal, environmental and social management requirements, monitoring and reporting. In addition, NDB intends to disseminate knowledge gained with its development partners.

## TAXATION

**The tax laws of the investor's Member State and of the Issuer's Member State of incorporation might have an impact on the income received from the securities. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.**

### **Tax Status of the Issuer**

Under the Articles of Agreement as in force from time to time, no tax of any kind shall be levied by a member state of the Issuer on any obligation or security issued by the Issuer, including any dividend or interest thereon, by whomsoever held: (a) which discriminates against such obligation or security solely because it is issued by the Issuer or; (b) if the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by the Issuer. Also, under the Articles of Agreement, the Issuer is exempt from any obligation for the payment, withholding or collection of any tax by a member state. Accordingly, the interest due on the Notes will be paid to the Paying Agents without deduction in respect of any tax by a member state.

If any taxation does apply to payments due on the Notes, notwithstanding the provisions of the Articles of Agreement, neither the Issuer nor the Paying Agents will make any additional payment in the event of any deduction or withholding being required in respect of such taxation and neither the Issuer nor the Paying Agents shall be liable to any holder of the Notes or to any other person for any commissions, costs, losses or expenses in relation to or resulting from such withholding or payment.

### **FATCA**

#### ***Foreign Account Tax Compliance Act ("FATCA")***

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless such Notes are (i) materially modified after such date or (ii) treated as equity for U.S. federal income tax purposes. However, if additional notes (as described under "*Terms and Conditions—Further Issues*") that are not distinguishable from outstanding Notes in the same Series are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all notes in such Series, including grandfathered Notes, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

#### **The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, a "**participating Member State**"). Estonia has since ceased to participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states might decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT and its potential impact on the Notes.

## SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as amended and/or supplemented and/or restated from time to time, the "**Programme Agreement**") dated 12 December 2019, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Summary of Provisions relating to the Notes while in Global Form*" and "*Terms and Conditions of the Notes*".

If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Final Terms.

In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and U.S. Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether the Notes will be issued (i) in compliance with U.S. Treasury regulations §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("**TEFRA C**") rules or U.S. Treasury regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("**TEFRA D**") or (ii) under circumstances pursuant to which the Notes will not constitute registration required obligations under the U.S. Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**") such that TEFRA is not applicable. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

## Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

## United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) **No deposit taking:** in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons: (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses; or (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## Hong Kong

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any of the Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO); and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

## Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).



## **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply in all material respects with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme has been duly authorised by a resolution of the Issuer dated 14 March 2019. Each issue of Notes will be duly authorised by a resolution of the Issuer on the date set out in the applicable Final Terms for any Tranche of Notes.

### Listing of Notes

Application has been made to Euronext Dublin for Notes issued under the Programme during the 12 months from the date of the Base Prospectus to be admitted to the Official List and trading on its regulated market. However, Notes may be issued pursuant to the Programme which will not be listed on Euronext Dublin or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

### Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection, electronically, from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London:

- (a) the Articles of Agreement (with an English translation thereof) of the Issuer;
- (b) a copy of this Base Prospectus;
- (c) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes and Global Note Certificates, the Notes in definitive form, the Coupons and the Talons; and
- (d) any future prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference.

Moreover, for the period of 12 months following the date of this Base Prospectus the items listed at paragraphs (a) to (c) above are available on the website of the Issuer, being [www.ndb.int](http://www.ndb.int).

### Issuer website

The Issuer's website is [www.ndb.int](http://www.ndb.int). Unless specifically incorporated by reference into this Base Prospectus, information contained on the website of the Issuer does not form part of this Base Prospectus.

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN and (to the extent applicable) Classification of Financial Instruments (CFI) code and the Financial Instrument Short Name (FISN) for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

### Significant or Material Change

There has been no significant change in the financial performance or financial position of the Group since 30 September 2019 and there has been no material adverse change in the prospects of the Issuer since 31 December 2018.

## **Litigation**

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

## **Auditors**

The Auditors of the Issuer for the financial years ended 31 December 2018 and 31 December 2017 are Deloitte Touche Tohmatsu Certified Public Accountants LLP. Deloitte Touche Tohmatsu Certified Public Accountants LLP are empowered by the Ministry of Finance of China to carry out its auditing activities.

## **Legal Entity Identifier:**

The Legal Entity Identifier of the Issuer is 254900VPI91W770OUM06.

## **Dealers Transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **Availability of Prospectus**

This Base Prospectus is available on the Central Bank of Ireland's website at [www.centralbank.ie](http://www.centralbank.ie) and Euronext Dublin's website at [www.ise.ie](http://www.ise.ie).

## **Listing Agent**

Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List or to trading on the Regulated Market for the purposes of the Prospectus Regulation.

**ISSUER**

**New Development Bank**  
32-36 Floor, 333 Lujiazui Ring Road, Pudong New  
District, Shanghai  
China

**FISCAL AGENT AND PAYING AGENT**

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**REGISTRAR**

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**LEGAL ADVISERS**

*To the Issuer as to English law*

**Clifford Chance LLP**  
10 Upper Bank Street  
London E14 5JJ  
United Kingdom

*To the Dealers as to English law*

**Freshfields Bruckhaus Deringer LLP**  
65 Fleet Street  
London EC4Y 1HS  
United Kingdom

**AUDITORS**

*To the Issuer*

**Deloitte Touche Tohmatsu Certified Public Accountants LLP**  
30/F Bund Center, 222 Yan An Road East  
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People's Republic of China

**ARRANGER AND DEALER**

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**LISTING AGENT**

**Walkers Listing Services Limited**  
5th Floor, The Exchange  
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Dublin 1, D01 W3P9  
Ireland