New Development Bank

THE NEW DEVELOPMENT BANK

UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2019

THE NEW DEVELOPMENT BANK

UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2019

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UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2019
EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	Notes	Three months ended March 31, 2019 (unaudited)	Three months ended March 31, 2018 (unaudited)	Three months ended December 31, 2018 (unaudited)	Year ended December 31, 2018 (audited)
Interest income	6	50,476	24,305	37,333	123,400
Interest expense	6	(4,823)	(3,851)	(3,368)	(13,597)
Net interest income	6	45,653	20,454	33,965	109,803
Net fee income	7	151	15	99	418
Net (losses)/gains on financial instruments at fair value through profit or loss	8	(605)	(1,718)	544	7,809
		45,199	18,751	34,608	118,030
Staff costs	9	(7,213)	(5,436)	(7,406)	(25,310)
Other operating expenses	10	(4,237)	(2,099)	(3,311)	(11,936)
Impairment provision	4	(490)	(585)	(2,126)	(3,758)
Foreign exchange gains/(losses)		694	3,356	(149)	(4,989)
Operating profit for the period/year		33,953	13,987	21,616	72,037
Unwinding of interest on paid-in capital receivables		18,618	24,290	22,241	93,822
Profit for the period/year		52,571	38,277	43,857	165,859
Total comprehensive income for the period/year		52,571	38,277	43,857	165,859

THE NEW DEVELOPMENT BANK

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019
EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	Notes	As at March 31, 2019 (unaudited)	As at December 31, 2018 (audited)
Assets			
Cash and cash equivalents	11	264,600	122,988
Due from banks other than cash and cash equivalents	12	5,409,210	4,800,559
Derivative financial assets	13	8,535	710
Debt instruments measured at amortised cost	14	10,022	-
Right-of-use assets	15	204	-
Loans and advances	16	661,867	628,104
Paid-in capital receivables	17	4,556,189	4,846,783
Property and equipment	18	1,223	1,205
Intangible assets	19	930	931
Other assets	20	739	1,133
Total assets		10,913,519	10,402,413
Liabilities			
Derivative financial liabilities	13	100	6,374
Financial liabilities designated at fair value through profit or loss	21	906,598	443,809
Lease liabilities	22	194	-
Other liabilities	23	9,193	7,367
Total liabilities		916,085	457,550
Equity			
Paid-in capital	24	10,000,000	10,000,000
Other reserves	25	(143,811)	(162,429)
Retained earnings		141,245	107,292
Total equity		9,997,434	9,944,863
Total equity and liabilities		10,913,519	10,402,413

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2019
EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	Paid-in capital	Other reserves	Retained earnings	Total
As at January 1, 2019	10,000,000	(162,429)	107,292	9,944,863
Operating profit for the period	-	-	33,953	33,953
Unwinding of interest on paid-in capital receivables for the period	-	-	18,618	18,618
Profit and total comprehensive income for the period	-	-	52,571	52,571
Reclassification of unwinding of interest arising from paid-in capital receivables	-	18,618	(18,618)	-
As at March 31, 2019 (unaudited)	10,000,000	(143,811)	141,245	9,997,434

	Paid-in capital	Other reserves	Retained earnings	Total
As at January 1, 2018	10,000,000	(266,646)	35,255	9,768,609
Operating profit for the period	-	-	13,987	13,987
Unwinding of interest on paid-in capital receivables for the period	-	-	24,290	24,290
Profit and total comprehensive income for the period	-	-	38,277	38,277
Reclassification of unwinding of interest arising from paid-in capital receivables	-	24,290	(24,290)	-
As at March 31, 2018 (unaudited)	10,000,000	(242,356)	49,242	9,806,886

THE NEW DEVELOPMENT BANK

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2019
EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	Three months ended March 31,2019 (unaudited)	**Three months ended March 31,2018 (unaudited)**
OPERATING ACTIVITIES		
Profit for the period	52,571	38,277
Adjustments for:		
Interest expense	4,823	3,851
Interest income from debt instruments at amortised cost	(20)	-
Depreciation and amortisation	133	37
Unrealised gains on financial instruments	(4,144)	(1,569)
Unwinding of interest on paid-in capital receivables	(18,618)	(24,290)
Impairment provisions for loans and commitments	490	585
Exchange losses on debt instruments at amortised cost	34	-
Debt issuance cost	552	-
Operating cash flows before changes in operating assets and liabilities	35,821	16,891
Net increase in due from banks	(608,651)	(795,363)
Net increase in loans and advances	(32,414)	(23,097)
Net decrease/(increase) in other assets	381	(11,580)
Net increase/(decrease) in other liabilities	(14)	(262)
Interest paid on lease liability	(1)	-
NET CASH USED IN OPERATING ACTIVITIES	(604,878)	(813,411)
INVESTING ACTIVITIES		
Purchase of debt instruments at amortised cost	(10,035)	-
Purchase of property and equipment, intangible assets	(128)	(118)
NET CASH USED IN INVESTING ACTIVITIES	(10,163)	(118)
FINANCING ACTIVITIES		
Paid-in capital received	309,212	-
Proceeds from issuance of bonds	448,012	-
Payment of bond issuance cost	(552)	-
Payment of lease liability	(19)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	756,653	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	141,612	(813,529)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	122,988	1,019,854
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	264,600	206,325

1. GENERAL INFORMATION

The New Development Bank (the "Bank") was established on the signing of the Agreement on the New Development Bank (the "Agreement") on July 15,2014 by the Government 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"), collectively the "BRICS" countries or "founding members". The Agreement took effect on July 3, 2015 according to the notification endorsed by Brazil in its capacity as depositary. The headquarters of the Bank is located in Shanghai, China. On August 17, 2017, the Bank officially opened the Africa Regional Center (ARC), in Johannesburg, which is the first regional office of the Bank.

According to the Agreement, the initial authorised capital of the Bank is United States Dollar ("USD") 100 billion and the initial subscribed capital of the Bank is USD 50 billion. Each founding member shall initially subscribe for 100,000 shares, totaling USD 10 billion, of which 20,000 shares correspond to paid-in capital and 80,000 shares correspond to callable shares. The contribution of the amount initially subscribed by each founding member, to the paid-in capital stock of the Bank, shall be made in dollars in 7 instalments, pursuant to the Agreement.

The purpose of the Bank is to mobilise resources for infrastructure and sustainable development projects within BRICS and other emerging economies and developing countries, complementing the existing efforts of multilateral and regional financial institutions, for global growth and development.

As at March 31, 2019, the Bank had 134 (December 31, 2018: 128) employees including the President and 4 (December 31, 2018: 4) Vice-Presidents. In addition, there were 15 (December 31, 2018: 16) consultants/secondees appointed by the Bank on a short-term basis.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

For the Bank's internal use purpose, the unaudited condensed financial statements have been prepared in accordance with International Accounting Standards ("IASs") 34 "Interim Financial Reporting" with special presentation that the figures for the year ended December 31, 2018 and three months ended December 31, 2018, are included in the unaudited condensed statement of profit or loss and other comprehensive income and relevant notes.

The unaudited condensed financial statements for the three months ended March 31, 2019 should be read in conjunction with the Bank's financial statements for the year ended December 31, 2018.

Except as described below, the significant accounting policies applied in preparing the unaudited condensed financial statements for the three months ended March 31, 2019 are consistent with those policies applied in the preparation of the Bank's financial statements for the year ended December 31, 2018.

In the current interim period, the Bank has applied the following new or revised International Financial Reporting Standards ("IFRSs") which are relevant to the Bank for the first time:

IFRS 16	Leases
Amendments to IFRS 9	Prepayment Features with Negative Compensation

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES - continued

IFRS 16 Leases

The Bank has adopted IFRS 16 for the first time in the current interim period. As a result, the Bank has changed its accounting policy for lease contracts.

Previously, the Bank determined at contract inception whether an arrangement is or contains a lease under IFRIC -Int 4 Determining whether an Arrangement contains a Lease. Upon application of IFRS 16, the Bank assesses whether a contract is or contains a lease based on the definition of a lease under IFRS 16.

The Bank has applied IFRS 16 using the modified retrospective approach. As permitted by the transitional provisions of IFRS 16, the Bank elects not to restate comparative figures. The details of the change in accounting policies are disclosed below.

On transition to IFRS 16, the Bank elects the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC-Int 4 and not apply this standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC-Int 4. Therefore, in relation to contracts which already existed prior to date of initial application and have not been changed since, the Bank did not reassess whether the contracts are, or contain a lease.

As a lessee, the Bank previously classified leases as operating leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Bank. Under IFRS 16, the Bank recognises a right-of-use asset and a corresponding liability for all leases except for short-term leases and leases of low-value assets. Short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. The Bank considered the lease of which the underlying lease asset is valued lower than USD 5,000 as leases of low-value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments using the effective interest method, as well as the impact of lease modifications, amongst others.

At the commencement date, in the measurement of the lease liability, the lease payments included the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The classification of cash flows is also affected as operating lease payments under IAS 17 are presented as operating cash flows, whereas upon application of IFRS 16, lease payments in relation to lease liability is allocated into a principal and an interest portion which is presented as financing and operating cash flows respectively by the Bank.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES - continued

IFRS 16 Leases - continued

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Bank's incremental borrowing rate as at January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The Bank used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.

On transition to IFRS 16, the Bank recognised right-of-use assets amounting to USD 226 thousand (unaudited) and lease liabilities amounting to USD 213 thousand (unaudited) as at January 1, 2019. The right-of-use assets are amortised over the contract period.

When measuring lease liabilities, the Bank discounted lease payments using its incremental borrowing rate at January 1, 2019. The Bank's incremental borrowing rate applied to lease liabilities is 2.4696%.

Summary of effects arising from initial application of IFRS 16

The operating lease commitments as at December 31, 2018 are reconciled to the recognised lease liabilities as at January 1, 2019 as below:

	As at January 1, 2019 USD'000 (unaudited)
Operating lease commitment as at December 31, 2018	**252**
IFRS 16 adjustments	**(39)**
Lease liabilities as at January 1, 2019	**213**

Adjustments for IFRS 16 relate to the discounting impact of leases recognised and leases exempted in terms of IFRS 16.

The application of amendment to IFRS 9 relating to the Prepayment Features with Negative Compensation, in the current interim period has had no material effect on the amounts reported in these unaudited condensed financial statements and/or disclosures set out in these unaudited condensed financial statements.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of unaudited condensed financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Bank. The key sources of estimation uncertainty used in the unaudited condensed financial statements for the three months ended March 31, 2019 are the same as those followed in the preparation of the Bank's financial statements for the year ended December 31, 2018.

4. FINANCIAL RISK MANAGEMENT

Overview

The Bank's operating activities expose it to a variety of financial risks. As a multilateral development bank, the Bank aims to safeguard its capital base by taking prudent approaches and following international practices in identifying, measuring, monitoring and mitigating financial risks.

The Bank has established various risk management policies approved by the Board of Directors in line with its Agreement which are designed to identify and analyse risks of particular categories, and to set up appropriate risk limits and controls. The Board of Directors sets out the risk management strategy and the risk tolerance level in different risk management policies.

The primary responsibility for risk management at an operational level rests with the management. Management and various specialist committees are tasked with integrating the management of risk into the day-to-day activities of the Bank, by monitoring related risk parameters and tolerance through policies and procedures under the strategy approved by designated committees.

The Bank is exposed to a variety of financial risks namely: credit risk, liquidity risk and market risk which includes exchange rate risk and interest rate risk.

Credit risk

The Bank is committed to mobilising resources for infrastructure and sustainable development projects in BRICS and other emerging market economies and developing countries. The Bank will provide financial support through loans, guarantees, equity investment and other financial activities to fulfill this purpose. Any possibility of inability or unwillingness of borrowers or obligors to meet their financial obligation with the Bank leads to credit risk.

According to the nature of the Bank's business, the principal sources of credit risks are:
(i) credit risk in its sovereign operations;
(ii) credit risk in its non-sovereign operations; and
(iii) obligors credit risk in its treasury business.

The Bank mainly relies on external credit rating results from major international rating agencies (e.g. Moody's, Standard and Poor's and Fitch) to provide an initial assessment of the credit quality of borrowers and treasury counterparties. In case 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 Bank monitors the overall credit risk of the Bank on a periodic basis.

A prudential credit risk limit structure facilitates the management of risks associated to the Bank's portfolio. Credit risk limits would apply to exposures to single jurisdiction, sectors, obligors and products.

The Bank mainly relies on external credit rating results from major international rating agencies (e.g. Moody's, Standard and Poor's and Fitch) to provide an initial assessment of the credit quality of borrowers and treasury counterparties. In case 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 Bank monitors the overall credit risk of the Bank on a periodic basis.

For loans without a sovereign guarantee, the Bank will in due course use an internal credit rating taking into account specific project, sector, macro and country credit risks, the Risk Division of the Bank monitors the overall credit risk profile of the Bank on a periodic basis. The Risk Division obtains the latest rating result of the obligors to measure credit risk profile of the Bank.

4. FINANCIAL RISK MANAGEMENT – continued

Credit risk - continued

A summary of rating grade that is being used by the Bank is as below:

- Senior investment grade: broadly corresponds with Standard & Poor's ratings of AAA to A - from global or approved local rating agency.
- Investment grade: broadly corresponds with Standard & Poor's ratings of BBB+ to BBB - from global or approved local rating agency.
- Sub-investment grade: broadly corresponds with Standard & Poor's ratings of BB+ to BB but not including defaulted or impaired.

Credit exposure on loan facilities

Unaudited As at March 31, 2019	Maximum facility USD'000	Effective facility USD'000	Utilised USD'000	Unutilised loan commitments USD'000
Senior investment grade	2,148,894	1,523,639	135,072	1,388,567
Investment grade	3,690,000	2,530,000	187,389	2,342,611
Sub-investment grade	550,000	500,000	340,000	160,000
Total	6,388,894	4,553,639	662,461	3,891,178
Interest Receivable			1,587	-
Less: Provision for loan and commitment			(2,181)	(2,090)
Carrying amount as at March 31, 2019			661,867	3,889,088

Audited As at December 31, 2018	Maximum facility USD'000	Effective facility USD'000	Utilised USD'000	Unutilised loan commitments USD'000
Senior investment grade	1,507,559	1,507,559	120,053	1,387,506
Investment grade	2,550,000	960,000	164,515	795,485
Sub-investment grade	500,000	500,000	340,000	160,000
Total	4,557,559	2,967,559	624,568	2,342,991
Interest Receivable			6,191	-
Less: Provision for loan and commitment			(2,655)	(1,126)
Carrying amount as at December 31, 2018			628,104	2,341,865

4. FINANCIAL RISK MANAGEMENT – continued

Credit risk - continued

	Stage 1 USD'000 (unaudited)
ECL allowance as at January 1, 2019	2,655
Additions	1
Change in risk parameters	(475)
ECL allowance as at March 31, 2019	2,181

	Stage 1 USD'000 (audited)
ECL allowance as at January 1, 2018	-
Additions	2,655
Change in risk parameters	-
ECL allowance as at December 31, 2018	2,655

The Probability of Default ("PD") associated with the above loan facilities for the next 12 months is between 0% to 1% at the dates of signing of loans agreements as at March 31, 2019 and December 31, 2018. There has been no significant increase in credit risk up to March 31, 2019 and December 31, 2018.

Reconciliation of provision for loan

	12 month Expected Credit loss USD'000 As at March 31, 2019 (unaudited)	12 month Expected Credit loss USD'000 As at December 31, 2018 (audited)
Provision at the beginning of the period/year	2,655	-
Provision for loans (reversed)/raised	(474)	2,655
Provision at the end of the period/year	2,181	2,655

Reconciliation of provision for loan commitment

	12 month Expected Credit loss USD'000 As at March 31, 2019 (unaudited)	12 month Expected Credit loss USD'000 As at December 31, 2018 (audited)
Provision at the beginning of the period/year	1,126	23
Provision for loan commitment raised	964	1,103
Provision at the end of the period/year	2,090	1,126

4. FINANCIAL RISK MANAGEMENT – continued

Credit risk - continued

Credit exposure on deposits

The Bank had deposits with other banks that are subject to credit risk. These deposits are placed with highly rated banks in mainland China, Hong Kong, and Singapore. The credit rating of banks is analysed as below:

	As at March 31, 2019 USD'000 (unaudited)	As at December 31, 2018 USD'000 (audited)
Cash and cash equivalents		
Senior investment grade	264,589	122,976
Due from banks other than cash and cash equivalents		
Senior investment grade	5,409,210	4,800,559
Total	5,673,799	4,923,535

Credit exposure on the investment of debt instruments

The credit rating of debt instruments measured at amortised cost as at March 31, 2019 is investment grade.

There has been no significant increase in credit risk since initial recognition associated with the amounts due from banks, debt instruments measured at amortised cost and loans and commitment, up to March 31, 2019. The credit exposure on cash and cash equivalents exclude cash on hand.

Credit risk on derivatives

The Bank has entered into derivative contracts for the purpose of achieving an economic hedge of currency and interest rate risk associated with the bond issued, time deposits and investment measured at amoritised cost. The Bank chose counterparties with high credit rating in mainland China and Hong Kong and entered ISDA agreement with them. Under the ISDA master agreement, if a default by counterparty occurs all contracts with the counterparty will be terminated. At any point of time the maximum exposure to credit risk is limited to the current fair value of instruments that are favorable to the Bank.

Risk concentrations

The Bank manages concentration risk through the limits on the basis of the individual counterparties and geographical region in accordance with the Board approved policy. The Bank will diversify its credit exposures over time.

Liquidity risk

The Bank's liquidity risk arises largely from the following two circumstances:

I. Insufficient liquidity to settle obligations or to meet cash flow needs, including but not limited to the inability to maintain normal lending operations and to support public or private projects in a timely manner.

II. Inability to liquidate an investment at a reasonable price within the required period of time.

4. FINANCIAL RISK MANAGEMENT – continued

Liquidity risk - continued

The Bank utilises a set of risk measurement tools for identifying, monitoring and controlling liquidity risk. The Bank maintains an appropriate mix of liquid assets as a source of liquidity for day-to-day operational needs, as well as for meeting emergency funding needs. The Bank also has the channel to borrow funds and issue debt securities in order to achieve its development mission and optimise liquidity. The Bank monitors liquidity risk through the liquidity risk ratios and indicators as prescribed in the liquidity risk management policy of the Bank.

The following table presents the cash flows associated with financial assets and financial liabilities. The balances in the tables will not necessarily agree to amounts presented on the unaudited condensed statement of financial position as amounts incorporate cash flows on an undiscounted basis and therefore include both principal and associated future interest payments.

4. FINANCIAL RISK MANAGEMENT - continued

Liquidity risk - continued

Unaudited As at March 31, 2019	On demand USD'000	Less than 1 month USD'000	1-3 months USD'000	3-12 months USD'000	1-5 years USD'000	Over 5 years USD'000	Total USD'000
Non-derivatives							
Cash and cash equivalents	138,060	22,387	105,006	-	-	-	265,453
Due from banks	-	471,637	289,265	4,321,667	460,967	-	5,543,536
Loans and advances	-	-	198	17,478	311,878	544,537	874,091
Paid-in capital receivables	-	-	-	1,200,000	3,500,000	-	4,700,000
Debt instruments measured at amortised cost	-	-	10,122	-	-	-	10,122
Other financial assets	367	-	-	-	-	-	367
Financial liabilities designated at FVTPL	-	-	-	(27,563)	(945,198)	-	(972,761)
Other financial liabilities	(1,371)	-	-	-	-	-	(1,371)
Lease liabilities	-	-	(20)	(64)	(116)		(200)
Sub-total	137,056	494,024	404,571	5,511,518	3,327,531	544,537	10,419,237
Derivatives							
Net setting derivatives							
Interest rate swap – cash inflow	-	-	-	17,631	3,986	-	21,617
Interest rate swap – cash outflow	-	(592)	(4,291)	(10,771)	(3,704)	-	(19,358)
Foreign exchange forward – cash inflow	-	-	10,107	-	-	-	10,107
Foreign exchange forward – cash outflow	-	-	(10,032)	-	-	-	(10,032)
Gross setting derivatives							
Cross currency swap – cash inflow	-	-	-	10,935	374,968	-	385,903
Cross currency swap – cash outflow	-	-	-	(9,054)	(370,637)	-	(379,691)
Sub-total	-	(592)	(4,216)	8,741	4,613	-	8,546
Net	137,056	493,432	400,355	5,520,259	3,332,144	544,537	10,427,783

4. FINANCIAL RISK MANAGEMENT - continued

Liquidity risk – continued

Audited As at December 31, 2018	On demand USD'000	Less than 1 month USD'000	1-3 months USD'000	3-12 months USD'000	1-5 years USD'000	Over 5 years USD'000	Total USD'000
Non-derivatives							
Cash and cash equivalents	97,313	25,887	-	-	-	-	123,200
Due from banks	-	976,111	787,657	2,806,774	316,137	-	4,886,679
Loans and advances	-	-	11,620	13,932	264,008	537,255	826,815
Paid-in capital receivables	-	300,000	9,212	-	4,700,000		5,009,212
Other financial assets	271	-	-	-	-	-	271
Financial liabilities designated at FVTPL	-	-	-	(13,375)	(459,738)	-	(473,113)
Other financial liabilities	(1,275)	-	-	-	-	-	(1,275)
Sub-total	96,309	1,301,998	808,489	2,807,331	4,820,407	537,255	10,371,789
Derivatives							
Net setting derivatives							
Interest rate swap - cash inflow	-	-	-	2,001	4,007	-	6,008
Interest rate swap - cash outflow	-	(598)	-	(1,433)	(3,172)	-	(5,203)
Gross setting derivatives							
Cross currency swap - cash inflow	-	-	-	10,674	368,399	-	379,073
Cross currency swap - cash outflow	-	(4,163)	-	(4,794)	(376,880)	-	(385,837)
Sub-total	-	(4,761)	-	6,448	(7,646)	-	(5,959)
Net	96,309	1,297,237	808,489	2,813,779	4,812,761	537,255	10,365,830

4. FINANCIAL RISK MANAGEMENT – continued

Market risk

Market risk is the risk that market rates and prices on assets, liabilities and off-balance sheet positions change, which results in profits or losses to the Bank. The Bank's market risk mainly consists of interest rate risk and exchange rate risk arising from the current portfolio. The Treasury and Portfolio Management Division of the Bank makes investment and hedging decisions within the guidelines set in Board approved polices.

Interest rate risk

Interest rate risk is defined as the risk of adverse impact on the Bank's financial position, including its income and economic value due to interest rate movements. The Bank's lending and investment activities may expose the Bank to interest rate risk. In addition, changes in the macro-economic environment impact significantly on the movement of interest rate curves for different currencies.

The Bank has limited tolerance towards interest rate risks. The primary strategy for management of interest rate risk is to match the interest rate sensitivity of individual currencies on both sides of the statement of financial position. The tenor for which the interest is fixed on a financial instrument indicates the extent to which it is exposed to interest rate risk. Interest rate risk arises principally from the sensitivity associated with the net spread between the rate the Bank earns on its assets and the cost of borrowings which funds those assets and the sensitivity of the income earned from funding a portion of the Bank's assets with equity.

Accordingly, interest rate risk management aims to minimise mis-matches of structure and maturities (re-pricing) of interest rate sensitive assets and liabilities in the Bank's portfolios by adopting a match-funding principle complemented by duration gap analysis, interest rate repricing gap analysis and scenario analysis. The Bank aims to maintain the duration up to the approved limits by generating a stable overall net interest margin that is not overly sensitive to sharp changes in market interest rates, but adequately responsive to general market trends. An adequate match-funding refers to the principles of funding that has broadly the same characteristics as the corresponding loans in terms of interest rate and currency. Such minimisation of mismatches protects the Bank's net interest margin from fluctuations in market interest rates. The Bank also undertakes derivative transactions to hedge interest rate risk.

The Bank measures its interest rate exposure by using the interest rate re-pricing profile which is used to analyse the impact of interest rate change on its net interest income due to the re-pricing mismatch between assets, liabilities and off-balance sheet positions over a range of re-pricing buckets. Interest bearing assets and liabilities including off-balance sheet positions are slotted into their respective re-pricing time bands according to their earliest interest re-pricing dates.

Interest Rate Sensitivity analysis

The objective of Net Interest Income ("NII") sensitivity analysis is to utilise projected earnings simulations to forecast, and to measure and manage interest rate risk. NII analysis measures the sensitivity of net interest income earnings to changes in interest rates.

The sensitivity analysis is prepared assuming the interest bearing financial assets and liabilities outstanding at the end of each respective reporting periods were outstanding for the whole year.

When reporting to the management on the interest rate risk, a 25 basis points increase or decrease in the relevant interest rates is adopted for sensitivity analysis, when considering the reasonably possible change in interest rates. The impact of a change in interest rates on the last date of the reporting period is shown below.

4. FINANCIAL RISK MANAGEMENT – continued

Interest rate risk - continued

	Impact on profit three months ended March 31, 2019 USD'000 (unaudited)	Impact on profit year ended December 31, 2018 USD'000 (audited)
+25 basis points	1,708	7,959
-25 basis points	(1,708)	(7,959)

Exchange Rate Risk

The exchange rate risk the Bank faces arises from the impact of exchange rate movements on net open positions in loans and treasury portfolio. Movements in currencies in which the Bank transacts, relatively to its functional currency (the U.S. dollar), can affect the Bank's results.

The Bank aims at reducing or limiting exposure to the exchange rate risk arising from its normal course of business, while maximising its capacity to assume the risks of extending credit to clients (or borrowers) within its approved risk limits. The Bank uses the net exchange position limit to contain the exchange rate risk exposure.

The Bank seeks to match the currency of its assets with the currency of the corresponding funding source. The Bank uses currency derivative contracts to align the currency composition of its equity and liabilities to its asset.

Exchange Rate Sensitivity analysis

The following table shows the impact of an appreciation or depreciation of USD against foreign currencies as at March 31, 2019 and December 31, 2018 assuming that all other variables remain constant:

	Impact on profit three months ended March 31, 2019 USD'000 (unaudited)	Impact on profit year ended December 31, 2018 USD'000 (audited)
10% Appreciation	(170)	(35)
10% Depreciation	170	35

Capital management

The Bank monitors its capital adequacy level within a Capital Management Framework ("CMF"), which seeks to ensure that Bank's capital is sufficient to cover the risks associated with its business. The CMF consists of three pillars that are Limitation on Operations, Equity-to-Loan Ratio, Equity-to-Asset and Capital Utilisation Ratio.

The Bank sets all early warning indicator for the above three pillars (95% for Limitation on Operations, 25% for Equity-to-Loan Ratio and 85% for Capital Utilisation Ratio) and monitors the capital adequacy level on an on-going basis. Once the early warning indicator is hit, contingency actions should be triggered to bring the capital adequacy level to safe range.

As at March 31, 2019, the Bank had complied with its capital adequacy management policies.

4. FINANCIAL RISK MANAGEMENT - continued

Capital management - continued

The Bank has a capital structure in order to meet the capital management objective in a capital efficient manner. The initial subscribed capital shall be equally distributed amongst the founding members and the payment of the amount initially subscribed to the paid-in capital stock of the Bank shall be made in seven instalments.

According to Article 7d of the Agreement, an increase of the authorised and subscribed capital stock of the Bank, as well as the proportion between the paid in shares and the callable shares may be decided by the Board of Governors at such time and under such terms and conditions as it may deem advisable, by a special majority of the Board of Governors. In such case, each member shall have a reasonable opportunity to subscribe, under the conditions established in Article 8 and under such other conditions as the Board of Governors shall decide. No member, however, shall be obligated to subscribe to any part of such increased capital. The Board of Governors shall at intervals of not more than 5 years review the capital stock of the Bank per Article 7e of the Agreement.

5. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Bank's financial instruments that are measured subsequent to initial recognition at fair value mainly included financial liabilities designated at fair value through profit and loss and the derivatives as at March 31, 2019.

The Risk Division of the Bank is responsible for the fair value measurement. Analysis of fair value disclosures uses a hierarchy that reflects the significant inputs used in measuring the fair value. The level in the fair value hierarchy within which a fair value through profit and loss measurement is classified is determined on the basis of the lowest level input that is significant to the fair value measurement. The fair value hierarchy is as below.

- Level 1: Quoted prices in active markets for the financial assets or the liabilities that the Bank can access at the measurement date.
- Level 2: Inputs other than the quoted prices within Level 1 that are observable in the market and published by reputable agencies like Bloomberg and Reuters. These inputs are used for arriving at the fair value of the assets or the liabilities.
- Level 3: Inputs for the financial asset or liability that are not based on the observable market data.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The estimated fair values are based on relevant information available at the reporting date and involve judgement.

The Bank is of the opinion that there is no active market related to its bonds issued in view of the low trading volume and frequency.

The fair value estimates are based on the following methodologies and assumptions:

The fair values of derivative assets and liabilities, including foreign exchange forwards, interest rate swaps and cross currency swaps are obtained from discounted cash flow models and other valuation techniques that are commonly used by market participants using observable inputs as appropriate in the market and published by reputable agencies like Bloomberg.

The fair value of the financial liabilities designated at fair value through profit and loss is measured using market accepted valuation techniques. The techniques serve the purpose of tracking the value impact in respect of both interest rate and foreign exchange rate movement.

5. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES - continued

Fair value of the Bank's financial instruments that are measured at fair value on a recurring basis

The table below shows the comparison of fair value of the financial assets, financial liabilities and derivatives.

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
Unaudited				
As at March 31, 2019				
Financial assets				
Derivatives	-	8,535	-	8,535
Total financial assets measured at fair value	-	8,535	-	8,535
Financial liabilities				
Derivatives	-	100	-	100
Financial liabilities designated at fair value	-	906,598	-	906,598
Total financial liabilities measured at fair value	-	906,698	-	906,698

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
Audited				
As at December 31, 2018				
Financial assets				
Derivatives	-	710	-	710
Total financial assets measured at fair value	-	710	-	710
Financial liabilities				
Derivatives	-	6,374	-	6,374
Financial liabilities designated at fair value	-	443,809	-	443,809
Total financial liabilities measured at fair value	-	450,183	-	450,183

There were no transfers between Level 1 and 2 for the three months ended March 31, 2019 and during the financial year ended December 31, 2018.

There were no third-party credit enhancements in the fair value measurement for financial liabilities designated at fair value as at March 31, 2019 and December 31, 2018.

The Bank considered that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Bank's statements of financial position approximate their fair values.

6. NET INTEREST INCOME

	Three months ended March 31, 2019 USD'000 (unaudited)	Three months ended March 31, 2018 USD'000 (unaudited)	Three months ended December 31, 2018 USD'000 (unaudited)	Year ended December 31,2018 USD'000 (audited)
Interest income from banks	44,008	24,027	31,712	113,191
Interest income from loans and advances	6,448	278	5,621	10,209
Interest income from debt instruments measured at amortised cost	20	-	-	-
Total interest income	50,476	24,305	37,333	123,400
Interest expense on bonds issued	(4,822)	(3,851)	(3,368)	(13,590)
Interest expense on short term borrowings	-	-	-	(7)
Interest expense on lease liabilities	(1)	-	-	-
Total interest expense	(4,823)	(3,851)	(3,368)	(13,597)
Net interest income	45,653	20,454	33,965	109,803

7. NET FEE INCOME

	Three months ended March 31, 2019 USD'000 (unaudited)	Three months ended March 31, 2018 USD'000 (unaudited)	Three months ended December 31, 2018 USD'000 (unaudited)	Year ended December 31,2018 USD'000 (audited)
Front-end fee recognised	56	15	55	155
Commitment Fee	95	-	44	263
Total	151	15	99	418

8. NET (LOSSES)/GAINS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Three months ended March 31, 2019 USD'000 (unaudited)	Three months ended March 31,2018 USD'000 (unaudited)	Three months ended December 31, 2018 USD'000 (unaudited)	Year ended December 31,2018 USD'000 (audited)
Derivatives	9,350	18,324	11,816	2,564
Bonds	(9,955)	(20,042)	(11,272)	5,245
Total	(605)	(1,718)	544	7,809

9. STAFF COSTS

	Three months ended March 31, 2019 (unaudited)	Three months ended March 31, 2018 (unaudited)	Three months ended December 31, 2018 (unaudited)	Year ended December 31,2018 (audited)
Salaries and allowances	5,639	4,149	5,895	19,400
Other benefits	1,574	1,287	1,511	5,910
Total	7,213	5,436	7,406	25,310

The Bank provides other benefits, based on their eligibility and applicability, to its staff members during their employment with the Bank. These include medical insurance, life insurance, accidental death and dismemberment insurance, Staff Retirement Plan (“SRP”) and Post Retirement Plan (“PRP”).

The charge recognised for the three months ended March 31, 2019 for the SRP and PRP was USD 1,105 thousand (unaudited) (three months ended March 31, 2018: USD 894 thousand, unaudited) and USD 103 thousand (unaudited) (three months ended March 31, 2018: USD 91 thousand, unaudited) respectively and is included in “Other benefits”. There are two retirement plans in operation. Both SRP and PRP are defined contribution schemes and are operated through trust funds. For SRP, both the Bank and staff contribute. For PRP, only the Bank contributes.

The Bank did not incur any salary expenses and other employee benefits for members of the Board of Governors and the Board of Directors except the President of the Bank for the three months ended March 31, 2019 and 2018. According to Article 11 of the Agreement, the Board of Governors shall determine the salary and terms of the service contract of the President of the Bank.

10. OTHER OPERATING EXPENSES

	Three months ended March 31, 2019 USD’000 (unaudited)	Three months ended March 31, 2018 USD’000 (unaudited)	Three months ended December 31, 2018 USD’000 (unaudited)	Year ended December 31, 2018 USD’000 (audited)
Office expenses	1,235	603	691	2,737
Professional fees	587	533	895	3,448
Audit remuneration*	136	95	144	513
Travel expenses	1,230	692	730	3,106
IT expenses	339	123	754	1,777
Hospitality expenses	19	9	14	116
Depreciation and amortisation	133	37	83	229
Bond issuance costs	552	-	-	-
Others	6	7	-	10
Total	4,237	2,099	3,311	11,936

*Audit remuneration has been reclassified from Professional fees

11. CASH AND CASH EQUIVALENTS

	As at March 31, 2019 USD'000 (unaudited)	As at December 31, 2018 USD'000 (audited)
Cash on hand	11	12
Demand deposit	138,049	97,301
Time deposit with original maturity within three months	126,540	25,675
Total	264,600	122,988

12. DUE FROM BANKS OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2019 USD'000 (unaudited)	As at December 31, 2018 USD'000 (audited)
Commercial banks	5,535,750	4,826,234
Total	5,535,750	4,826,234
Less: Time deposit with original maturity within three months	(126,540)	(25,675)
Total	5,409,210	4,800,559

13. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

The Bank entered into derivative contracts for the green bond issued on July 18, 2016, that was paired with swaps of which the total notional amounts in RMB is 3 billion, to convert the issuance proceeds into the currency and interest rate structure sought by the Bank.

The Bank entered into derivative contracts for the new panda bond issued on February 22, 2019 that was paired with swaps of which the total notional amounts in RMB is 3 billion, to convert the issuance proceeds into the interest rate structure sought by the Bank. Similarly the Bank also entered into derivative contracts for time deposits on February 27, 2019 with a notional amount of RMB 1.5 billion. The Bank has also entered into a forward contract for investments measured at amortised cost.

Notwithstanding the purpose for achieving an economic hedge, the Bank opted not to apply hedge accounting to any derivative contracts entered into in the three months ended March 31, 2019 and the year ended December 31, 2018.

As at March 31, 2019	Notional USD USD'000	Fair Value Asset USD'000	Fair Value Liability USD'000
Unaudited			
Interest Rate Swap	759,239	2,331	100
Cross Currency Swap	359,396	6,133	-
Forward Contract	10,129	71	-
Total	1,128,764	8,535	100

As at December 31, 2018	Notional USD USD'000	Fair Value Asset USD'000	Fair Value Liability USD'000
Audited			
Interest Rate Swap	90,132	710	-
Cross Currency Swap	359,396	-	6,374
Total	449,528	710	6,374

14. DEBT INSTRUMENTS MEASURED AT AMORTISED COST

	As at March 31, 2019 USD'000 (unaudited)	As at December 31, 2018 USD'000 (audited)
Treasury bills*	10,022	-
Total	10,022	-

* The treasury bills relate to an investment in government securities denominated in INR

15. RIGHT-OF-USE ASSETS

Property	As at March 31, 2019 USD'000 (unaudited)
Cost as at January 1, 2019	226
Additions during the period	-
Cost at March 31, 2019	226
Accumulated depreciation as at January 1, 2019	
Depreciation for the period	(22)
Accumulated depreciation as at March 31, 2019	(22)
Net book value as at March 31, 2019	204

16. LOANS AND ADVANCES

	As at March 31, 2019 USD'000 (unaudited)	As at December 31, 2018 USD'000 (audited)
Carrying amount	662,461	624,568
Interest Receivable	1,587	6,191
Gross Carrying Amount	664,048	630,759
Less: ECL allowance	(2,181)	(2,655)
Net carrying amount	661,867	628,104

17. PAID-IN CAPITAL RECEIVABLES

	As at March 31, 2019 USD'000 (unaudited)	As at December 31, 2018 USD'000 (audited)
Balance at the beginning of period/year (Note 1 below)	5,009,212	6,200,000
Less:		
Instalment received during the period/year (Note 2 below)	(309,212)	(1,190,788)
Total nominal amounts of receivable at the end of the period/year (Note 4 below)	4,700,000	5,009,212
Less:		
Interest on paid-in capital receivables to be unwound in the future period/year (Note 3 below)	(143,811)	(162,429)
Balance at the end of the period/year	4,556,189	4,846,783

17. PAID-IN CAPITAL RECEIVABLES – continued

Note 1: As disclosed in Note 24, the Bank established the rights to receive the initial subscribed paid-in capital of 100,000 shares, which total USD 10 billion upon the effective date of the Agreement. Each founding member shall initially and equally subscribe to 20,000 shares that correspond to pay in capital. The payment of the amount initially subscribed to the paid-in capital stock of the Bank shall be made in 7 instalments. The first instalment of paid-in capital shall be paid by each member within 6 months of the Agreement coming in force and the second instalment shall become due 18 months from the date the Agreement came into force. The remaining 5 instalments shall each become due successively one year from the date on which the preceding instalment becomes due.

Note 2: The instalment received in 2019 resulted from the receipt of the fourth instalment.

Note 3: The discounting method is applied to derive the interest to be unwound over the instalment period. The balance includes an initial discount of USD 622,285 thousand less USD 462,904 thousand of accumulated unwinding interest already unwound on the paid-in capital receivables and USD 15,570 thousand of accumulated early payment impact on discounting which was credited to reserves as an equity transaction by the end of March 31, 2019.

Note 4: As at March 31, 2019, there was no overdue instalments of paid-in capital receivables. The total paid-in capital receivables that will become due within one year amount to an undiscounted value of USD 1.2 billion, and that will become due over one year amount to an undiscounted value of USD 3.5 billion.

18. PROPERTY AND EQUIPMENT

	IT Equipment	Appliance	Vehicle	Furniture	Others	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Unaudited						
Cost as at January 1, 2019	953	66	413	9	25	1,466
Additions during the period	85	-	-	-	-	85
Cost at March 31, 2019	1,038	66	413	9	25	1,551
Accumulated depreciation as at January 1, 2019	(95)	(24)	(131)	(1)	(10)	(261)
Depreciation for the period	(45)	(3)	(17)	(1)	(1)	(67)
Accumulated depreciation as at March 31, 2019	(140)	(27)	(148)	(2)	(11)	(328)
Net book value as at March 31, 2019	898	39	265	7	14	1,223

	IT Equipment	Appliance	Vehicle	Furniture	Others	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Audited						
Cost as at January 1, 2018	191	62	413	2	25	693
Additions during the year	762	4	-	7	-	773
Cost at December 31, 2018	953	66	413	9	25	1,466
Accumulated depreciation as at January 1, 2018	(18)	(11)	(65)	(0)	(5)	(99)
Depreciation for the year	(77)	(13)	(66)	(1)	(5)	(162)
Accumulated depreciation as at December 31, 2018	(95)	(24)	(131)	(1)	(10)	(261)
Net book value as at December 31, 2018	858	42	282	8	15	1,205

19. INTANGIBLE ASSETS

	As at March 31, 2019 USD'000 (unaudited)	As at December 31, 2018 USD'000 (audited)
Cost		
As at the beginning of the period/year	1,009	65
Additions for the period/year	43	944
Cost as at the end of the period/year	1,052	1,009
Accumulated amortisation		
As at the beginning of the period/year	(78)	(11)
Amortisation for the period/year	(44)	(67)
As at the end of the period/year	(122)	(78)
Net book value		
As at the end of the period/year	930	931

20. OTHER ASSETS

	As at March 31, 2019 USD'000 (unaudited)	As at December 31, 2018 USD'000 (audited)
Other receivables	104	220
Others	635	913
Total	739	1,133

21. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at March 31, 2019 USD'000 (unaudited)	As at December 31, 2018 USD'000 (audited)
Bond - Principal	896,023	448,011
- Interest payable	10,908	6,086
- Fair value adjustment	(333)	(10,288)
Total	906,598	443,809

On July 18, 2016, the Bank issued a RMB 3 billion (USD 448,011 thousand equivalent) five-year green bond with the maturity date at July 19, 2021. The interest is paid by the Bank annually with fixed coupon rate of 3.07%.

On February 22, 2019, the Bank issued a RMB 3 billion (USD 448,012 thousand equivalent) new panda bond consisting of two tranches, RMB 2 billion for a three-year tenor with the maturity date at February 23, 2022 at an annual fixed coupon rate of 3.0% and RMB 1 billion for a five-year tenor with the maturity date at February 23, 2024 at an annual fixed coupon rate of 3.3%.

There has been no change in fair value of the bond attributable to changes in the Bank's credit risk for the three months ended March 31, 2019 and for the year ended December 31, 2018. The contractual principal amount to be paid at maturity of green bond and new panda bond in original currency is respectively RMB 3 billion and RMB 3 billion for the Bank.

22. LEASE LIABILITIES

	As at March 31, 2019 USD'000 (unaudited)
Lease liabilities	
South Africa office rental	194
Total	194
Undiscounted lease payments	
1 year	84
2 years	116
Total	200

23. OTHER LIABILITIES

	As at March 31, 2019 USD'000 (unaudited)	As at December 31, 2018 USD'000 (audited)
Employee benefits payable	233	308
Accrued expenses	1,371	1,275
Impairment provision of loan commitment	2,090	1,126
Deferred income (Note 1 below)	4,707	3,866
Annual Leave provision	792	792
Total	9,193	7,367

Note 1: The deferred income disclosed above relates to contract liabilities, which is the unsatisfied performance obligations of front-end fees as at March 31, 2019 and December 31, 2018.

24. PAID-IN CAPITAL

A statement of capital subscriptions showing the amount of paid-in and callable shares subscribed to by each member according to the Agreement, is set out in the following table. There is no amendment to the terms of subscription payment in the Agreement on March 31, 2019. The voting power of each member shall be equal to the number of its subscribed shares in the capital stock of the Bank according to the Agreement.

	As at March 31, 2019 (unaudited)		As at December 31, 2018 (audited)	
	Number of shares	Amount in USD'000	Number of shares	Amount in USD'000
Authorised shared capital	1,000,000	100,000,000	1,000,000	100,000,000
Less: unsubscribed by members	(500,000)	(50,000,000)	(500,000)	(50,000,000)
Total subscribed capital	500,000	50,000,000	500,000	50,000,000
Less: callable capital	(400,000)	(40,000,000)	(400,000)	(40,000,000)
Total paid in capital	100,000	10,000,000	100,000	10,000,000

24. PAID-IN CAPITAL – continued

A statement of capital subscriptions showing the amount of paid-in and callable shares subscribed to by each member is set out in the following table:

Unaudited As at March 31, 2019	Total shares	Total capital	Callable capital	Paid-in capital	Paid-in capital[1] received	Paid-in capital outstanding
	Numbers	USD'000	USD'000	USD'000	USD'000	USD'000
Brazil	100,000	10,000,000	8,000,000	2,000,000	1,000,000	1,000,000
Russia	100,000	10,000,000	8,000,000	2,000,000	1,300,000	700,000
India	100,000	10,000,000	8,000,000	2,000,000	1,000,000	1,000,000
China	100,000	10,000,000	8,000,000	2,000,000	1,000,000	1,000,000
South Africa	100,000	10,000,000	8,000,000	2,000,000	1,000,000	1,000,000
Total	500,000	50,000,000	40,000,000	10,000,000	5,300,000	4,700,000

Audited As at December 31, 2018	Total shares	Total capital	Callable capital	Paid-in capital	Paid-in capital[1] received	Paid-in capital outstanding
	Numbers	USD'000	USD'000	USD'000	USD'000	USD'000
Brazil	100,000	10,000,000	8,000,000	2,000,000	1,000,000	1,000,000
Russia	100,000	10,000,000	8,000,000	2,000,000	1,300,000	700,000
India	100,000	10,000,000	8,000,000	2,000,000	700,000	1,300,000
China	100,000	10,000,000	8,000,000	2,000,000	1,000,000	1,000,000
South Africa	100,000	10,000,000	8,000,000	2,000,000	990,788	1,009,212
Total	500,000	50,000,000	40,000,000	10,000,000	4,990,788	5,009,212

[1]Pursuant to Article 9 and attachment 2 of the Agreement each founding members' paid in capital stock is received in 7 instalments.

On March 31, 2019, all paid-in capital from founding members was received in accordance with the Articles, and partial receipts relating to the fifth instalment has been received ahead of schedule.

25. OTHER RESERVES

	As at March 31, 2019 USD'000 (unaudited)	As at December 31, 2018 USD'000 (audited)
Accumulated impact on discounting of paid-in capital receivables	(143,811)	(162,429)
Total	(143,811)	(162,429)

Other reserves mainly represent the difference on the present value of paid-in receivables and the nominal amounts of subscribed paid-in capital arisen from the instalment payments of the subscribed paid-in capital, which is regarded as an equity transaction. The subsequent unwinding of interest on paid-in capital receivables which is reclassified to other reserves from retained earnings immediately following the unwinding treatment in the relevant account period.

26. RECONCILIATION OF ASSETS AND LIABILITIES ARISING FROM FINANCING ACTIVITIES

Assets and liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Bank's statement of cash flows as cash flows from financing activities.

The table below details changes in the Bank's assets and liabilities arising from financing activities, including both cash and non-cash changes.

	As at January 1, 2019	Cash inflows	Non-cash movements: Unwinding of interest	Non-cash movements: Impact of early payment	As at March 31, 2019
	USD'000	USD'000	USD'000	USD'000	USD'000
Unaudited					
Paid-in capital receivables	4,846,783	(309,212)	18,618	-	4,556,189
Total assets from Financing activities	4,846,783	(309,212)	18,618	-	4,556,189

	As at January 1 2019	Net financing cash Inflows/(outflows)	Non-cash movements: Interest accrued movements	Non-cash movements: Fair value changes	Operating cash outflows[1]	As at March 31 2019
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Unaudited						
Lease liabilities	213	(19)	1	-	(1)	194
Bond	443,809	448,012	4,822	9,955	-	906,598
Total liabilities from Financing activities	444,022	447,993	4,823	9,955	(1)	906,792

26. RECONCILIATION OF ASSETS AND LIABILITIES ARISING FROM FINANCING ACTIVITIES - continued

	As at January 1, 2018 USD'000	Cash inflows USD'000	Non-cash movements: Unwinding of interest USD'000	Non-cash movements: Impact of early payment USD'000	As at March 31, 2018 USD'000
Unaudited					
Paid-in capital receivables	5,933,354	-	24,290	-	5,957,644
Total assets from Financing activities	5,933,354	-	24,290	-	5,957,644

	As at January 1, 2018 USD'000	Cash inflows USD'000	Non-cash movements: Interest accrued movements USD'000	Non-cash movements: Fair value changes USD'000	As at March 31, 2018 USD'000
Unaudited					
Bond	449,367	-	3,851	20,042	473,260
Total liabilities from Financing activities	449,367	-	3,851	20,042	473,260

[1] USD1 thousand of the cash outflows represents an interest payment for the interest portion of lease liabilities which is recorded in the Bank's unaudited condensed statement of cash flows as net cash used in operating activities.

27. COMMITMENTS

1) Capital commitments

As at March 31, 2019, the Bank had no irrevocable capital expenditures commitment.

2) Credit Commitments

Unutilised loan commitments	As at March 31, 2019 USD'000 (unaudited)	As at December 31, 2018 USD'000 (audited)
Letters of effectiveness signed	3,891,178	2,342,991
Letter of effectiveness yet to be signed	1,835,255	1,590,000
Total	5,726,433	3,932,991

Credit commitments represent general facility limits granted to borrowers. These credit facilities may be drawn in the form of loans and advances upon the signing of the letter of effectiveness when the conditions precedent for the first drawdown have been complied with by Borrowers.

28. RELATED PARTY DISCLOSURE

In the ordinary course of business, the Bank may grant loans to a government or through a government credit guarantee arrangement, the Bank is, in accordance with IAS 24, exempted from the disclosure requirements in relation to related party transactions and outstanding balances, including commitments, with:

- A government that has control or joint control of, or significant influence over, the Bank; and
- Another entity that is a related party because the same government has control or joint control of, or significant influence over, both the Bank and the other entity.

The name and relationship with founding member governments are disclosed below.

(1) Name and relationship

Name of related parties	Relationship
The Federative Republic of Brazil	The Bank’s shareholder
The Russian Federation	The Bank’s shareholder
The Republic of India	The Bank’s shareholder
The People’s Republic of China	The Bank’s shareholder
The Republic of South Africa	The Bank’s shareholder

According to the Headquarters Agreement between the Bank and the Government of the People’s Republic of China, the Headquarters of the Bank and other relevant facilities to support the Bank's operations have been provided by the Government of the People’s Republic of China, for free.

Details of the paid-in capital receivables as at March 31, 2019 and 31 December 2018 are set out in Note 17.

(2) Details of Key Management Personnel (KMP) of the Bank:

KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including the President and Vice Presidents.

The following persons were KMP of the Bank during the period ended March 31, 2019:

Name	**Country**	**Position**
Vaman Kundapur Kamath	India	President
Sarquis Jose Buainain Sarquis	Brazil	Vice President; Chief Risk Officer
Vladimir Kazbekov	Russia	Vice President; Chief Administrative Officer
Xian Zhu	China	Vice President; Chief Operations Officer
Leslie Warren Maasdorp	South Africa	Vice President; Chief Financial Officer

28. RELATED PARTY DISCLOSURE - continued

(3) During the period, the remuneration of KMP were as follows:

	Three months ended March 31, 2019 USD'000 (unaudited)	Three months ended March 31, 2018 USD'000 (unaudited)	Three months ended December 31, 2018 USD'000 (unaudited)	Year ended December 31,2018 USD'000 (audited)
Salary and allowance	621	558	620	2,427
Staff Retirement Plan	90	81	91	354
Post- Retirement Insurance Plan	15	14	16	61
Other short term benefits	23	18	36	95
Total	749	671	763	2,937

29. SEGMENT INFORMATION

For the three months ended March 31, 2019, the Bank has a single reportable segment and evaluates the financial performance of the Bank as a whole.

30. SUBSEQUENT EVENTS

On April 28, 2019, USD 300 million of paid-in capital was received ahead of schedule from China relating to the fifth instalment.

On May 14, 2019, a loan agreement for USD 300 million was signed with China to finance the Guangxi Chongzuo Urban Water System Ecological Restoration Project.

On January 18, 2019, a loan agreement for USD 320 million was signed with Russia to finance the Development of Water Supply and Sanitation Systems Project. This agreement became effective on June 18, 2019.

* * * End of the Unaudited condensed Financial Statements * * *