



**BUDGET SUMMARY
FOR CY2020**

ISSUED: DECEMBER, 2019

CY2020 will be the New Development Bank's (NDB or Bank) fifth full year of operations and plans to continue expanding and strengthening its operational capability. Commensurate with achieving this objective, the Board of Directors approved on December 2, 2019 a revenue expenditure budget of **USD 72 million** and capital expenditure budget of **USD 4 million** for CY2020.

The budget has been prepared taking a bottom up approach and has considered NDB's objective to continue expanding its loan portfolio as well as its evolving organisational structure and staffing plan.

The CY2020 revenue expenditure budget of **USD 72 million** reflects the ongoing and continuous increase in complexity and automation of the Bank's operation to support the project-lending in its member countries. This requires specialists in key sectors and expertise in each member's procurement, social, environmental and regulatory systems. The treasury activities will continue to meet demands from projects in the NDB's functional currency and local currency. The risk management division has invested in appropriate data sets, models and pricing tools to support the Bank's lending operations and risk management. Processes in NDB are automated through electronic settlements of financial market transactions such as SWIFT, improvements to NetSuite and other key systems to improve control, efficiency and effectiveness. The focus in automation in CY2020 will be to complete the further phases of the loan management system.

The capital expenditure budget of **USD 4 million** is proposed to support administrative and IT capex in Shanghai, regional offices (especially with regards to the expected opening of the Russian regional office) and provide a cushion for contingency.

NDB will maintain strict cost control through adherence to the policies and procedures of the Bank and through better utilisation of human resources. Periodic budget monitoring and optimal resource allocation will ensure that budget controls are effectively exercised.