

Investor Relations



**New
Development
Bank**

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Treasury and Portfolio Management

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Who We Are

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

Our Mission

- To mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, complementing the existing efforts of multilateral and regional financial institutions for global growth and development

Key Features

HIGH CAPITALISATION

- High level of initial **authorised capital of US\$ 100bn** with initial **subscribed capital of US\$ 50bn** and **paid-in capital of US\$ 10bn¹** places NDB amongst the largest MDBs globally
- **Prudent capital management:** maximum Capital Utilization ratio at 90%

CREDIT STRENGTHS

- **AA+/AA+/AAA/AAA long-term international credit rating with stable outlook from S&P/Fitch/JCR/ACRA**
- **Conservative risk management and financial policies**
- Sound governance structure, led by a **highly experienced management team**
- **One of the highest ratios of paid-in capital to subscribed capital (20%)** and one of the largest commitments amongst all MDBs

DRIVING INNOVATION AND SUSTAINABILITY

- **Support the development of financial markets in member states**, provide financing in both local and hard currencies and apply country systems
- **Sustainability is fundamental to the founding principles of NDB** and overlays everything we do

FLEXIBILITY

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

IMPROVING EFFICIENCY

- NDB aims to structure, negotiate, review, and **approve loans within a period of 6 months** without compromising on risk management standards and credit quality
- **Lean operations**, partnership with other development institutions

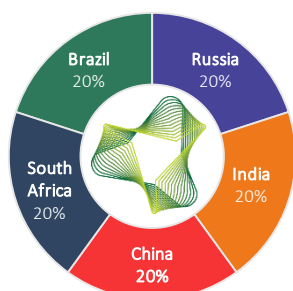
¹ US\$ 7.2bn of paid-in capital has been received as at September 30, 2020

* Outstanding issuance amount under EMTN programme (Reg S) is US\$ 3.5bn

** Outstanding issuance amount under CNY bond programmes is CNY 13bn (~US\$ 2.0bn)

Shareholder Structure

SHARE OF VOTING RIGHTS



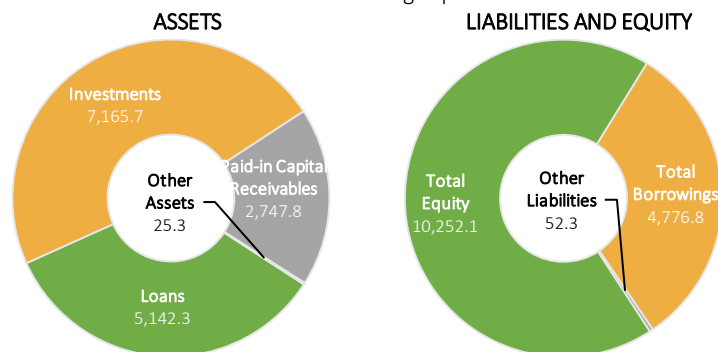
- Capital contributions represent **international obligations of member countries**
- **Equal voting power amongst founding shareholders**
- **No member holds veto power**
- **Preferential treatment in member countries** with extensive immunities, privileges and exemptions

Credit Strengths	Long-Term	Short-Term	Outlook
S&P Global Ratings	AA+	A-1+	Stable
Fitch Ratings	AA+	F1+	Stable
Japan Credit Rating Agency	AAA		Stable
Analytical Credit Rating Agency	AAA		Stable

Highly Capitalised Institution

- **Policies and key risk limits are in line with AAA rated MDBs**

- **Conservative capitalisation ratio:** minimum Equity-to-Asset ratio at 25%
- **Highly-liquid balance sheet:** liquid assets to cover minimum 12-month net cash outflow without accessing capital markets



Source: NDB IFRS Financial Statements as at June 30, 2020

1. Numbers are presented in US\$ mn

2. Investments, including cash and cash equivalents (US\$ 2,247.4mn), due from banks other than cash and cash equivalents (US\$ 4,879.3mn) and debt instruments measured at amortised cost (US\$ 39.0)

3. Total equity, including equity (US\$ 10,000.0mn), retained earnings (US\$ 304.2mn) minus other reserves (US\$ 52.2)

4. Total borrowings, including financial liabilities designated at fair value through profit and loss (US\$ 3,081.8mn), note payables (US\$ 1,544.9mn) and borrowings (US\$ 150.1)

5. Balance sheet total is US\$ 15,081.2mn

Funding Strategy	Programmes in place	Size
➤ Diversification of funding portfolio by currency, tenor and type of interest rate	EMTN programme (Reg S)	US\$ 50bn
➤ Access to international capital markets	ECP programme	US\$ 8bn
➤ Domestic borrowing programmes in BRICS	RUB bond programme	RUB 100bn (~US\$ 1.3bn)
➤ Regular issuances	CNY bond programme	CNY 20bn (~US\$ 3.0bn)
➤ Benchmark size transactions	ZAR bond programme	ZAR 10bn (~US\$ 650mn)
➤ Focus on Green and Sustainability financing instruments		

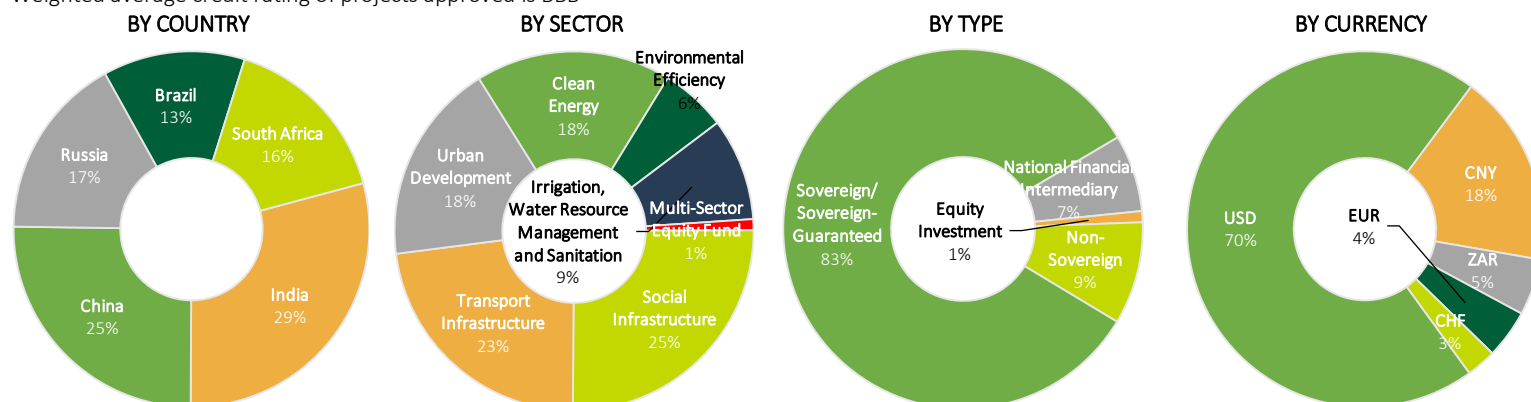
Elements of Environmental and Social Commitment

- Ensures environmental and social soundness and sustainability of operations and support the integration of environmental and social considerations into the operation decision-making process
 - Manages environmental and social risks and impacts in projects
 - Manages operational and reputational risks of NDB and its stakeholders
 - Mainstreams environmental and social considerations into decision-making processes of all parties
 - Encourages the international good environmental and social practices in its operations and in doing so strengthen the country systems
 - Describes the NDB principles in governing the use and management of the proceeds of green, social and sustainability bonds and other debt instruments
- **Environmental and Social Framework**
 - Environmental and Social Policy
 - Environmental and Social Exclusion List
 - Environmental and Social Standards
 - **Sustainable Financing Policy Framework**

Project Breakdown

NDB Board of Directors approved 62 projects in all member countries for a total amount of US\$ 20.0bn as at September 30, 2020

Weighted average credit rating of projects approved is BBB-



Note: Loans are classified by total loan notional, in approximate US\$ terms. List of all approved investment projects is available at: <https://www.ndb.int/projects/list-of-all-projects/>

Key Financial Metrics

Statement of Comprehensive Income (US\$ mn)	Jan 1, 2020–Jun 30, 2020	Jan 1, 2019–Dec 31, 2019	Jan 1, 2018–Dec 31, 2018	Jan 1, 2017–Dec 31, 2017
Net interest income	93.1	197.7	109.8	49.8
Net Fee income ¹	1.7	1.6	0.4	0
Net gains/(losses) on financial instruments ²	13.6	21.9	7.8	1.3
Staff costs and other operating expenses ³	(28.8)	(51.3)	(37.2)	(26.0)
Impairment provisions	(26.9)	2.1	(3.8)	(0)
Foreign exchange gains / (losses)	(6.3)	(17.4)	(5.0)	5.8
Operating profit	46.5	150.5	72.0	30.9
Unwinding of interest on paid-in capital receivables	25.9	72.4	93.8	127.2
Total comprehensive income	72.4	222.9	165.9	158.0
Statement of Financial Position (US\$ mn)	As at Jun 30, 2020	As at Dec 31, 2019	As at Dec 31, 2018	As at Dec 31, 2017
Assets				
Cash and cash equivalents	2,247.4	1,023.5	123.0	1,019.9
Due from banks other than cash and cash equivalents	4,879.3	5,494.8	4,800.6	3,212.4
Derivative financial assets	20.2	5.4	0.7	-
Debt instruments measured at amortised cost	39.0	33.8	-	-
Loans and advances	5,142.3	1,544.9	628.1	23.9
Paid-in capital receivables	2,747.8	3,713.5	4,846.8	5,933.4
Other assets ⁴	5.2	4.6	3.3	34.6
Total assets	15,081.2	11,820.6	10,402.4	10,224.1
Liabilities				
Derivative financial liabilities	19.0	12.2	6.4	3.3
Financial liabilities ⁵	3,081.8	882.8	443.8	449.4
Borrowings	150.1	110.1	-	-
Note payables	1,544.9	623.3	-	-
Other liabilities ⁶	33.3	21.0	7.4	2.8
Total liabilities	4,829.1	1,649.2	457.6	455.5
Equity				
Paid-in capital	10,000.0	10,000.0	10,000.0	10,000.0
Other reserves	(52.2)	(86.5)	(162.4)	(266.7)
Retained earnings	304.2	257.8	107.3	35.3
Total equity	10,252.1	10,171.3	9,944.9	9,768.6
Total equity and liabilities	15,081.2	11,820.6	10,402.4	10,224.1

Source: NDB Audited IFRS Financial Statements

Notes to Key Financial Metrics:

1. Net fee income, including other operating income

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

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

4. Other assets, including property and equipment, intangible assets and right-of-use assets

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

6. Other liabilities, including contract liabilities and lease liabilities

7. Figures may not tally due to rounding differences