

New
Development
Bank

Investor Presentation

February 2024



Disclaimer



This presentation has been prepared by the New Development Bank (the “NDB”) and it may not be reproduced, retransmitted or further distributed to the press or any other person or published, in whole or in part, for any purpose whatsoever without our written permission. Failure to comply with this restriction may constitute a violation of applicable securities laws. This presentation does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the NDB in any jurisdiction or an inducement to enter into investment activity. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever and is not intended to be legally binding.

This presentation and its contents shall not be reproduced, redistributed, published or passed on to any other person, directly or indirectly, in whole or in part, for any purpose and should not be treated as offering material of any sort. If this presentation has been received in error it must be returned immediately to NDB. Where this presentation contains summaries of documents, these should not be relied upon, and the original documentation must be referred to as necessary for its full effect. If you suffer loss, damage or liability of any kind in connection with you breaching the restriction on reproduction or use, you will indemnify us from and against such loss, damage or liability.

Any purchase of securities issued or to be issued by NDB should be made solely on the basis of the information contained in the base prospectus in the final form prepared by NDB, as supplemented or amended from time to time. Neither we nor any of our respective affiliates’ nor any of our or our affiliates’ officers, directors, employees, agents or duly appointed representatives including, without limitation, legal counsel, accountants, consultants or financial advisers have independently verified the information, opinions or projections contained in this presentation. Neither NDB nor the managers appointed in relation to any securities issued or to be issued by NDB (the “Managers”) are under any obligation to update or keep current the information contained herein. Accordingly, no representation or warranty or undertaking, express or implied, is given by or on behalf of NDB, the Managers or any of their respective members, directors, officers, agents or employees or any other person as to, and no reliance should be placed on, the accuracy, completeness or fairness of the information or opinions

contained herein. Neither NDB, the Managers nor any of their respective members, directors, officers or employees nor any other person accepts any liability whatsoever for any direct, indirect or consequential loss of damage suffered by any person arising from any use of this presentation or its contents or otherwise arising in connection with the presentation as a result of any errors or omissions from this presentation or relying on any statement contained in this presentation or otherwise.

We are not making a recommendation under this presentations to you to participate in any offering of or acquire any securities issued or to be issued by NDB. You should conduct your own due diligence on any securities issued or to be issued by NDB and NDB. You should make your own independent appraisal of: (a) the financial condition, creditworthiness, affairs and status of NDB; and (b) the legality, validity, effectiveness, adequacy or enforceability of any documentation in relation to any securities issued or to be issued by NDB. Any financial projections contained in this presentation have been prepared and set out for illustrative purposes only, and should not be taken as a commitment as to future performance; nor do they constitute a forecast. If you are in any doubt as to the action you should take or are unsure of the impact of the presentation, you are recommended to seek your own financial and legal advice, including as to any tax consequences, from your broker, bank manager, solicitor, accountant or other independent financial or legal adviser. Nothing in this presentation shall be construed as legal, financial, technical, insurance or tax advice.


The law may restrict the distribution of this presentation in certain jurisdictions. Accordingly, persons who come into possession of this presentation must inform themselves about and observe such restrictions. NDB does not accept any liability to any person in relation to the distribution of this presentation in any jurisdiction.

Acceptance by you of a copy of this presentations constitutes your agreement to, and acceptance of, the above terms.

CONTENTS

1. OVERVIEW
2. CREDIT STRENGTHS
3. LENDING ACTIVITIES
4. BORROWING ACTIVITIES
5. ENVIRONMENTAL AND SOCIAL COMMITMENT
6. SUSTAINABLE FINANCE POLICY FRAMEWORK
7. ANNEXURE





1

OVERVIEW

Who We Are

- ▶ NDB is a multilateral development bank established by BRICS countries¹ to mobilise resources for infrastructure and sustainable development projects.
- ▶ The membership of the Bank is open to members of the United Nations.
- ▶ NDB supports public and private projects through loans, guarantees, equity participation and other financial instruments.



HIGH CAPITALISATION

- High level of initial **authorised capital of USD 100 billion** with initial **subscribed capital of USD 50 billion** and **paid-in capital of USD 10 billion** places NDB amongst the largest MDBs globally
- NDB's subscribed capital stood at USD 52.7 billion²
- **Prudent capital management:** maximum Capital Utilization ratio at 90%



CREDIT STRENGTHS

- **AA+/AA/AAA/AAA long-term international credit rating from S&P/Fitch/JCR³/ACRA⁴**
- **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%)** amongst all MDBs
- **Weighted average credit rating of projects approved is BB+**



INNOVATION AND SUSTAINABILITY

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



EFFICIENCY

- NDB aims to structure, negotiate, review and approve loans at speed without compromising project quality and risk management standards
- **Lean institution,** partnership with other development institutions

1. Brazil, Russia, India, China and South Africa.

2. As of September 30, 2023.

3. Japan Credit Rating Agency.

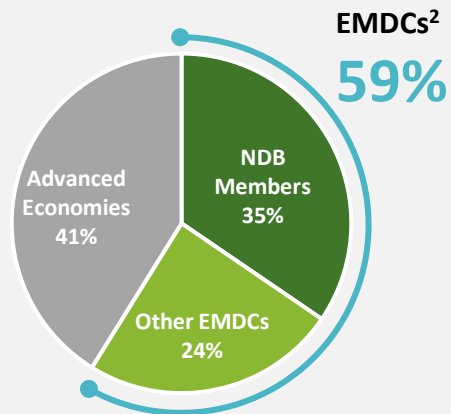
4. Analytical Credit Rating Agency.

Uniquely Positioned Multilateral Lender

NDB's members¹, as key drivers of the world economy, face growing need for investment in infrastructure.

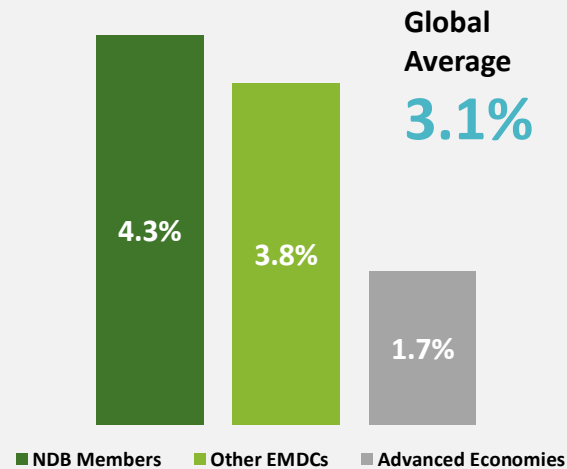
35%

OF TOTAL GLOBAL GDP



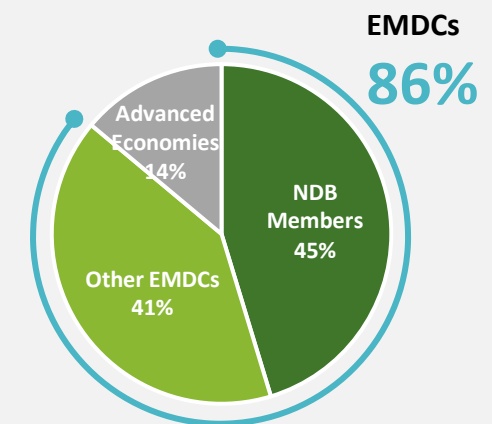
4.3%

AVERAGE GDP GROWTH 2024-2028



45%

OF TOTAL GLOBAL POPULATION



1. NDB members include Brazil, Russia, India, China, South Africa, Bangladesh, United Arab Emirates, and Egypt.

2. EMDCs: Emerging market economies and developing economies. The shares of global GDP and the contribution to global GDP growth are based on GDP in purchasing power parity (PPP) terms.

3. Data Source: IMF World Economic Outlook (October 2023) and IMF World Economic Outlook Update (January 2024). Data may include IMF estimates and/or projections.

Strong Shareholder Support

Members	Shareholding ¹
Brazil	18.98%
Russia	18.98%
India	18.98%
China	18.98%
South Africa	18.98%
Bangladesh	1.79%
Egypt	2.27%
United Arab Emirates	1.06%
Uruguay	Prospective member ²

- ❖ **Equal capital subscription** amongst founding members
- ❖ **Full member support** for maintaining a very strong financial profile
- ❖ **No member holds veto power**
- ❖ **Preferential treatment in member countries** with extensive immunities, privileges

Johannesburg II Declaration adopted by the BRICS Leaders at the 15th BRICS Summit on August 24, 2023

“46. We recognise the key role of the NDB in promoting infrastructure and sustainable development of its member countries. We congratulate Ms Dilma Rousseff, former President of the Federative Republic of Brazil, as President of the New Development Bank (NDB) and are confident that she will contribute to strengthening of the NDB in effectively achieving its mandate. We expect the NDB to provide and maintain the most effective financing solutions for sustainable development, a steady process in membership expansion, and improvements in corporate governance and operational effectiveness towards the fulfilment of NDB’s General Strategy for 2022-2026. We welcome the three new members of the NDB, namely Bangladesh, Egypt and United Arab Emirates. We encourage the NDB to play an active role in knowledge sharing process and incorporate the member-countries best practices in its operational policies, according to its governance mechanism and taking into account national priorities and development goals. We see the NDB as an important member of global MDB family, given its unique status as an institution created by EMDCs for EMDCs.”

1. Shareholding: total may not add up as figures are rounded to the nearest second decimal place. As of September 30, 2023.

2. Prospective member listed herein has been admitted by NDB’s Board of Governors and will officially become a member country once it deposits the instrument of accession.

Governance Structure

Accountability, Independence and Transparency



Highly Experienced Management Team



President & Board Member

H.E. Mrs. Dilma Vana Rousseff

- The Economist Dilma Rousseff was elected the President of the Federative Republic of Brazil for two consecutive terms.
- Previously, in the first two governments of President Luiz Inácio Lula da Silva, she was the Minister of Mines and Energy and Minister Chief of Staff, a position she held until 2010. During this period, she chaired the Board of Directors of Petrobras, Brazil's largest and most important company.
- As the President of Brazil, Dilma Rousseff focused her agenda on ensuring the country's economic stability and job creation. In addition, during her government, the fight against poverty was prioritized, and social programs that started under President Lula da Silva's terms were expanded and internationally recognized. As a result of one of the most extensive processes of poverty reduction in the country's history, Brazil was removed from the UN's Hunger Map.
- Internationally, she promoted respect for the sovereignty of all nations and the defense of multilateralism, sustainable development, human rights, and peace. Under her government, Brazil was present in all international fora for climate and environmental protection, culminating in decisive participation in the achievement of the Paris Agreement.



- 25+ years of public and private sector experience
- Prior roles as Managing Director and President of Bank of America Merrill Lynch for Southern Africa, Vice Chairman of Barclays Capital and ABSA Capital
- Served as Special Advisor to the Minister of Labor of South Africa and as Deputy Director General in the Ministry of Public Enterprises
- Served as International Advisor to Goldman Sachs International



- Extensive experience in the public sector and in the area of development finance
- Served in several senior roles in the Russian Ministry of Foreign Affairs and Presidential Executive Office
- Worked in executive position for the Russian National Development Bank (VEB) for 20 years and greatly contributed to the development of BRICS interbank cooperation mechanism



- 38+ years experience at India's largest bank, State Bank of India (SBI)
- Served as Deputy Managing Director & CRO of SBI, was Deputy Managing Director & Chief General Manager of SBI Local Head Office in Chandigarh, India and CEO of SBI in Singapore
- Was a Council Member of Association of Banks in Singapore, a board member of IACPM, New York, Macquarie SBI Infrastructure Management Pte. Ltd. and Macquarie SBI Infrastructure Trustee Ltd.



- Extensive experience in the public sector
- Served as Director General level official in the Ministry of Finance of China, while holding the positions of International Development Association (IDA) Deputy, and GEF Council member for China
- Worked in the UN's Administrative and Budgetary Committee, representing the Government of China and served as Advisor and then Senior Advisor to the Executive Director for China in the World Bank Group



2

CREDIT STRENGTHS

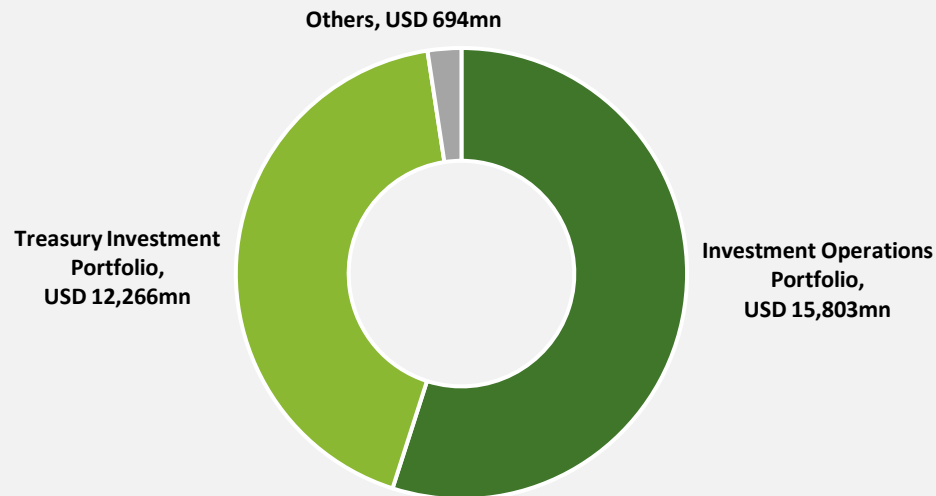
Highly Capitalised Institution

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

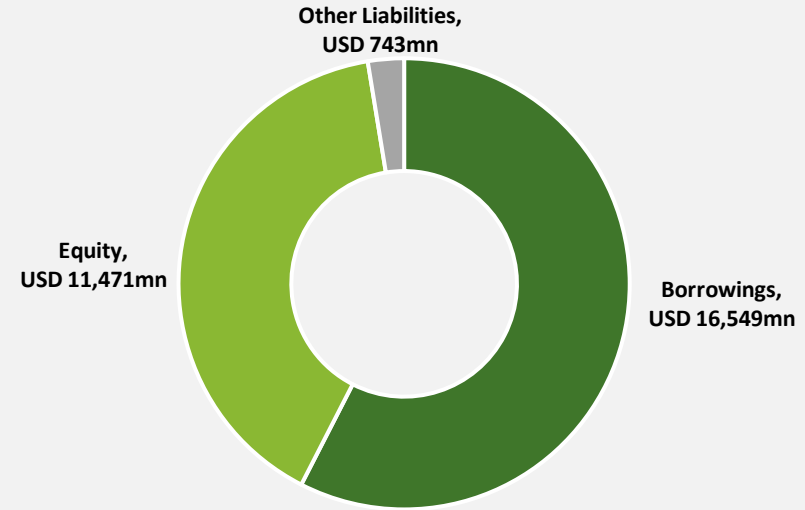
As of September 30, 2023

- ▣ **Conservative capitalisation ratio:** minimum Equity-to-Asset Ratio at 25% ✓ 38.8%
- ▣ **Highly-liquid balance sheet:** minimum Primary Liquidity Ratio at 100% ✓ 132%
- ▣ **Prudent capital management:** maximum Capital Utilization Ratio at 90% ✓ 15%

ASSETS¹



LIABILITIES AND EQUITY¹



1. Source: NDB IFRS Financial Statements as of September 30, 2023.

1) Numbers are presented in million(mn). Balance sheet total is USD 28,763mn.

2) Investment Operations Portfolio includes loans and advances.

3) Treasury Investment Portfolio includes cash and cash equivalents (USD 1,362mn), due from banks other than cash and cash equivalents (USD 6,325mn), financial assets at FVTPL (USD 81mn), debt instruments at FVTOCI (USD 1,450mn)

and debt instruments measured at amortised cost (USD 3,048mn).

4) Total equity, including paid-in capital (USD 10,538mn), retained earnings (USD 980mn) minus reserves (USD 47mn).

5) Borrowings include financial liabilities designated at FVTPL (USD 12,074mn), note payables (USD 2,971mn) and bond payable (USD 1,504mn).

Liquidity Management Policy

- ❖ Required to maintain Primary Liquidity Ratio (PLR) in the range from 110% to 150%.
- ❖ PLR measures the liquid assets available to cover minimum 12-month outflows without accessing capital markets.

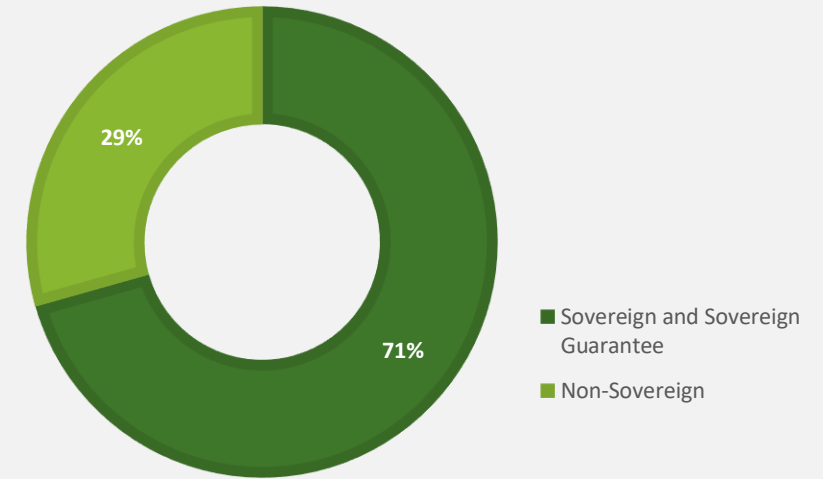
Liquidity Portfolio

- ❖ Adopt conservative approach in managing liquidity portfolio with high credit rating and low duration of the portfolio.
- ❖ **Minimum 90% of treasury portfolio required to be invested at no less than A-** fixed-income instruments by Standard & Poor's/Fitch/Moody's.
- ❖ **Maximum 10%** of treasury portfolio can be invested at below A- but subject to having investment grade rating by Standard & Poor's/Fitch/Moody's.
- ❖ **Eligible investment assets** including interbank money market instruments, sovereign bonds, treasury bills, debt instruments of banks, highly rated corporate bonds and highly rated assets-backed securities.

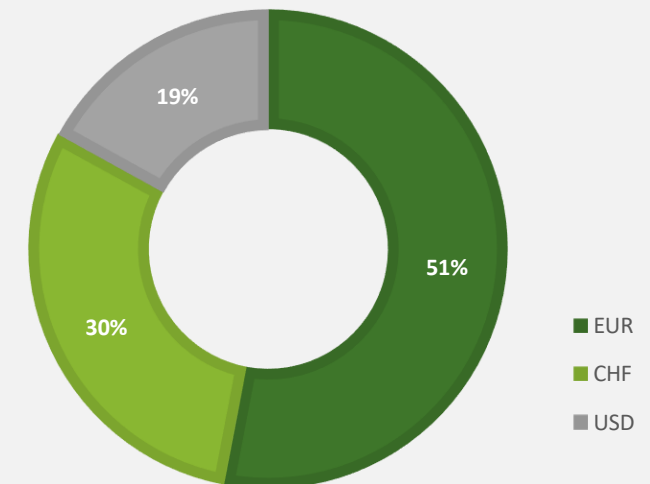
Exposures Related to Russia

- NDB has put new transactions in Russia **on hold**. NDB will continue to conduct business in full conformity with the **highest compliance standards** as an international institution and in line with the standards followed by peer institutions.
 - The Bank's operations are guided by its Articles of Agreement as well as the governance framework put in place by its Board of Directors. NDB has implemented prudent risk management policies and procedures, which are aligned to the practices of other global multilateral development banks.
- The Bank has a total outstanding exposure of equivalent USD 1.8 billion to Russian-domiciled entities as of September 30, 2023. **Exposure to Russian-domiciled entities represents less than 6.3% of NDB's total assets.**
 - Of this, equivalent to USD 1.3 billion is either to the sovereign or backed by a sovereign guarantee, the balance equivalent to USD 0.5 billion is to a non-sovereign client. These exposures are 51% denominated in EUR, 30% in CHF and 19% in USD. For nine months ended September 30, 2023, the Bank earned around 5.9% of the total interest income from Russian-domiciled entities .
- In addition to the above, NDB has an outstanding exposure of equivalent USD 0.2 billion to international organisations which have exposures to Russia. The exposure continues to be monitored and expected credit losses are being assessed and provided accordingly.
- NDB is actively monitoring the situation and continually assessing the impact of the changing regulatory and credit environment on the Bank's operations. NDB has implemented prudent risk management policies and procedures, which are aligned to the practices of other global multilateral development banks.

RUSSIAN DOMICILED LOAN EXPOSURE BY TYPE



RUSSIAN-DOMICILED LOAN EXPOSURE BY CURRENCY



Credit Ratings

Rating	Long Term	Short Term	Outlook	Commentary	Rating Drivers
Standard & Poor's	AA+	A-1+	Stable	<ul style="list-style-type: none"> NDB is adeptly navigating the challenges of Russia's partial ownership of the bank in the wake of the Russia-Ukraine war. The stable outlook reflects S&P view that NDB will establish itself as an important player in the funding of infrastructure projects in member countries, underpinned by its extremely strong financial profile. NDB remains vulnerable to adverse geopolitical developments from the ongoing and escalating Russia-Ukraine conflict. However, we envisage that the negative impact on the bank's risk-adjusted capital (RAC) ratio will not be material and NDB's asset quality will remain pristine. Since inception, NDB has been compliant with all sanctions on Russia. We expect it to continue to do so in the wake of new sanctions, without overly disrupting the bank's operations and funding needs. 	<ul style="list-style-type: none"> ✓ Robust capitalization ✓ Ample liquidity ✓ Extraordinary shareholders' support ✓ Systemic importance to founding members ✓ Sound and prudent Risk Management
Fitch	AA	F-1+	Stable	<ul style="list-style-type: none"> The revision of the Outlook principally reflects Fitch's view that it is more likely the bank will be able to successfully execute its medium-term strategy, including continuing to grow its balance sheet and attract new shareholders, despite the negative impact that the Russia-Ukraine war has had on its operations. NDB's capitalisation and solvency risks remain resilient, a trend Fitch expects to continue throughout the forecast period to 2027. NDB has large capital buffers (equity/assets: 41% at end-2022), and Fitch continue to forecast the bank's average rating of loans at 'BB+'. The strength of preferred creditor status (PCS) is 'strong' as evidenced by the early prepayment of interest due from the Russian sovereign to NDB last year, and the bank still has a non-performing loan rate of 0%. 	<ul style="list-style-type: none"> ✓ Strong preferred creditor status ✓ Experienced Management ✓ Policies and Frameworks aligned with major MDBs

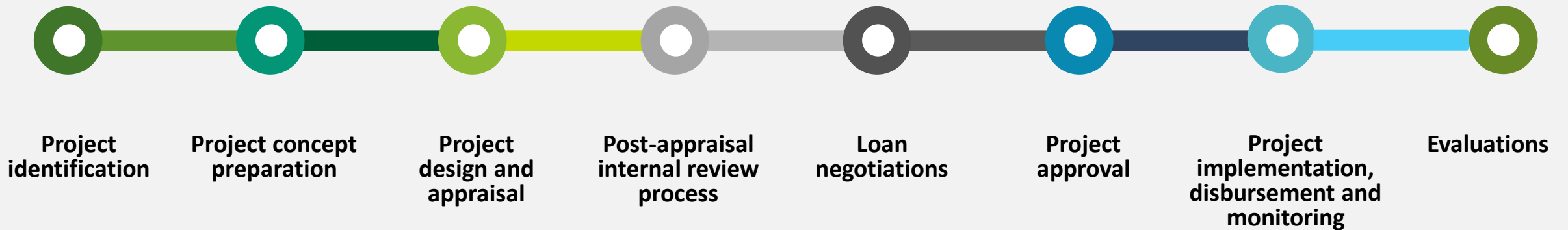


3

LENDING ACTIVITIES

Project Cycle

NDB aims to structure, negotiate, review and approve loans expeditiously without compromising project quality and risk management standards.

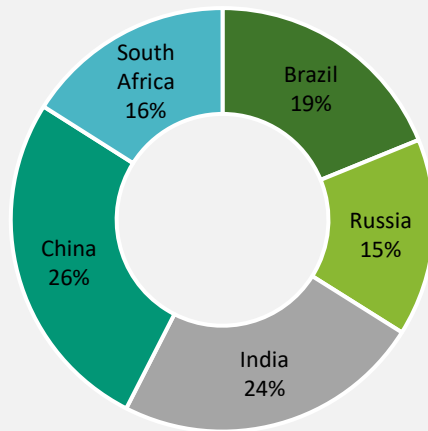


- Environmental, social and developmental analysis
- Thorough screening and approval requirements
- Credit risk analysis and appraisal
- Screening/review from legal perspective
- Compliance, anti-money laundering and counter terrorism management checks
- Alignment with NDB's general strategy
- Development results analysis

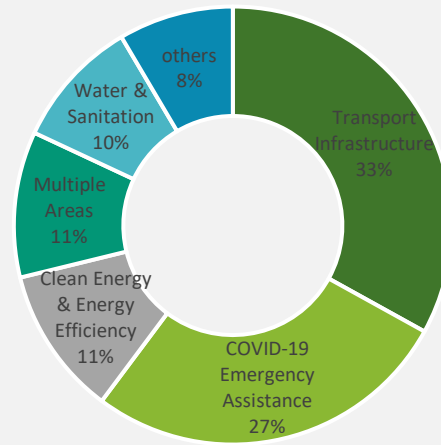
Support for Infrastructure and Sustainable Development Projects

- NDB's Board of Directors approved 98 projects in all member countries for a total amount exceeding USD 32.8bn¹, as of June 30, 2023.
- Enjoy Preferred Creditor Status from Member Countries.

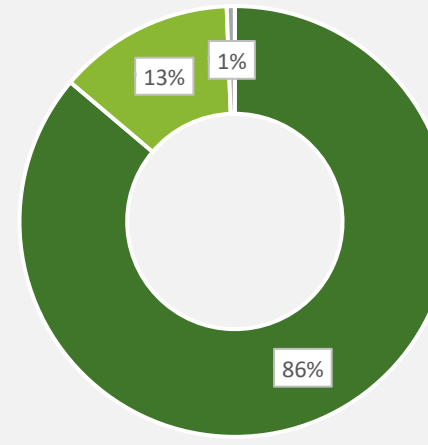
BY COUNTRY



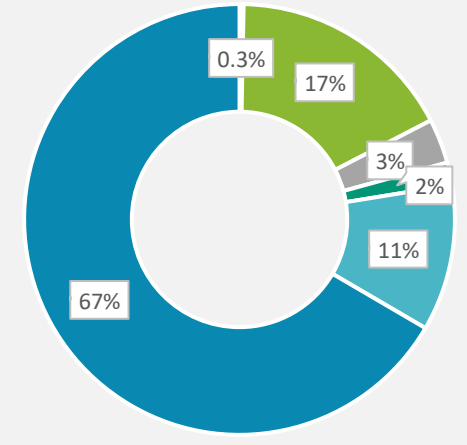
BY OPERATION AREA



BY TYPE



BY CURRENCY








■ Sovereign loans
 ■ Non-sovereign loans
 ■ Equity investments
 ■ INR
 ■ RMB
 ■ ZAR
 ■ CHF
 ■ EUR
 ■ USD

1. Loans are classified by total loan notional, in approximate USD terms. Figures may not tally due to rounding differences.
 2. Data on this page is updated on semiannual basis.
 3. List of all approved investment projects is available at: <https://www.ndb.int/projects/list-of-all-projects/>

Scaling up Development Finance for a Sustainable Future

- NDB financing aims to deliver transformative impact to help member countries achieve development aspirations aligned with the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change
- Over 2022-2026, NDB's main target is to direct 40% of total financing to projects contributing to climate change mitigation and adaptation

Highlights of expected development results¹ of selected projects financed by NDB²

Development Indicators	Development Results Based On Projects In Portfolio as of June 30, 2023	SDG Alignment
Drinking water supply capacity to be increased	209,000 m ³ /day	
Sewage treatment capacity to be increased	635,000 m ³ /day	 Clean water and sanitation
Water tunnel/canal infrastructure to be built or upgraded	1,400 km	
Renewable and clean energy generation capacity to be installed	2,000 MW	 Affordable and clean energy
Roads and bridges to be built or upgraded	17,500 km	
Air passenger handling capacity to be increased	104 million/year	 Industry, innovation and infrastructure
Air cargo handling capacity to be increased	960,000 tonnes/year	
Urban rail transit network to be built	293 km	 Sustainable cities and communities
Housing units to be constructed	35,000	
CO2 emissions to be avoided	13.1 million tonnes/year	 Climate action

1. Expected development results are presented for selected projects financed by NDB in collaboration with partners, irrespective of the proportion of the Bank's financing in the total project cost. The numbers are rounded, and are based on the information available at the time of approval.

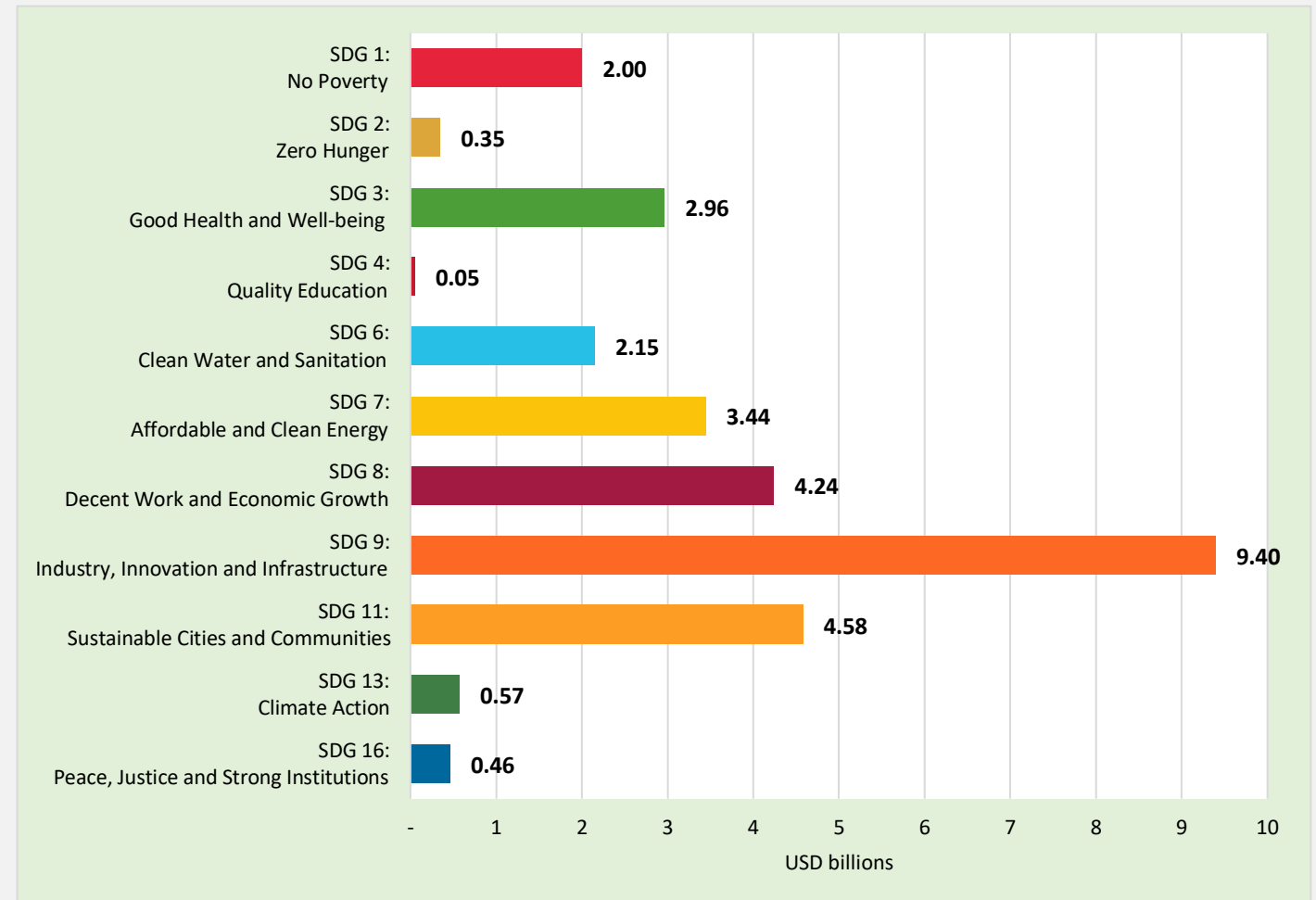
2. Analysis is updated on semiannual basis.

Alignment of NDB's Operations with the SDGs

- NDB has developed and tested an evidence-based method to monitor and report the alignment of the Bank's financing with the SDGs.
- As of June 30, 2023, NDB's project portfolio included projects that are primarily aligned with 11 out of the 17 SDGs¹.

Project portfolio by primary SDG alignment

June 30, 2023



1. Analysis on this page is updated on semiannual basis.



4

BORROWING ACTIVITIES

Funding Strategy



Diversifying funding by market, instrument, currency, and tenor.

- Debut USD syndicated loan facility in January 2024.



Established EMTN Programme

- Programme listed at London Stock Exchange - Main Market;
- Exempt issuer status from UK Financial Conduct Authority.



Domestic/ Local Currency borrowing programme

- Established and actively developed domestic investor base in large domestic market such as China Inter-bank Bond Market.



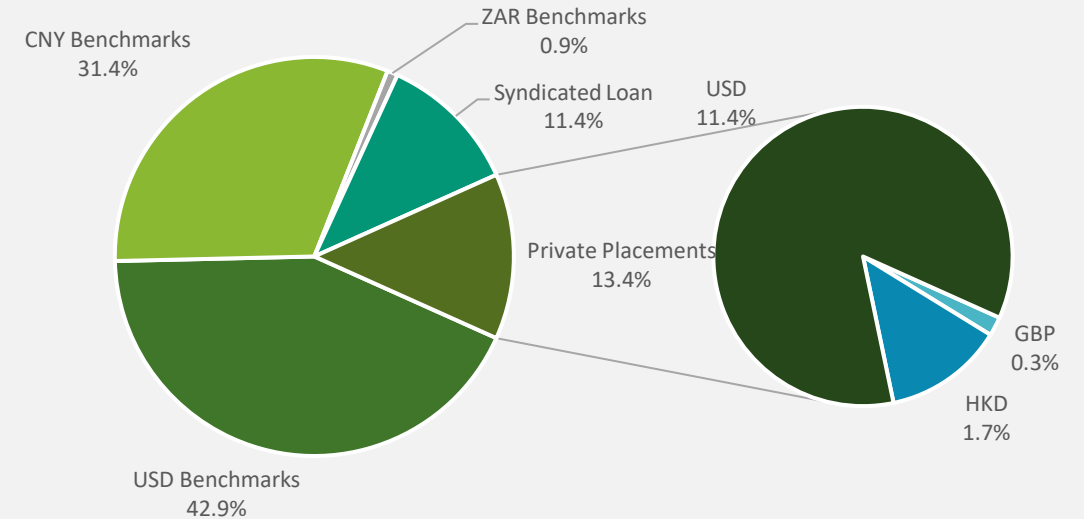
Regular issuer in the USD Reg S Market



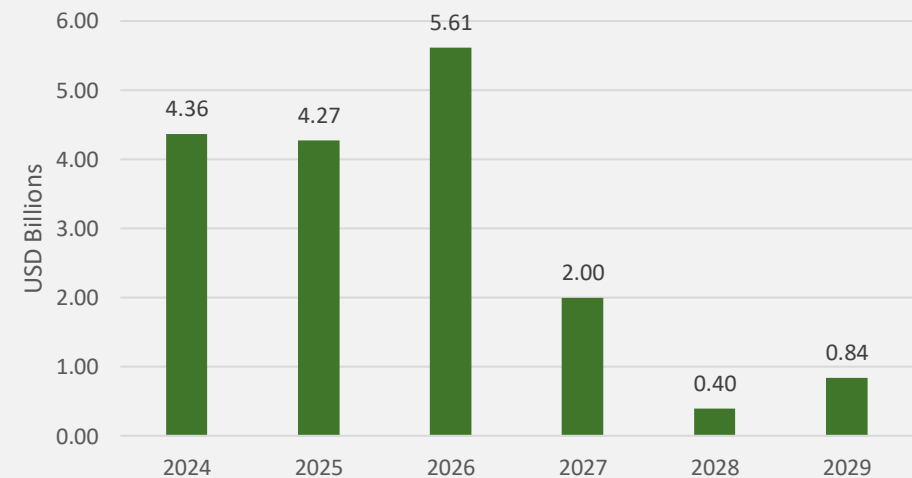
Issuing thematic debt instruments, such as green, social and sustainability bonds.

- Sustainable Financing Policy Framework governing the issuances of green/social/sustainable debt instruments.

NDB Outstanding Borrowings¹



NDB Borrowings Maturity Profile¹



1: As of February 2, 2024, total outstanding borrowings is USD 17.5 billion. Not including ECP.

NDB in International and Domestic Markets

Established Borrowing Programmes	Established	Size	Validity of the Programme	Tenor of Bonds/Papers	Listing	Governing Law	Lead-Manager/Arranger	Outstanding Amount ¹
International								
EMTN Programme (Reg S)	December 2019	USD 50bn	Unlimited	No restriction	London Stock Exchange (LSE)	English law	HSBC	USD 9.8 billion
ECP Programme	April 2019	USD 8bn	Unlimited	364 days		English law	Citigroup	USD 2.6 billion
Domestic								
RUB bond Programme	November 2019	RUB 100bn (~USD 1.3bn)	Unlimited	Up to 20 years	Moscow Exchange (MOEX)	Laws of Russia	Gazprombank, Rosbank (SocGen Group)	No issuance under the programme
CNY bond Programme	April 2023	CNY 40bn (~USD 5.7bn)	2-year	No restriction	China Interbank Bond Market (CIBM)	Laws of China	Bank of China	RMB 37.5 billion ²
ZAR bond Programme	April 2019	ZAR 10bn (~USD 0.6bn)	Unlimited	No restriction	Johannesburg Stock Exchange (JSE)	Laws of South Africa	Standard Bank of South Africa	ZAR 2.8 billion

1. Outstanding as February 2, 2024.

2. Some bonds were issued under two previous CNY bond programmes approved by regulators.

NDB Outstanding Benchmark Bonds¹

Size	Coupon	Placement	Maturity
EMTN			
USD 2.0bn	0.63%	22-Sep-20	29-Sep-25
USD 1.5bn	1.125%	20-Apr-21	27-Apr-26
USD 2.25bn	0.63%	15-Jul-21	22-Jul-24
USD 0.5bn	SOFR + 0.28%	1-Dec-21	9-Dec-24
USD 1.25bn	5.125%	19-Apr-23	26-Apr-26
Panda Bond			
CNY 1.0bn	3.32%	26-Feb-19	26-Feb-24
CNY 2.0bn	3.00%	7-Jul-20	7-Jul-25
CNY 5.0bn	3.22%	25-Mar-21	25-Mar-24
CNY 2.0bn	3.02%	17-Sep-21	17-Sep-26
CNY 3.0bn	2.45%	27-Jan-22	27-Jan-25
CNY 7.0bn	2.70%	20-May-22	20-May-25
CNY 3.0bn	2.53%	26-Oct-22	26-Oct-25
CNY 8.5bn	2.86%	30-May-23	30-May-26
CNY 6.0bn	2.66%	1-Feb-24	1-Feb-29

Note:

1. As of February 2, 2024.

2. Panda bond: bonds issued in China Interbank Bond Market.

NDB Outstanding Benchmark Bonds



Size	Coupon	Placement	Maturity
ZAR bond			
ZAR 1000mn	3M JIBAR+1.05%	21-Aug-23	21-Aug-28
ZAR 500mn	3M JIBAR+0.95%	21-Aug-23	21-Aug-26
ZAR 831mn	3M JIBAR+1.10%	08-Dec-23	08-Dec-28
ZAR 500mn	3M JIBAR+0.90%	08-Dec-23	08-Dec-26



5

ENVIRONMENTAL AND SOCIAL COMMITMENT

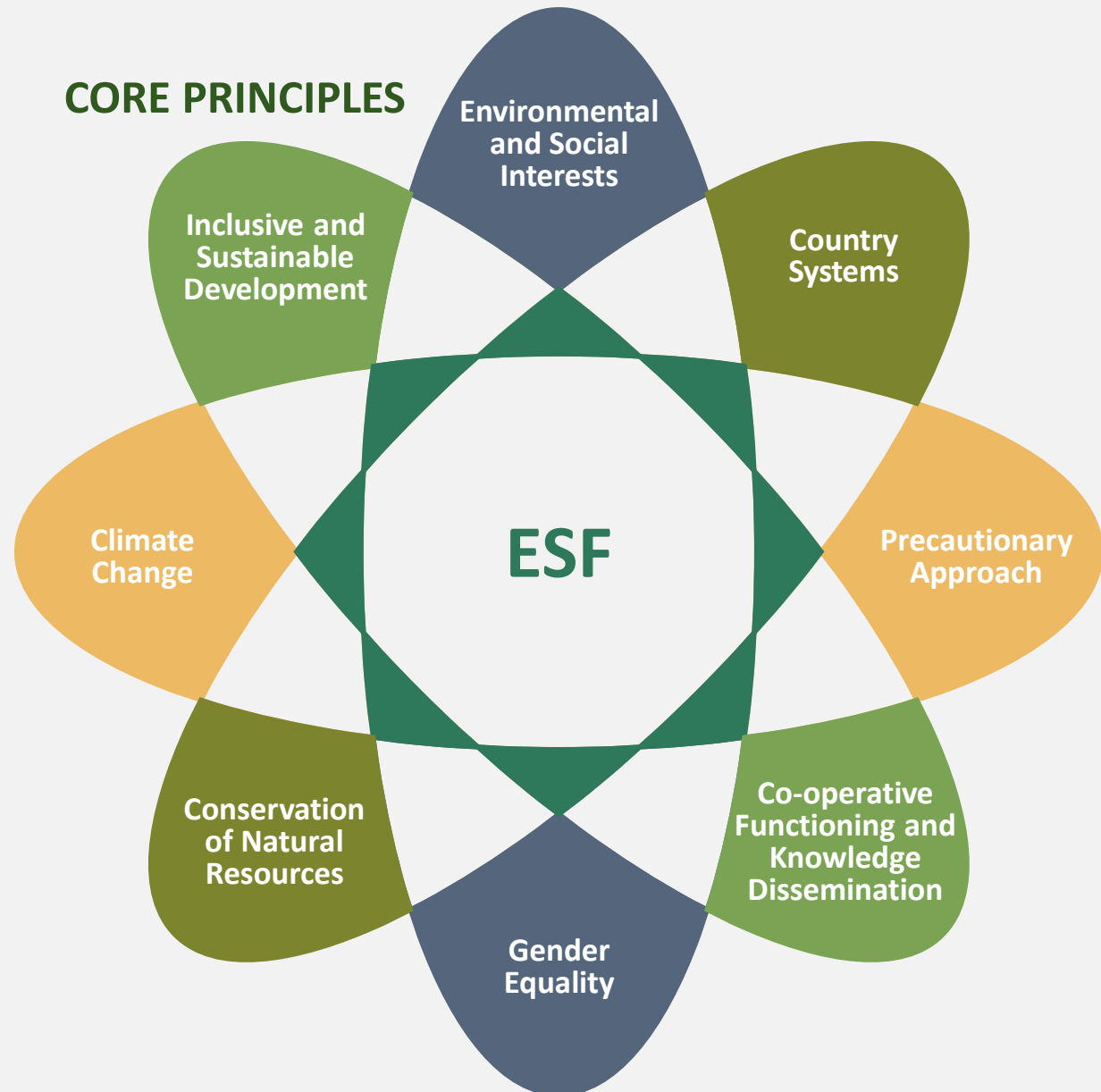
Environmental and Social Framework Underpins NDB's Operations

Environmental And Social Policy Requirements

- Screening and Categorization
- Environmental and Social Assessment and Management Plans
- Public Consultation
- Transparency and Information Disclosure
- Monitoring and Reporting
- Grievance Redressal Mechanisms

Environmental And Social Standards

- Environmental and Social Assessment
- Involuntary Resettlement
- Indigenous Peoples



Key Elements of NDB's Environmental and Social Framework

Sustainability is fundamental to the founding principles of NDB and overlays everything we do



Environmental And Social Framework



Environmental And Social Policy



Environmental And Social Exclusion List



Environmental And Social Standards



Environmental and Social Guideline



Sustainable Financing Policy Framework

- 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 of 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
- Guides NDB operations and sets the requirements to the borrowers to implement projects in environmentally and socially sustainable manner
- Describes NDB's principles in governing the use and management of the proceeds of green, social and sustainability bonds and other debt instruments

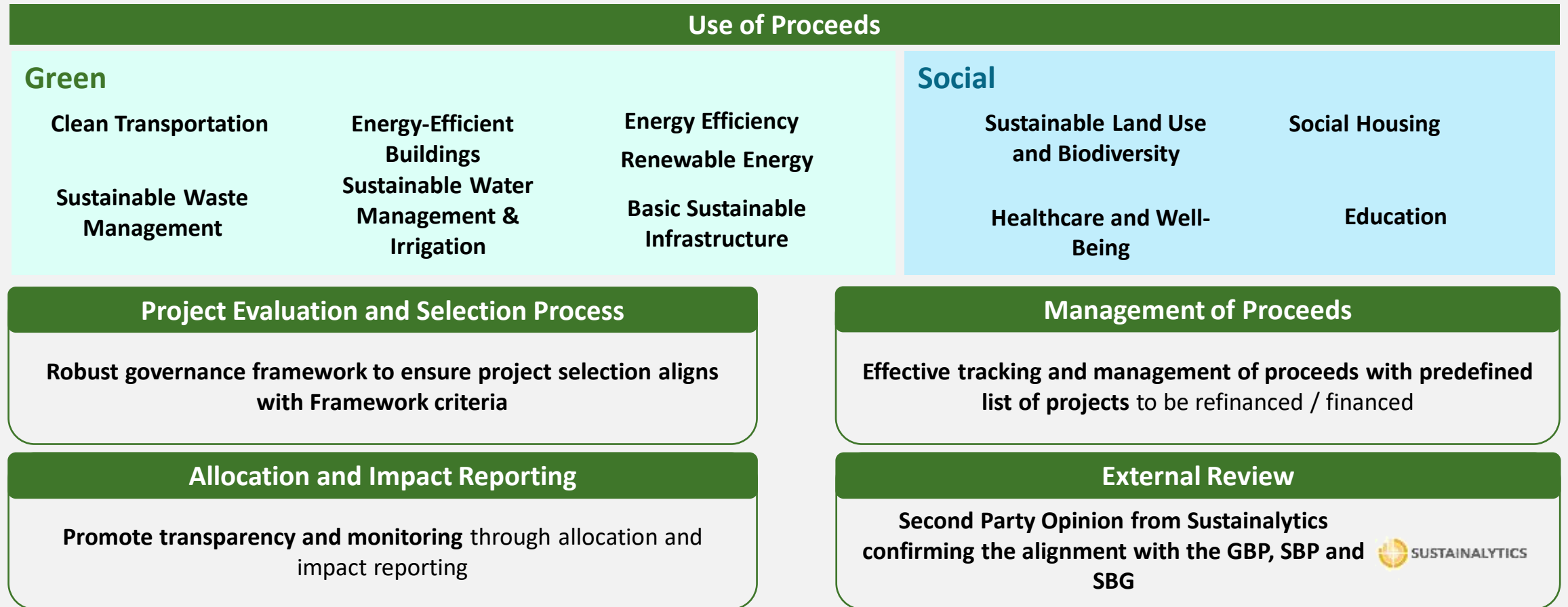


6

SUSTAINABLE FINANCE POLICY FRAMEWORK

Sustainable Financing Policy Framework – Overview

The Framework covers the Bank’s principles in governing the use and management of the proceeds of green, social and sustainability bonds (“Bonds”) and other debt instruments issued in international and domestic capital markets of its member countries in accordance with applicable laws and regulations to finance and/or refinance projects that **promote sustainable objectives in line with the Agreement and policies of NDB** (“Eligible Projects”).



Second Party Opinion from Sustainalytics

Sustainalytics is of the opinion that the overview of the New Development Bank Sustainable Financing Policy Framework is credible, impactful and aligns with the 4 core components of the Green Bond Principles (GBP) and Social Bond Principles (SBP).



1

Use of Proceeds

Sustainalytics confirms that:

- Eligible categories defined in the framework are **aligned with those recognized by the Green Bond Principles and Social Bond Principles**;
- Eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDG 1, 3, 4, 6, 7, 9, 11, 12,15

2

Project Evaluation and Selection Process

Sustainalytics confirms that:

- Eligible projects undergo a comprehensive environmental and social due diligence to ensure the compliance with environment and social regulations and the Bank's Environment and Social Framework, which is comprised of the Environment and Social Policy and Environmental and Social Standards;
- Project selection process **in line with market practice**

3

Management of Proceeds

Sustainalytics confirms that:

- NDB will establish a register for the issuance of the bonds (the "Register");
- In the event of pending allocation, unallocated proceeds could be temporarily invested in green, social and sustainability bonds, or in money market instruments, or kept in cash in accordance with NDB's Liquidity Risk Management Policy;
- This process is **in line with market standards**

4










Reporting and External Review

Sustainalytics confirms that:

- NDB intends to report allocation proceeds on its website on an annual basis until full allocation;
- In addition, New Development Bank is committed to reporting on relevant environmental and/or social impact metrics;
- NDB's allocation and impact reporting as **aligned with market practice**

Sustainable Financing Policy Framework – Use of Proceeds

Comprehensive List Of Green Eligible Categories

Eligible Categories	UN SDGs	Eligibility Criteria
Clean Transportation	 	<ul style="list-style-type: none"> Low energy or emission transportation assets, systems, infrastructure, components and services (examples include Rail (passenger or freight), Tram, Metro, Bus Rapid Transit systems, Electric Vehicles), and exclude rolling stocks carrying fossil fuel products).
Energy-Efficient Buildings		<ul style="list-style-type: none"> New construction building developments or renovation of existing buildings (including public service, commercial, residential and recreational) which meet recognized environmental standards. Buildings which have reduced life cycle consumption of energy levels of at least 20% less than state/ city baseline consumption levels.
Energy Efficiency		<ul style="list-style-type: none"> Development of products or technology and their implementation that reduces energy consumption, for underlying asset, technology, product or system(s) across manufacturing, industrial, buildings and other sectors. Examples include improved lighting technology. Energy efficient investments related to fossil fuel assets are excluded. Improved efficiency in the delivery of bulk energy services (examples include district heating/ cooling systems, smart grids, and the storage, transmission and distribution of renewable energy that results in reduced energy losses). Manufacture of components to enable energy efficiency described above (examples include LED lights, fuel cells, smart grid meters).
Renewable Energy		<ul style="list-style-type: none"> Generation of energy from renewable sources (examples include wind, solar, tidal, small hydro power, and waste to energy facilities); Manufacturing of components of renewable energy technology (examples include wind turbines, solar panels).
Sustainable Land Use and Biodiversity	 	<ul style="list-style-type: none"> Schemes for allocation and protection of environment, local community, biodiversity or equivalent. Forestry with Forest Stewardship Council ("FSC") or Programme for the Endorsement of Forest Certification ("PEFC") certification and agriculture with Roundtable on Sustainable Palm Oil ("RSPO"), Roundtable on Responsible Soy ("RTRS") certification or equivalent.
Sustainable Waste Management		<ul style="list-style-type: none"> Waste minimization, collection, management, recycling, re-use, processing, disposal (such as methane capture) products, technologies and solutions.
Sustainable Water Management & Irrigation		<ul style="list-style-type: none"> Water collection, treatment, recycling, re-use, technologies and related infrastructure (examples include water pipes and collection facilities to collect water/rainwater, treatment plant facilities). Irrigation infrastructure that contributes to environmental wellbeing as well as sustainable agriculture production.

Sustainable Financing Policy Framework – Use of Proceeds

Comprehensive List Of Social Eligible Categories

Eligible Categories	UN SDGs	Eligibility Criteria
Basic Sustainable Infrastructure	 	<ul style="list-style-type: none"> Projects that incorporate economic, environmental and social criteria in its design, building and operation and are aimed at promoting access to affordable basic infrastructure (e.g. clean energy, transport infrastructure, irrigation, water resource management, and sanitation), in particular to population suffering from lack of access to basic infrastructure.
Education		<ul style="list-style-type: none"> Projects aimed at increasing access to quality and/or affordability of education; Projects that provide or support the provision of quality education or trainings to society groups where education opportunities are not generally available.
Healthcare and Well-being		<ul style="list-style-type: none"> Projects that contribute to the goal of improving labor and working conditions for safety and health care purposes; achieving the highest attainable standard of primary healthcare, well-being, safety, and security services, in particular to sectors of society suffering from lack of such services. Projects in the areas impacted by epidemics, pandemics, natural disasters, or other urgent situations.
Social Housing		<ul style="list-style-type: none"> Projects that deliver affordable, safe, clean housing.

Robust Governance Framework

Project Evaluation and Selection

- Sustainable Financing Policy Framework and **NDB’s Environment and Social Framework (“ESF”)** ensure **robust governance** implemented to select eligible projects
- Selection process includes project concept review stage by Treasury and Portfolio Management Division in consultation with Operations Policy and Project Support Division to **assess nature of the project and availability of information, to monitor and evaluate the development impact of project**
- **Specific to the target issuance, the projects have been pre-selected and financing / refinancing will be limited to the identified list of projects**

Management of Proceeds

- Net proceeds of the Bonds will be used to **either reimburse the Bank for previously disbursed eligible loans or to fund new eligible loans** in accordance with the standards and processes set out in Sustainable Financing Policy Framework and ESF.
- To promote transparency, NDB has **ring-fenced the projects to be financed and refinanced using the proceeds from the target issuance.** The list of eligible projects will be made available in the appendix of the bond document

Reporting

For example:

- The net proceeds from the USD 1.25bn Green Bond due 26 April 2026 has been fully allocated to finance and/or refinance eligible green projects as defined in NDB’s Sustainable Financing Policy Framework.
- The allocation report has been published on NDB website at <https://www.ndb.int/borrowings/2023-usd-green-bond/>



7 ANNEXURE

Annual Financial Summary



Statement of Profit or Loss (USD mn)		Jan 1, 2022–Dec 31, 2022	Jan 1, 2021–Dec 31, 2021	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
	Net interest income	363.0	148.0	181.0	197.7
	Net Fee income ¹	11.0	8.0	5.0	1.6
	Net gains/(losses) on financial instruments at FVTPL	328.0	(46.0)	(191.0)	21.9
	Staff costs and other operating expenses ²	(77.0)	(79.0)	(64.0)	(51.3)
	Impairment losses ³	(125.0)	(2.0)	(38.0)	(2.1)
	Foreign exchange gains / (losses)	(393.0)	60.0	208.0	(17.4)
	Operating profit	107.0	89.0	101.0	150.5
	Unwinding of interest on paid-in capital receivables	2.0	21.0	49.0	72.4
	Total comprehensive income	82.0	104.0	151.0	222.9
Statement of Financial Position (USD mn)		As at Dec 31, 2022	As at Dec 31, 2021	As at Dec 31, 2020	As at Dec 31, 2019
Assets	Cash and cash equivalents	1,876.0	1,856.0	2,193.0	1,023.5
	Due from banks other than cash and cash equivalents	4,023.0	4,916.0	6,762.0	5,494.8
	Derivative financial assets	156.0	44.0	27.0	5.4
	Financial assets held under resale agreements	-	-	66.0	-
	Financial assets at FVTPL	55.0	211.0	400.0	-
	Debt instruments at FVTOCI	2,944.0	1,298.0	131.0	-
	Debt instruments measured at amortised cost	2,579.0	2,258.0	763.0	33.8
	Loans and advances	14,405.0	13,965.0	6,612.0	1,544.9
	Paid-in capital receivables	269.0	335.0	1,885.0	3,713.5
	Other assets ⁴	44.0	5.0	5.0	4.6
	Total assets	26,351.0	24,888.0	18,844.0	11,820.6
Liabilities	Derivative financial liabilities	656.0	160.0	98.0	12.2
	Financial liabilities designated at FVTPL	11,189.0	10,140.0	5,556.0	882.8
	Borrowings	-	-	-	110.1
	Note payables	3,041.0	3,296.0	2,815.0	623.3
	Other liabilities ⁵	99.0	60.0	42.0	21.0
	Total liabilities	15,536.0	14,155.0	8,511.0	1,649.2
Equity	Paid-in capital	10,299.0	10,299.0	10,000.0	10,000.0
	Reserves	(39.0)	(14.0)	(26.0)	(86.5)
	Retained earnings	555.0	448.0	359.0	257.8
	Total equity	10,815.0	10,733.0	10,333.0	10,171.3
	Total equity and liabilities	26,351.0	24,888.0	18,844.0	11,820.6

Source: NDB Audited IFRS Financial Statements: <https://www.ndb.int/data-and-documents/financial-statements/financial-statements-ndb/>

Note: Figures may not tally due to rounding differences.

1. Net fee income, including other operating income.

2. Staff costs and other operating expenses, including other income and other expense.

3. Impairment losses under expected credit loss model, net of reversal.

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

5. Other liabilities, including contract liabilities and lease liabilities.

Useful Links

- [Core Documents](#)
- [General Strategy for 2022-2026](#)
- [Environment and Social Framework](#)
- [Sustainable Financing Policy Framework](#)
- [Annual Reports 2022](#)
- [Financial Statements](#)
- [Investor Marketing Materials](#)
- [Credit Ratings](#)

CONTACT US

Treasury and Portfolio Management



funding@ndb.int



www.ndb.int



1600, Guozhan Road,
Pudong New District,
Shanghai, 201206, China





Thank you
