New Development Bank

Termination of USD LIBOR as Benchmark for Loans

On December 14th, 2021, the Board of Directors of the New Development Bank ("the Bank") approved the Secured Overnight Financing Rate ("SOFR") based Sovereign Lending Rates.

The Bank has decided to use SOFR benchmark for all USD Loans effective from January 1st, 2022.

Hence the Bank's LIBOR based pricing will stand terminated for all new USD loans from January 1st, 2022.

All USD loans signed on or after January 1st, 2022 will be based on SOFR.

The Bank will publish its new SOFR based sovereign loan pricing in due course.

Those USD loans signed on or before December 31st, 2021 can continue to be disbursed in LIBOR terms until June 30th, 2023.

NEW DEVELOPMENT BANK
SOVEREIGN GUARANTEED LOAN PRICING

New Development Bank ('NDB' or 'the Bank') offers variable spread loan product in USD and EUR to its sovereign and sovereign guaranteed clients. The variable spread sovereign loan pricing is based on a floating benchmark rate plus a spread that is recalculated every January 1 and July 1. The applicable spread is the sum of the contractual lending spread, the maturity premium and the actual cost of funds over benchmark rate.

The lending spread will vary according to average repayment maturity. In addition to the spread over benchmark rate, the Bank charges a front-end fee and a commitment fee. The individual components of the variable spread loan pricing denominated in USD applicable to different maturity categories are presented in Table 1:

Table 1: Variable Spread Loan Pricing for Sovereign Guaranteed Loans Denominated in USD

	SOFR + Variable Spread (As of January 1, 2024)						
Benchmark	**SOFR**						
Average Repayment Maturity	**Up to 5 years**	**Greater than 5 to 8 years**	**Greater than 8 to 10 years**	**Greater than 10 to 12 years**	**Greater than 12 to 15 years**	**Greater than 15 to 18 years**	**Greater than 18 to 19 years**
Contractual Lending Spread	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Maturity Premium	0.00%	0.00%	0.05%	0.10%	0.20%	0.30%	0.35%
Actual Cost of Funds over Benchmark Rate	0.75755%	0.75755%	0.75755%	0.75755%	0.75755%	0.75755%	0.75755%
Lending Spread	**1.25755%**	**1.25755%**	**1.30755%**	**1.35755%**	**1.45755%**	**1.55755%**	**1.60755%**

The individual components of the variable spread loan pricing denominated in EUR applicable to different maturity categories are presented in Table 2:

Table 2: Variable Spread Loan Pricing for Sovereign Guaranteed Loans Denominated in EUR

	6M EURIBOR + Variable Spread (As of January 1, 2024)						
Benchmark	**6M EURIBOR**						
Average Repayment Maturity	**Up to 5 years**	**Greater than 5 to 8 years**	**Greater than 8 to 10 years**	**Greater than 10 to 12 years**	**Greater than 12 to 15 years**	**Greater than 15 to 18 years**	**Greater than 18 to 19 years**
Contractual Lending Spread	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Maturity Premium	0.00%	0.00%	0.05%	0.10%	0.20%	0.30%	0.35%
Actual Cost of Funds over Benchmark Rate	0.38741%	0.38741%	0.38741%	0.38741%	0.38741%	0.38741%	0.38741%
Lending Spread	**0.88741%**	**0.88741%**	**0.93741%**	**0.98741%**	**1.08741%**	**1.18741%**	**1.23741%**

The front-end fee and the commitment fee are set out in Table 3:

Table 3: Front-end Fee and Commitment Fee

TYPE OF CHARGE	RATE (basis points)	BASIS
Front-end Fee	25	Approved loan amount
Commitment Fee	25	The commitment fee is levied on the accrued portion of undisbursed net-loan balance. The charge will be effective 60 days after the signing of the loan agreement. The accrued balance will be 15% of net loan balance undisbursed in the first year, 45% of net loan balance undisbursed in the second year, 85% of net loan balance undisbursed in the third year, and 100% of net loan balance undisbursed thereafter.