

ANNUAL REPORT
2024

**INVESTING
IN A
SUSTAINABLE
FUTURE**



INVESTING IN A SUSTAINABLE FUTURE

The New Development Bank presents its 2024 Annual Report, “Investing in a Sustainable Future”, with a clear sense of purpose and firm belief in the transformative power of sustainable development. As the world continues to change, NDB remains steadfast in its conviction that sustainable development, inclusive growth, and multilateral cooperation are not just goals — but shared responsibilities it is proud to uphold.

Dilma Rousseff
President of NDB

TABLE OF CONTENTS

►	MESSAGE FROM THE PRESIDENT	4
►	NDB IN NUMBERS	6
1	NDB OVERVIEW AND 2024 HIGHLIGHTS	12
1.1	About NDB	14
1.2	Shareholding Structure	14
1.3	2024 Highlights	16
1.4	Key Events in 2024	18
2	GOVERNANCE AND OVERSIGHT	23
2.1	Board of Governors	24
2.2	Board of Directors	25
2.3	Committees	26
2.4	Management	28
2.5	Independent Evaluation	29
3	OPERATIONS	30
3.1	Operations Approved in 2024	32
3.2	Project Portfolio at the End of 2024	47
3.3	ESG and Project Procurement	51
3.4	Project Preparation Fund	54
4	RISK MANAGEMENT AND TREASURY ACTIVITIES	55
4.1	Risk Management	56
4.2	Credit Ratings	57
4.3	Funding Strategy and Activities	58
4.4	Treasury Portfolio Management	59
5	INSTITUTIONAL DEVELOPMENT	60
5.1	Talent Management	62
5.2	Digital Transformation	64
5.3	Partnerships and Strategic Engagements	65
6	THE YEAR AHEAD	68
►	FINANCIAL STATEMENTS	70
	NDB Annual Financial Statements for the Year Ended December 31, 2024	70
	NDB-PPF Annual Financial Statements for the Year Ended December 31, 2024	134
►	ANNEXES	152
	List of Abbreviations and Defined Terms	154
	List of Projects Approved by NDB	156
	NDB's Organisational Structure	164
	Contacts	165

MESSAGE FROM THE PRESIDENT

The year 2024 marked a period of significant advancements for the New Development Bank (NDB or the Bank). As the Bank reached the midpoint of its 2022–2026 strategy cycle, it moved forward with renewed focus on its path to becoming a premier development finance institution created by and for emerging market economies and developing countries (EMDCs). Amid an increasingly complex and challenging global context, the Bank reinforced its strategic focus, delivered tangible results, and solidified its institutional foundations.

NDB maintained a strong emphasis on development impact, operational innovation, liquidity and financial stability. The institution significantly expanded its lending activities, enhanced its market presence, strengthened its operational capacity, and deepened its global partnerships. These accomplishments underscore the Bank's continuous commitment to sustainable development and inclusive growth across its member countries and beyond.

In 2024, the Bank approved 15 new loans totalling USD 4.5 billion – more than double the amount approved in the previous year. This robust performance brought cumulative project approvals to USD 39.0 billion across 120 operations since the Bank's inception, with a net portfolio of USD 35.2 billion for 105 projects. Importantly, the 2024 approvals were characterised not only by increased volume but also by greater diversification and innovation.

The year saw several strategic milestones for the Bank. The Bank also executed its inaugural project finance transaction, its first syndicated loan, and the first RMB-denominated loan extended outside of China. These landmark operations reflect the Bank's growing maturity, its capacity to adapt financial instruments to the diverse needs of clients, and its responsiveness to the evolving demands of EMDCs.

Local currency financing remained a strategic priority, with 43.5%, mainly in ZAR and RMB, of total approvals in 2024 denominated in member countries' currencies. Climate finance also reached new heights, comprising 55.3% of the year's lending. Projects approved in 2024 are expected to deliver significant development results, including the installation of 400 MW of clean energy generation capacity, the construction or upgrade of 920 km of roads and bridges, the annual avoidance of 1.6 million tonnes of CO₂ emissions, and the increase of water supply and sewage treatment capacity by 79,500 m³/day and 34,600 m³/day, respectively.

In terms of actual disbursements, the Bank continued to execute operations efficiently, ensuring that approved funds translated into real progress on the ground in a timely manner.

NDB-financed projects supported advanced national and local development plans, contributing to the achievement of the Sustainable Development Goals (SDGs) and the goals of the Paris Agreement on Climate Change.

On the funding side, NDB significantly expanded its capital market footprint. In 2024 alone, the Bank raised USD 8.7 billion equivalent in multiple currencies – including USD, RMB, EUR, and ZAR – through a combination of public bond issuances, private placements, and loan facilities. Notably, the Bank raised RMB 14 billion in China's domestic bond market, reinforcing NDB's role as one of the largest issuers of panda bonds and issued a dual-tranche offerings in South Africa, totalling ZAR 1 billion, further entrenching its status as a regular issuer in the country. The Bank also issued a new USD 1.25 billion green bond in international capital markets.

To diversify its sources of funding and broaden its investor base, NDB executed its first USD 2 billion syndicated loan facility and a USD 1.5 billion club loan facility. These transactions underscored the Bank's enhanced creditworthiness and capacity to operate as a credible borrower in both traditional and non-traditional markets. The Bank's continued access to favourable funding supported its efforts to offer competitive and effective development financing to its clients.

Institutionally, NDB advanced its long-term consolidation and governance agenda. The formal admission of Algeria as a borrowing member in October 2024 marked an important step in the expansion of the Bank's membership. By the end of the year, NDB counted eight effective members and two prospective members, confirming the Bank's growing role as a collaborative platform for the Global South. These developments also reinforced the Bank's capital base and enhanced its ability to support a wider range of projects for greater development impact.

NDB continued to operate under a sound financial framework. The Bank reported a net profit of USD 595 million and increased its total equity to USD 12.2 billion by year-end. Strong capital adequacy, high credit quality, robust liquidity, and prudent risk management underpinned the institution's top-tier credit ratings: AAA from the Japan Credit Rating Agency, AA+ from S&P Global Ratings, and AA from Fitch Ratings, all with stable outlooks.

Human capital development remained a core institutional priority. The Bank's workforce expanded by 14% over the year, reaching 278 employees. The share of female professionals rose from 35% to 39%, moving closer to the Bank's target of 40% female representation by the end of the current strategy cycle.

In parallel with these achievements, the year also reflected a renewed focus on innovation as a cornerstone of sustainable development. Recognising that emerging technologies and digital infrastructure are vital enablers of inclusive growth, the Bank began exploring the strategic use of AI and other digital tools not only to improve its internal processes but also to support the evolving development strategies of its member countries. By aligning innovation with national development agendas, NDB reaffirmed its commitment to promoting the long-term growth across the Global South, with a special emphasis on sustainability, resilience, competitiveness, and knowledge.

The mid-term review of NDB's General Strategy for 2022–2026, conducted in 2024, reaffirmed the continued validity and relevance of the Bank's strategic directions. Despite a challenging global context in the current five-year cycle, the Bank remained committed to its original goals. The review process resulted in a set of prioritised actions to accelerate strategy implementation, enhance internal alignment and strengthen the Bank's performance as "One Team" in the remaining period of the cycle.

NDB's international engagement efforts have also intensified. The Bank remained active in the multilateral development bank (MDB) system, advocating for a more effective and inclusive global financial architecture. Building on the Marrakesh Statement issued in 2023 during NDB's presidency of the Heads of MDBs Group, the Bank co-developed with its peer MDBs a joint Viewpoint Note in 2024 outlining deliverables for coordinated action. This document served as a key input into the G20 Roadmap towards Better, Bigger and More Effective MDBs, which was endorsed by G20 Leaders at the 2024 Summit hosted in Rio de Janeiro, Brazil.

The Bank participated in the 16th BRICS Summit held in Kazan, Russia, and the 29th Conference of the Parties of the United Nations Framework Convention on Climate Change (COP29) in Baku, Azerbaijan. At both events, NDB highlighted its role in advancing sustainable development, promoting South-South cooperation, and supporting EMDCs in tackling climate, infrastructure, and financial challenges. At COP29, NDB contributed to collective MDB efforts to scale up climate finance and shift focus from financial inputs to long-term development impact.

NDB also hosted high-level events, including the Ninth Annual Meeting of its Board of Governors in Cape Town, South Africa, and a joint seminar in Cairo following Egypt's accession to the Bank. These events served as valuable platforms to exchange

views on development financing, local currency solutions, and infrastructure investments in the Global South.

The Bank also increasingly recognised the importance of fostering partnerships beyond the public sector. NDB reaffirmed its willingness to engage with the private sector, civil society and other development partners, acknowledging their crucial roles in scaling development impact, mobilising innovation, and supporting the delivery of inclusive and sustainable solutions.

NDB emerged more confident, capable, and credible in 2024. The achievements of the year underscored NDB's strategic vision and operational maturity. The institution stands ready to deepen its engagement with its members, expand its partnerships, and deliver on its mandate with renewed energy and focus.

The New Development Bank presents its 2024 Annual Report, "Investing in a Sustainable Future", with a clear sense of purpose and firm belief in the transformative power of sustainable development. As the world continues to change, NDB remains steadfast in its conviction that sustainable development, inclusive growth, and multilateral cooperation are not just goals – but shared responsibilities it is proud to uphold.



Dilma Rousseff
President of NDB



NDB IN NUMBERS¹

15

PROJECTS APPROVED IN 2024

USD

4,511

MILLION

AMOUNT OF FINANCING APPROVED IN
2024

105


PROJECTS IN THE PORTFOLIO AT THE END
OF 2024²

USD

35,152

MILLION

AMOUNT OF FINANCING APPROVED FOR
PROJECTS IN THE PORTFOLIO AT THE END
OF 2024

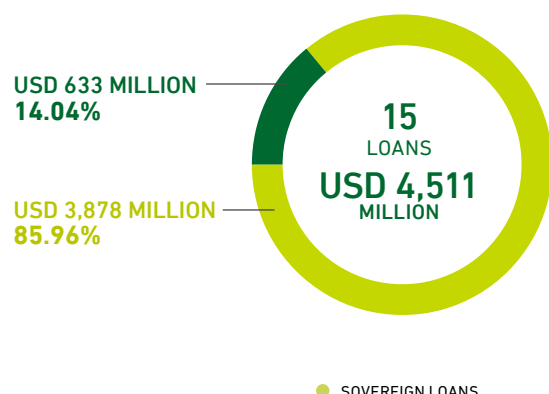
 **BRAZIL**
BRASÍLIA CAPITAL OF SOLAR LIGHTING PROJECT

- ¹ Unless otherwise stated, all amounts related to aggregated approvals and disbursements in this report have been translated into USD using exchange rates as at the end of the relevant reporting period.
- ² By the end of 2024, NDB had cumulatively approved USD 39.0 billion for 120 projects on a gross basis. Unless otherwise stated, discussions on NDB's operations in this report are based on the Bank's portfolio, which refers to the Bank's cumulative approvals net of cancelled and fully repaid loans.

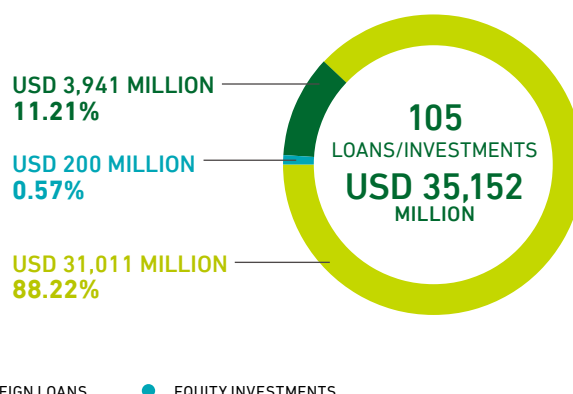


APPROVALS BY TYPE OF OPERATION

Approvals within the year ended December 31, 2024



Approvals for projects in the portfolio as at December 31, 2024



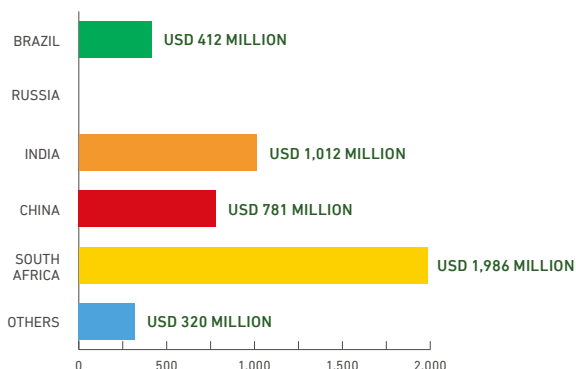
SOVEREIGN LOANS

NON-SOVEREIGN LOANS

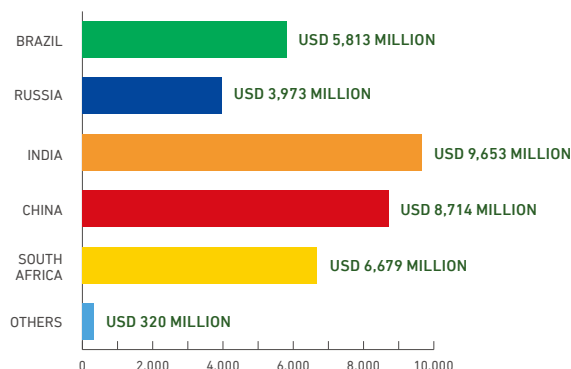
EQUITY INVESTMENTS

APPROVALS BY COUNTRY

Approvals within the year ended December 31, 2024

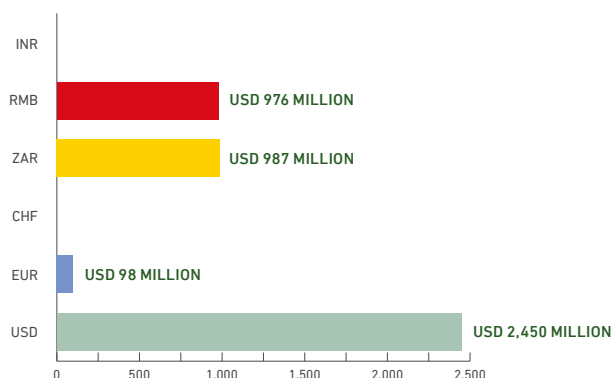


Approvals for projects in the portfolio as at December 31, 2024

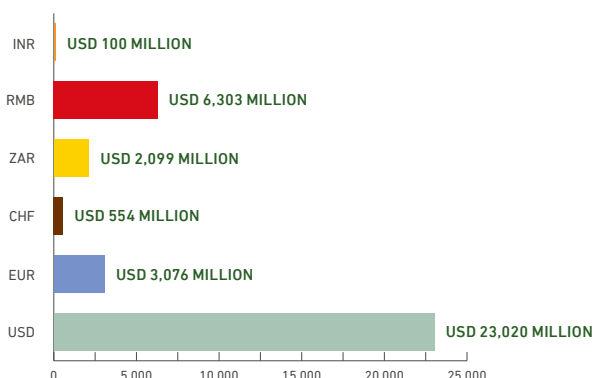


APPROVALS BY CURRENCY

Approvals within the year ended December 31, 2024



Approvals for projects in the portfolio as at December 31, 2024



INDIAN RUPEE (INR)

RENMINBI (RMB)

SOUTH AFRICAN RAND (ZAR)

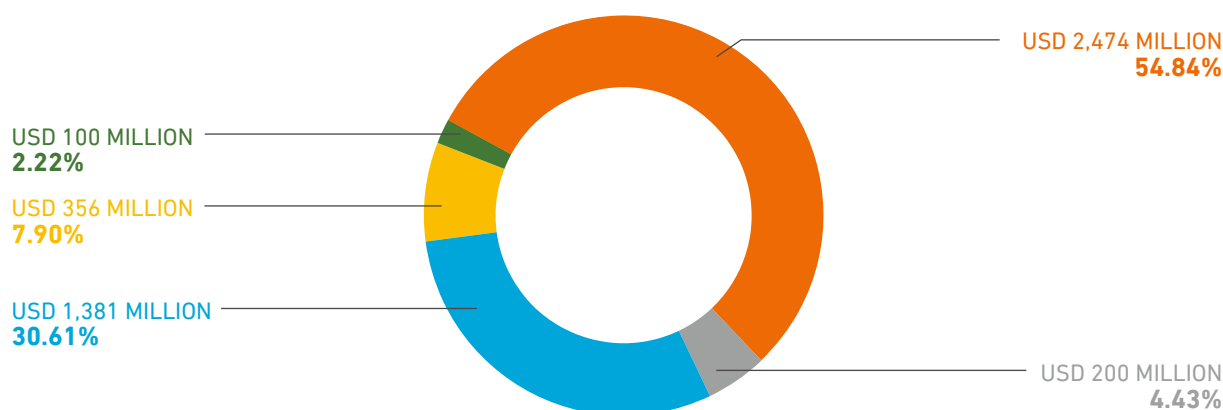
SWISS FRANC (CHF)

EURO (EUR)

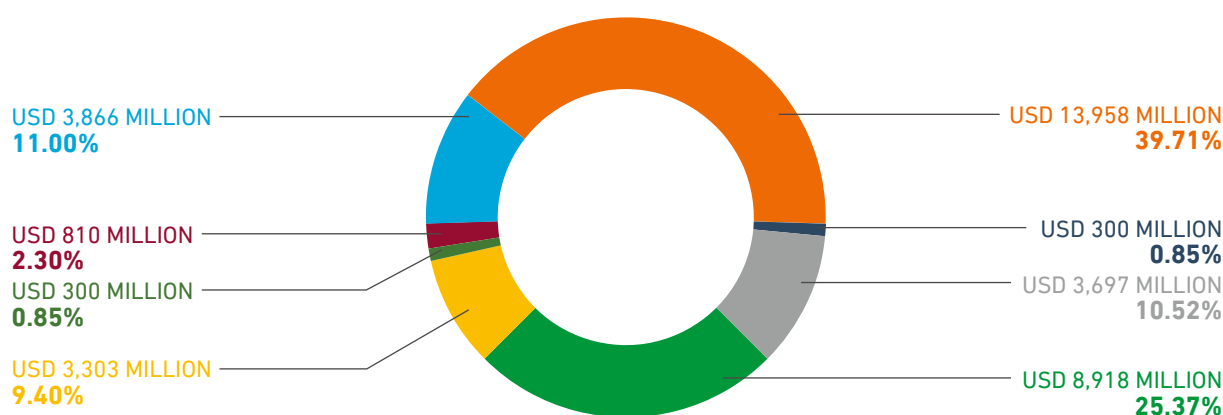
UNITED STATES DOLLAR (USD)

APPROVALS BY AREA OF OPERATION

Approvals within the year ended December 31, 2024



Approvals for projects in the portfolio as at December 31, 2024



CLEAN ENERGY AND ENERGY EFFICIENCY



WATER AND SANITATION



SOCIAL INFRASTRUCTURE



MULTIPLE AREAS



TRANSPORT INFRASTRUCTURE



ENVIRONMENTAL PROTECTION



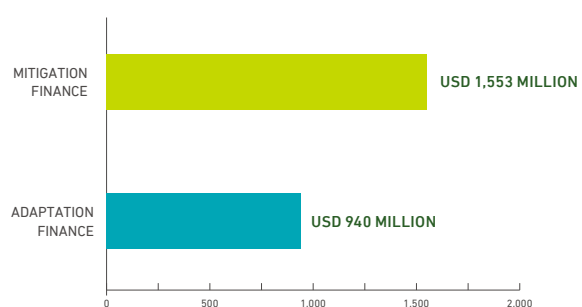
DIGITAL INFRASTRUCTURE



COVID-19 EMERGENCY ASSISTANCE

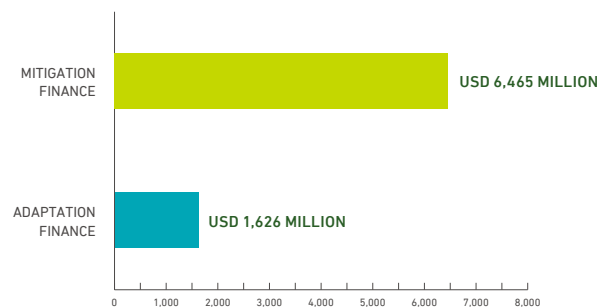
CLIMATE FINANCE

Approvals within the year ended December 31, 2024



TOTAL: USD 2,493 MILLION

Approvals for projects in the portfolio as at December 31, 2024

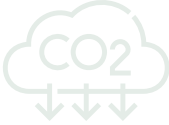
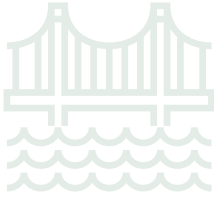
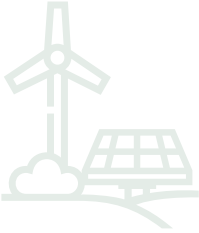
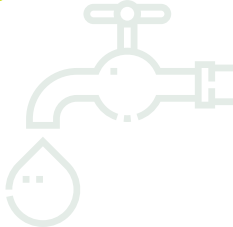
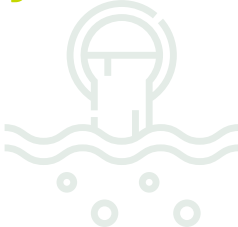








TOTAL: USD 8,091 MILLION

● MITIGATION FINANCE

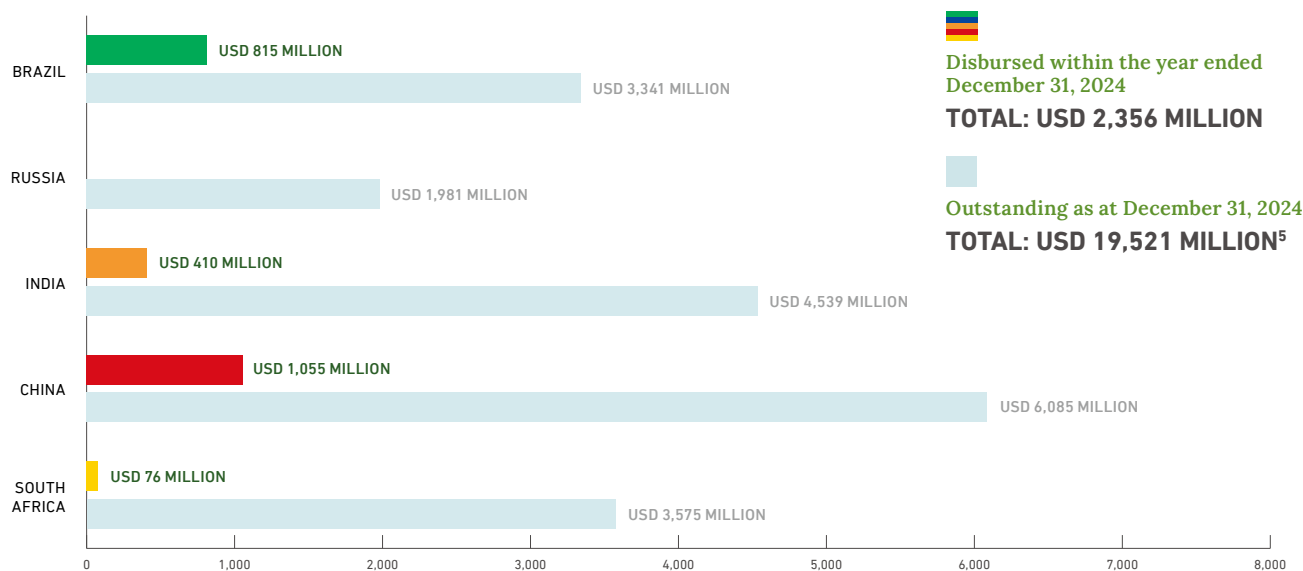
● ADAPTATION FINANCE

HIGHLIGHTS OF EXPECTED DEVELOPMENT RESULTS OF SELECTED PROJECTS FINANCED BY NDB³

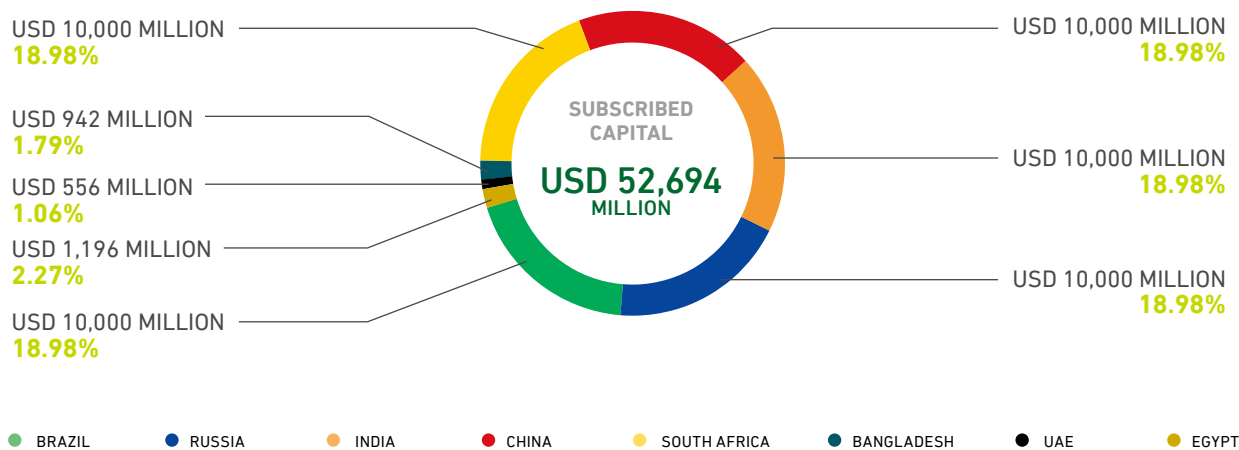
<div><div></div><div>From projects approved within the year ended December 31, 2024</div></div> <div><div></div><div>From projects in the portfolio as at December 31, 2024</div></div>	CO ₂ emissions to be avoided 1.6 million tonnes/year 14.7 million tonnes/year 	Roads and bridges to be built or upgraded 920 km 40,000 km 
Renewable and clean energy generation capacity to be installed 400 MW 2,400 MW 	Drinking water supply capacity to be increased 79,500 m ³ /day 289,000 m³/day 	Sewage treatment capacity to be increased 34,600 m ³ /day 612,000 m³/day 
Air passenger handling capacity to be increased 104 million/year 	Water tunnel/canal infrastructure to be built or upgraded 1,400 km 	Urban rail transit network to be built 293 km 
Air cargo handling capacity to be increased 960,000 tonnes/year 	Schools to be built or upgraded 43 	Housing units to be constructed 35,000 

³ 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.

DISBURSEMENTS BY COUNTRY⁴



SHAREHOLDING STRUCTURE (AS AT DECEMBER 31, 2024)



⁴ Including disbursements relating to both loan commitments and equity investments.
⁵ As at December 31, 2024, the Bank's cumulative disbursements and cumulative repayments stood at USD 20.9 billion and USD 1.4 billion, respectively.
⁶ The numbers in this chart may not add up precisely due to rounding.



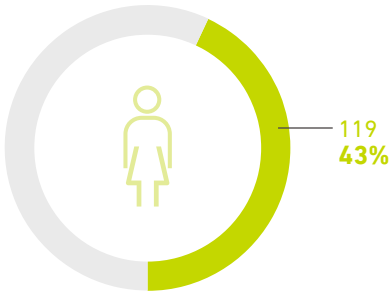
BOND ISSUANCES

	Issued within the year ended December 31, 2024		Outstanding as at December 31, 2024	
	Number	Amount	Number	Amount
RMB bonds	2	RMB 14,000 MILLION	8	RMB 39,500 MILLION
ZAR bonds	2	ZAR 1,000 MILLION	6	ZAR 3,831 MILLION
EUR bonds	1	EUR 90 MILLION	1	EUR 90 MILLION
HKD bonds	0	0	4	HKD 2,375 MILLION
USD bonds	10	USD 1,894 MILLION	25	USD 7,988 MILLION

EMPLOYEES BY GENDER (AS AT DECEMBER 31, 2024)



Total number of employees
278



01

NDB OVERVIEW AND 2024 HIGHLIGHTS



 **CHINA**
NDB HEADQUARTERS IN SHANGHAI

1.1 ABOUT NDB

The New Development Bank (NDB or the Bank) is a global multilateral development bank (MDB) established in 2015 by Brazil, Russia, India, China, and South Africa, with the purpose of mobilising resources for infrastructure and sustainable development projects in the five founding members and other emerging market economies and developing countries (EMDCs). Complementing the ongoing efforts of other multilateral and regional financial institutions, NDB aims to contribute to global growth and development by helping address the needs and aspirations of EMDCs.

To broaden its reach and impact, NDB started to expand its membership in 2021. By the end of 2024, NDB's Board of Governors (BoG) had admitted Algeria, Bangladesh, Egypt, United Arab Emirates (UAE), and Uruguay to the Bank as non-founding members. In accordance with their respective applications, UAE joined the Bank as a non-borrowing member, while the other four countries were admitted as borrowing members. Further to their admission to NDB, Bangladesh, Egypt, and UAE have deposited their respective instruments of accession, which made their membership to the Bank effective. As of end-2024, the Bank had eight effective member countries and two prospective member countries.⁷

As a global MDB, NDB is headquartered in Shanghai, China, and has established an on-the-ground presence in all founding members. The Bank's Africa Regional



Centre in South Africa, Americas Regional Office in Brazil, Eurasian Regional Centre in Russia, and Indian Regional Office in India serve as the Bank's primary interface with its clients, partners and other stakeholders in their respective regions. NDB's strong local and regional presence enables the Bank to operate with a member-led, client-centric and demand-driven approach, delivering on its global mandate in a responsive and effective manner.

1.2 SHAREHOLDING STRUCTURE

NDB was established with an initial authorised capital of USD 100 billion, divided into 1 million shares with each having a par value of USD 100,000. In accordance with relevant provisions in the Bank's Articles of Agreement (AoA or the Agreement), the five founding members collectively made an initial subscription of USD 50 billion in equal shares. Of this amount, USD 40 billion corresponded to callable capital and USD 10 billion corresponded to paid-in capital. All founding members have fulfilled their paid-in capital commitments, which played a crucial role in underpinning NDB's financial strength and placed the Bank among the largest MDBs by capitalisation.

Subsequent to their accession to NDB, Bangladesh, UAE, and Egypt also made their respective initial subscriptions, totalling USD 2.7 billion with the same proportion between callable capital and paid-in capital as the founding members. This brought NDB's

subscribed capital to USD 52.7 billion, consisting of USD 42.2 billion in callable capital and USD 10.5 billion in paid-in capital. With the additional paid-in capital contributed by Bangladesh, UAE, and Egypt over the year, the total paid-in capital received by the Bank amounted to USD 10.1 billion by the end of 2024.

NDB's shareholding structure remained unchanged throughout the year, with the five founding members each holding 18.98% of the total subscribed capital of the Bank, while the rest was held by Bangladesh (1.79%), UAE (1.06%), and Egypt (2.27%). Given that most of NDB's decisions are taken based on a simple majority and the others require an affirmative vote of two-thirds of the total voting power, the Bank's shareholding structure ensures that no single member holds veto power over any matter and that each member's voice is heard and valued in the decision-making process.

⁷ A country is admitted as a member of NDB following the approval by the Bank's BoG. Membership to NDB becomes effective after an instrument of accession is deposited, setting forth that the member has acceded in accordance with its laws to the Agreement on NDB and the annexed Articles of Agreement, as well as all the terms and conditions prescribed in the BoG's resolution on admitting the new member. Algeria and Uruguay's membership to NDB will become effective once their instruments of accession are deposited.

SHAREHOLDING STRUCTURE AT NDB (AS AT DECEMBER 31, 2024)

	Number of shares subscribed	Capital subscribed (USD million)	Callable capital subscribed (USD million)	Paid-in capital subscribed (USD million)	Paid-in capital received (USD million)	Paid-in capital to be received (USD million)	Percentage of total capital subscribed ⁸
Founding members							
Brazil	100,000	10,000	8,000	2,000	2,000	-	18.98
Russia	100,000	10,000	8,000	2,000	2,000	-	18.98
India	100,000	10,000	8,000	2,000	2,000	-	18.98
China	100,000	10,000	8,000	2,000	2,000	-	18.98
South Africa	100,000	10,000	8,000	2,000	2,000	-	18.98
Subtotal	500,000	50,000	40,000	10,000	10,000	-	94.89
Non-founding members							
Bangladesh ⁹	9,420	942	754	188	66	122	1.79
UAE ¹⁰	5,560	556	445	111	39	72	1.06
Egypt ¹¹	11,960	1,196	957	239	24	215	2.27
Subtotal	26,940	2,694	2,156	538	129	409	5.11
Total	526,940	52,694	42,156	10,538	10,129	409	100.00

USD
42,156
MILLION

Callable capital subscribed
as of the end of 2024

USD
10,538
MILLION

Paid-in capital subscribed
as of the end of 2024

 **CHINA**
NDB HEADQUARTERS IN SHANGHAI

⁸ The numbers in this column may not add up precisely due to rounding.

⁹ In March 2025, Bangladesh made its fourth instalment of paid-in capital in the amount of USD 28 million.

¹⁰ In February 2025, UAE made its fourth instalment of paid-in capital in the amount of USD 17 million.

¹¹ In January and March 2025, Egypt made two paid-in capital contributions in the amount of USD 6 million each, both relating to its second instalment of paid-in capital.

1.3 2024 HIGHLIGHTS

In 2024, NDB embarked on a new phase of its journey to evolve into a premier development bank for the Global South. Under the leadership of President Dilma Rousseff, the Bank not only successfully navigated through a challenging external environment with heightened macroeconomic and geopolitical uncertainties but also managed to accelerate the progress in achieving its ambitious strategic goals in terms of fundraising and lending, including in local currencies, as well as in terms of institution building and global outreach.

The year 2024 marked the midpoint of the five-year implementation cycle of NDB's General Strategy for 2022–2026. A comprehensive mid-term strategy review was conducted during the year, which consisted of an assessment of the Bank's progress in achieving the strategic objectives and targets, an examination of the Bank's evolving institutional capacity, a re-evaluation of the Bank's operating context, and a series of consultations with various stakeholders. It was concluded that the General Strategy for 2022–2026 had proven to be valid and relevant in its strategic directions and would continue to remain so in guiding the Bank to deliver on its mandate effectively. Although the Bank was significantly affected by an adverse operating environment in the first half of the five-year cycle, it was decided to keep its ambitious targets unchanged, with a view to creating a sense of urgency and persistence in achieving better results while driving the Bank to take actions and make progress in working as "One Team". A set of prioritised actions were also proposed as part of the mid-term review to stimulate scaled and concerted efforts across the Bank for accelerated strategy implementation in the second half of the five-year cycle.

Following the successful return to international capital markets in 2023,¹² NDB continued in 2024 to raise funds in different currencies from diverse sources using various instruments. During the year, a total of USD 8.7 billion equivalent in USD, RMB, EUR, and ZAR was raised through a series of public issuances and private placements of bonds as well as loan facilities from bilateral and syndicated lenders. By issuing these debt instruments, the Bank not only satisfied its funding needs but also improved the structure and cost of its funds. Meanwhile, the Bank consolidated its status as one of the largest issuers in the panda bond market, while gradually establishing itself as a regular issuer in the USD green bond market and the South African bond market. NDB's capability to continue expanding its balance sheet and implementing its strategy significantly upheld the market perception of the Bank and underpinned the high credit ratings and stable outlooks assigned to the Bank by credit rating agencies.

On the lending side, NDB approved 15 new loans in 2024 with a total financing of USD 4.5 billion, more than double the amount of financing approved in the previous year. The newly approved projects continue to be fully aligned with the key operational areas and cross-cutting considerations outlined in NDB's General Strategy for 2022–2026 as well as the development priorities of the Bank's member countries, especially those aligned with the United Nations 2030 Agenda for Sustainable Development (2030 Agenda) and the Paris Agreement on Climate Change (Paris Agreement).

Notably, the year 2024 witnessed several first-time achievements of NDB, including the Bank's first-ever



HEADS OF MDBS LAUNCHED THE VIEWPOINT NOTE OUTLINING JOINT STEPS TO DEEPEN COLLABORATION AT THE INTER-AMERICAN DEVELOPMENT BANK HEADQUARTERS, APRIL 2024

¹² Prior to that, NDB did not access international capital markets for a prolonged period, which significantly impacted the Bank's capacity to fulfil its mission.



PRESIDENT ROUSSEFF AT THE 19TH G20 SUMMIT IN RIO DE JANEIRO, BRAZIL, NOVEMBER 2024

operation in a non-founding member, its inaugural project finance transaction, its debut loan syndication, and its first RMB-denominated loan to a project outside China. Additionally, the Bank's local currency financing, climate financing, non-sovereign operations, and multicurrency facilities approved in 2024 all showed significant increases from the previous year, both in absolute amounts and as a share of the total annual approval. By the end of the year, NDB's cumulative approvals since its inception reached USD 39.0 billion for 120 projects on a gross basis, while the Bank's project portfolio, defined as the cumulative approvals net of cancelled and fully repaid loans, also grew to USD 35.2 billion for 105 projects.

Throughout the year, NDB collaborated closely with its peer MDBs and other development partners, working as a system for greater impact and scale. Most notably, building on the progress since the Marrakesh statement issued in 2023 under NDB's chairship, the Heads of MDBs Group published a viewpoint note in 2024, outlining key deliverables for joint and coordinated action in the year and beyond to accelerate progress towards the Sustainable Development Goals (SDGs).¹³ The viewpoint

note also served as a key input to the formulation of the Group of Twenty (G20) Roadmap towards Better, Bigger and More Effective MDBs, which was endorsed by the G20 Leaders later in the year. Furthermore, the Bank's engagements with other multilateral collaboration mechanisms and bilateral partners also intensified in 2024. Through these engagements and partnerships, NDB has not only augmented its internal capacity but also contributed to the international development discourse.

To further expand its membership, NDB continued bilateral discussions with numerous countries that have expressed interest in joining the Bank and supporting its mandate. Formal negotiations with Algeria were successfully concluded during the year, and the country was admitted by the Bank's BoG as a borrowing member on October 28, 2024. Meanwhile, discussions with several other countries also reached advanced stages, with some expected to join the Bank in the coming year. A new cohort of member countries will further raise the Bank's global standing, strengthen its capital base, support its portfolio diversification, enhance its capacity to mobilise resources, enrich its development experience and bolster NDB's role as a platform for wider collaboration among EMDCs.

¹³ Apart from NDB, the viewpoint note was also endorsed by the heads of the African Development Bank, the Asian Development Bank, the Asian Infrastructure Investment Bank, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the Islamic Development Bank, and the World Bank Group.

1.4 KEY EVENTS IN 2024

Under the Auspices of H.E. President Abdel Fattah El-Sisi

NDB Seminar in Egypt Navigating New Horizons

Cairo, Egypt June 11-12, 2024



PANEL DISCUSSION AT NDB SEMINAR IN EGYPT, CO-HOSTED WITH EGYPT'S MINISTRY OF INTERNATIONAL COOPERATION

NDB Seminar in Egypt

Following Egypt's accession to the Bank in 2023, NDB and the Ministry of International Cooperation of Egypt co-hosted a seminar in June 2024 in Cairo. The event, themed "Navigating New Horizons", aimed to deepen understanding and forge partnerships between NDB and development partners in Egypt, with a view to exploring and creating collaboration opportunities in the Bank's newest member.

Under the auspices of President Abdel Fattah El-Sisi of the Arab Republic of Egypt, the two-day event convened high-level government officials from Egypt and other member countries of the Bank, senior representatives from NDB and other development finance institutions (DFIs), development experts from various sectors, and business partners from both public and private entities. Featuring a series of keynote speeches, panel discussions, and presentations by distinguished speakers, the seminar provided an opportunity to delve into the multifaceted development initiatives of Egypt and examine the role of NDB and international cooperation, especially South-South cooperation, in achieving the country's development objectives.

Addressing the event, President Rousseff emphasised the importance of multilateralism in tackling development challenges and reiterated NDB's commitment to respecting the views and aspirations of countries in the Global South in their pursuit of sustainable development. In this connection, President Rousseff appreciated Egypt's accession to both NDB and BRICS and expressed NDB's readiness to support the country's development agenda as outlined in Egypt Vision 2030.



PRESIDENT ROUSSEFF WITH EGYPT'S PRIME MINISTER MOSTAFA MADBOULY AND MINISTER OF INTERNATIONAL COOPERATION AT NDB SEMINAR IN EGYPT



PRESIDENT ROUSSEFF MET WITH EGYPT'S PRESIDENT ABDEL FATTAH EL-SISI ON THE SIDELINES OF NDB SEMINAR IN EGYPT



JUNE 11-12, 2024



CAIRO, EGYPT



GROUP PHOTO AT NDB'S NINTH ANNUAL MEETING

The Ninth Annual Meeting of NDB's Board of Governors

Under the theme of “Investing in a Sustainable Future”, the Ninth Annual Meeting of NDB's BoG was held from August 29 to 31, 2024, in Cape Town, South Africa. Marking a decade since the signing of the Agreement on NDB by the founding members in 2014, the annual meeting served as a critical platform for fostering dialogues on how NDB can better address the challenges facing EMDCs by investing in sustainable development.

During the meeting, members of NDB's BoG highly commended the Bank's successful evolution over the past decade from being a concept into a fully-fledged MDB by and for EMDCs. They praised NDB's emergence as a trusted partner in member countries' quest for sustainable development. Governors particularly acknowledged the significant progress made under the leadership of President Rousseff, in terms of institutional building, business development, membership expansion, and global cooperation, which firmly established the Bank as an important force in the international financial architecture. With a view to making NDB even bigger and stronger, members of the BoG reaffirmed their countries' unwavering commitment and steadfast support to the Bank's further development and financial sustainability.

At the NDB Flagship Governors Seminar, members of NDB's BoG, Heads of international organisations, prominent scholars, and business leaders had a high-level discussion on solutions for unlocking financing for sustainable development in EMDCs. Reflecting on the challenging global economic and geopolitical context, participants stressed the need for joint action by EMDCs to advance international financial



PRESIDENT ROUSSEFF WITH SOUTH AFRICA'S DEPUTY PRESIDENT PAUL MASHATILE AT NDB'S NINTH ANNUAL MEETING



PRESIDENT ROUSSEFF SIGNED A LOAN AGREEMENT WITH TRANSNET SOC LIMITED TO SUPPORT SOUTH AFRICA'S FREIGHT RAIL SECTOR AT NDB'S NINTH ANNUAL MEETING



AUGUST 29–31, 2024



CAPE TOWN, SOUTH AFRICA



NDB SENIOR MANAGEMENT WITH SOUTH AFRICA'S DEPUTY PRESIDENT, MINISTER OF FINANCE AND ACTING MINISTER OF ELECTRICITY AND ENERGY AT THE HIGH-LEVEL SEMINAR ON ENERGY AT NDB'S NINTH ANNUAL MEETING

architecture reforms and underscored the importance of continued collaboration guided by principles of multilateralism, fairness, and justice. They further discussed innovative approaches to private capital mobilisation, effective measures to enhance global development cooperation, and best practices for EMDCs to cultivate new industries, new technologies, and new engines that can drive sustainable development. The discussion shed light on potential avenues for NDB to enhance its role as a resource mobiliser, knowledge broker, and cooperation facilitator in supporting the development efforts of EMDCs.

The annual meeting also featured a high-level seminar on energy, focusing on the critical sector that poses a significant challenge to South Africa's development agenda. The event brought together a diverse group of stakeholders, including government officials, energy experts, and academics, who offered valuable lessons and insights from the experiences of NDB's member countries and explored opportunities to bolster South Africa's energy security, including through collaboration, innovation and reforms. To better serve its member countries' development priorities in close collaboration

with development partners, NDB also hosted a seminar that delved into the role of DFIs, particularly MDBs and national development banks, in financing infrastructure in EMDCs. Participants shared experiences and exchanged views on addressing development challenges – such as poverty, infrastructure deficit, and climate change – through enhanced collaboration and cooperation among DFIs, increased provision of local currency financing and tailored financial instruments, as well as increased use of local ratings and DFIs' internal ratings in credit assessments.



DELEGATES AT NDB'S NINTH ANNUAL MEETING

NDB's Participation in the 16th BRICS Summit

In October 2024, NDB participated in the 16th BRICS Summit in Kazan, Russia, held under the theme of "Strengthening Multilateralism for Fair Global Development and Security". This summit marked the first participation of Egypt, Ethiopia, Iran and UAE as full members of BRICS. The three-day event offered a great opportunity for NDB to deepen its dialogue and cooperation with the BRICS countries and other EMDCs.

During the open plenary session, President Rousseff delivered a comprehensive report to the BRICS Leaders on the Bank's positive development since she took office in 2023. She highlighted how NDB successfully navigated the challenging macroeconomic and geopolitical environment and made a strong return to both international



OCTOBER 22–24, 2024



KAZAN, RUSSIA

and domestic capital markets through a series of bond issuances in various currencies, which allowed the Bank to strengthen its liquidity position, lower its cost of funding, expand its financing activities, and better deliver its development mandate. President Rousseff stressed that NDB would continue working closely with its member countries and other EMDCs, contributing to the creation of a more interconnected and financially stable Global

South. The BRICS Leaders expressed high regard for NDB's achievements under President Rousseff's leadership. On the sidelines of the summit, President Rousseff also held a series of meetings with the leaders and heads of delegations of some BRICS and BRICS Plus/Outreach countries. Throughout these meetings, President Rousseff highlighted NDB's commitment to delivering on its mandate of mobilising resources for infrastructure

and sustainable development projects in EMDCs, helping address the needs and aspirations of countries in the Global South. These meetings also explored potential collaboration opportunities between NDB and BRICS as well as BRICS Plus/Outreach countries to reinforce the Bank's role as a cooperative platform for EMDCs.



GROUP PHOTO AT THE 16TH BRICS SUMMIT

The Kazan Declaration

In the Kazan Declaration adopted at the 16th BRICS Summit, the BRICS Leaders reiterated their support to further development and expansion of NDB as a new type of MDB that helps EMDCs address the challenges of the 21st century. They also provided direction for NDB to advance on its path towards becoming a premier MDB by and for EMDCs.

"We recognise the key role of the New Development Bank (NDB) in promoting infrastructure and sustainable development of its member countries. We support further development of the NDB and improvement in corporate governance and operational effectiveness towards the fulfillment of the NDB's General Strategy for 2022-2026. We support the NDB in continuously expanding local currency financing and strengthening innovation in investment and financing tools. We encourage the Bank to follow member-led and demand-driven principles, the employment of innovative financing mechanisms to mobilize financing from diversified sources, and in this regard, we acknowledge the initiative to create new investment platform to leverage the existing institutional infrastructure of the NDB to boost the investment flow into the countries of BRICS and the Global South mechanisms. We support the enhancement of capacity building and knowledge exchange, including by building synergies with knowledge sources from developing countries, the assistance of member countries in achieving the SDGs and the further improvement of efficiency and effectiveness to fulfill its mandate, aiming to be a premier multilateral development institution for EMDCs. We agree to jointly develop the New Development Bank into a new type of MDB in the 21st century. We urge the Bank to execute its purpose and functions in accordance with the Articles of Agreement of the New Development Bank in a fair and non-discriminatory manner. We support the further expansion of NDB membership and expedited consideration of applications of BRICS countries in line with the NDB General Strategy and related policies."

NDB at COP29

Baku, Azerbaijan
November 11–22, 2024

NDB at COP29

In November 2024, NDB participated in the 29th Conference of the Parties (COP29) of the United Nations Framework Convention on Climate Change (UNFCCC), which was held in Baku, Azerbaijan, under the theme “In Solidarity for a Green World”. COP29 marked NDB’s debut participation in the annual event as an observer organisation of UNFCCC. In line with its commitment to tackle climate challenges, NDB contributed to the global effort aimed at enhancing climate ambitions and enabling actions of various stakeholders, which constituted two mutually reinforcing pillars of the COP29 Presidency’s agenda.

Reiterating their commitment to support ambitious climate actions, NDB and its peer MDBs¹⁴ issued a joint statement at COP29, outlining a set of initiatives to drive changes for transformative impact. Having significantly exceeded the joint 2025 climate finance projections set in 2019, MDBs estimated their annual collective climate financing to reach USD 120 billion by 2030 for low- and middle-income countries. Moreover, MDBs stated their intention to further amplify the impact of their climate financing through better measured and evaluated climate results as well as intensified engagements with countries and clients in a programmatic manner.

During COP29, NDB also participated, along with other MDBs, in a joint event co-hosted with the COP29 Presidency, which was titled “Driving Transformative Climate Action: Shifting the Focus from Financial Inputs to Impact and MDBs’ Catalytic Effect”. In the event, NDB joined discussions on the role of MDBs in improving



NDB’S SIDE EVENT ON CLIMATE TRANSITION AT COP29

the availability, accessibility and affordability of climate finance for EMDCs.

At the joint MDBs pavilion, NDB organised two side events. The first event explored ways to support a low-emission transition, including how green technology, climate financing and capacity building can be leveraged by different stakeholders to promote transition in a just and sustainable manner. The second event focused on how MDBs and other DFIs could better utilise de-risking instruments to mobilise private capital for climate projects.



NOVEMBER 11–22, 2024



BAKU, AZERBAIJAN

¹⁴ Including the African Development Bank, the Asian Development Bank, the Asian Infrastructure Investment Bank, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the Islamic Development Bank, and the World Bank Group.

02

GOVERNANCE AND OVERSIGHT



BRAZIL

CURITIBA'S BUS RAPID TRANSIT RIDEABILITY IMPROVEMENT PROJECT

2.1 BOARD OF GOVERNORS

The BoG is NDB's highest decision-making body, comprising one Governor at the ministerial level and one Alternate Governor appointed by each member country. One of the Governors is selected as the Chairperson of the BoG on an annual basis. In accordance with the Bank's AoA, all the powers of the Bank are vested in the BoG. While the BoG has delegated a range of authorities to the Board of Directors (BoD), it retains the full power to make certain strategic decisions, which among others include admitting new members and determining the conditions of their admission, increasing or decreasing the capital stock, amending the AoA, electing the President, and approving the General Strategy of the Bank every five years. The BoG meets at least once a year.

Governors of NDB (as at December 31, 2024)



Mr. Fernando Haddad

Governor for Brazil
(Chairperson of the BoG)¹⁵
Minister of Finance,
the Federative Republic
of Brazil



Mr. Anton Siluanov

Governor for Russia
(Vice Chairperson of the BoG)¹⁶
Minister of Finance,
the Russian Federation



Mrs. Nirmala Sitharaman

Governor for India
Minister of Finance,
the Republic of India



Mr. Fo'an Lan¹⁷

Governor for China
Minister of Finance,
the People's Republic
of China



Mr. Enoch Godongwana

Governor for South Africa
Minister of Finance,
the Republic of South Africa



Dr. Salehuddin Ahmed¹⁸

Governor for Bangladesh
Finance and Planning Adviser,
the People's Republic of
Bangladesh



**Mr. Mohamed Bin Hadi
Al Hussaini**

Governor for UAE
Minister of State for
Financial Affairs,
the United Arab Emirates



Dr. Rania Al-Mashat¹⁹

Governor for Egypt
Minister of Planning,
Economic Development and
International Cooperation,
the Arab Republic of Egypt

Until the Ninth Annual Meeting of the BoG, Mr. Enoch Godongwana, NDB's Governor for South Africa and Minister of Finance of the Republic of South Africa, and Mr. Fernando Haddad, NDB's Governor for Brazil and Minister of Finance of the Federative Republic of Brazil, served as the Chairperson and the Vice Chairperson of the BoG, respectively. During the Ninth Annual Meeting of the BoG, Mr. Fernando Haddad was elected as the Chairperson of the BoG, and Mr. Anton Siluanov, NDB's Governor for Russia and Minister of Finance of the Russian Federation, was elected as the Vice Chairperson. They were elected to serve in their respective positions until the end of the Tenth Annual Meeting of the BoG.

¹⁵ Until August 30, 2024, Mr. Enoch Godongwana was the Chairperson of the BoG.

¹⁶ Until August 30, 2024, Mr. Fernando Haddad was the Vice Chairperson of the BoG.

¹⁷ Before January 30, 2024, Mr. Kun Liu was the Governor for China.

¹⁸ Before January 25, 2024, Mr. A H M Mustafa Kamal was the Governor for Bangladesh. On January 25, 2024, Mr. Abul Hassan Mahmood Ali was appointed as the Governor for Bangladesh. On August 14, 2024, Dr. Salehuddin Ahmed was appointed as the Governor for Bangladesh.

¹⁹ Before August 21, 2024, Dr. Mohamed Maait was the Governor for Egypt.

2.2 BOARD OF DIRECTORS

NDB's BoD is responsible for the conduct of general operations of the Bank and exercises all the powers delegated to it by the BoG, including decisions on business strategies, operations, borrowings, policies, technical assistance, and budget approval. In addition, the BoD also provides strategic direction to the Management to achieve the Bank's organisational objectives. In line with NDB's lean governance structure, the BoD functions as a non-resident body and meets at least quarterly.

Directors of NDB (as at December 31, 2024)



Ms. Tatiana Rosito²⁰

Director for Brazil

Secretary for International Affairs,
Ministry of Finance, the Federative
Republic of Brazil



Mr. Timur Maksimov²¹

Director for Russia



Ms. Manisha Sinha

Director for India

Additional Secretary, Department of
Economic Affairs, Ministry of Finance,
the Republic of India



Mr. Zhijun Cheng²²

Director for China

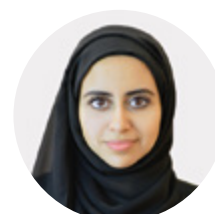
Director General,
Department of International
Economic and Financial Cooperation,
Ministry of Finance,
the People's Republic of China



Dr. Duncan Pieterse²³

**Director for South Africa
(Chairperson of the BoD)**

Director General,
National Treasury,
the Republic of South Africa



Ms. Thuraiya Hamid Alhashmi

**Additional Director for the
Constituency of Bangladesh, UAE,
and Egypt**

Director, International Financial
Relations and Organizations,
Ministry of Finance,
the United Arab Emirates

As of end-2024, NDB's member countries were represented on the BoD through six constituencies. In addition to the five single-country constituencies, each with a Director and an Alternate Director appointed by a founding member, the three non-founding members formed a multi-country constituency with an additional Director and an additional Alternate Director elected by their respective Governors. The President of NDB is also a member of the BoD but does not have a vote, except for a deciding vote in case of a tie among the Directors.

In 2024, the BoD held five meetings, conducted six bilateral consultations, and considered 59 inter-sessional circulations. These deliberations led to the approval of 15 operations, modification of 12 approved loans, and revision of eight policy documents. Directors also provided guidance on a number of strategic issues, including those pertaining to NDB's general strategy, membership expansion, financial model, loan pricing, funding strategy, and business plan.

²⁰ On February 4, 2025, Mr. Ivan Tiago Machado Oliveira was appointed as the Director for Brazil.

²¹ On January 30, 2025, Mr. Ivan Chebeskov was appointed as the Director for Russia.

²² On January 22, 2025, Ms. Junhong Chang was appointed as the Director for China.

²³ Before April 1, 2024, Mr. Dondo Mogajane was the Director for South Africa.

2.3 COMMITTEES

To ensure adequate oversight and to facilitate effective decision making, five committees have been established, including two Board committees comprised of members of the BoD, and three Management committees comprised of members of the Management team. These committees make decisions through in-person meetings or inter-sessional circulations.

Board Committees (as at December 31, 2024)

Committee	Composition	Chairperson
Audit, Risk and Compliance Committee (ARC)	Members of the BoD	Ms. Thuraiya Hamid Alhashmi (Additional Director for the Constituency of Bangladesh, UAE, and Egypt)
Budget, Human Resources and Compensation Committee (BHRC)	Members of the BoD	Ms. Manisha Sinha (Director for India)

Management Committees (as at December 31, 2024)

Committee	Composition	Chairperson
Credit and Investment Committee (CIC)	Members of the Management	Mrs. Dilma Rousseff (President of NDB)
Finance Committee (FC)	Members of the Management	Mrs. Dilma Rousseff (President of NDB)
Executive Committee (EC)	Members of the Management	Mrs. Dilma Rousseff (President of NDB)

Audit, Risk and Compliance Committee

The ARC assists the BoD in fulfilling its corporate governance responsibilities, including, among others, assessing the integrity of the financial statements and reporting procedures, reviewing reports from the internal and external auditors, ensuring the existence of adequate and effective internal controls, and assessing risks and mitigation plans. It comprises all members of the BoD, including the President of the Bank.

In 2024, the ARC held five meetings. The committee reviewed the financial statements of both NDB and NDB Project Preparation Fund (NDB-PPF), risk management reports, and compliance updates on a quarterly basis. It also reviewed policies pertaining to credit risk management and internal control over financial reporting. Furthermore, the ARC reviewed the Internal Audit Charter and the Internal Audit Policy and considered eight internal audit reports covering various functions of the Bank.

In the year under review, the ARC satisfied its responsibilities in compliance with its terms of reference by undertaking, among other matters, the following duties:

- The ARC reviewed the condensed and audited financial statements with the Management, including a discussion of the quality of the accounting principles as applied, and significant judgments affecting the Bank's financial statements.
- The independent auditors discussed with the ARC their judgments of the quality of those principles as applied and judgments referred to above under the circumstances.
- The members of the ARC discussed among themselves, without the Management or the independent auditors being present, the information disclosed to the ARC as described above.
- The ARC, in reliance on the review and discussions conducted with the Management and the independent auditors pursuant to the requirements above, believed that the Bank's financial statements are fairly presented in conformity with International Financial Reporting Standards (IFRSs) in all material respects.

Budget, Human Resources and Compensation Committee

The BHRC assists the BoD in fulfilling its corporate governance oversight responsibilities regarding the budget, human resources and compensation-related activities. It comprises all members of the BoD, including the President of the Bank.

The BHRC held four meetings in 2024. The committee provided oversight of budget utilisation and facilitated the preparation of the budget and business plan for 2025. It offered advice on recruitment and diversity, headcount budget utilisation, compensation and benefits, key performance areas and indicators for the Management, and ethics, among other issues. In 2024, the BHRC satisfied its responsibilities in compliance with its terms of reference.

Credit and Investment Committee

The CIC assists the BoD in fulfilling its responsibilities regarding the credit activities of the Bank and makes appropriate recommendations to the BoD on loans, guarantees, equity investments, and technical assistance. It comprises the President and the four Vice Presidents of the Bank.

In 2024, the CIC considered 15 new project proposals and 25 proposed changes to the existing loans through both meeting and inter-sessional decisions. The committee satisfied its responsibilities in compliance with its terms of reference.

Finance Committee

The FC provides oversight on financial and risk-related matters pertaining to operations and treasury activities. The committee is also responsible for the oversight of the recommendations to the BoD in the areas of financial policies, financial operations, including loan loss provisioning, asset and liability management, and financial risk management. It comprises the President and the four Vice Presidents of the Bank.

In 2024, the FC considered more than 40 issues through both meeting and inter-sessional decisions. The committee satisfied its responsibilities in compliance with its terms of reference.

Executive Committee

The EC strengthens NDB's governance by facilitating effective communication and collaboration among members of the Management team on matters under their discretion as well as those that fall under the purview of the BoD or Board committees but require discussion by the Management. The committee is composed of the President and the four Vice Presidents of the Bank.

In 2024, the EC held 11 meetings. The committee satisfied its responsibilities in compliance with its terms of reference.

2.4 MANAGEMENT

Under the strategic guidance of the BoG and operational oversight of the BoD, NDB functions with a lean and flat organisational structure headed by an experienced Management team. The Management is responsible for conducting the ordinary business of the Bank.

The President is the chief of the Bank's operating staff and is elected by the BoG, on a rotational basis among the five founding members. The Vice Presidents, with at least one from each founding member except the country represented by the President, are appointed by the BoG, based on the President's recommendation.

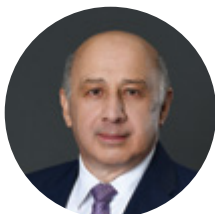
On July 5, 2024, the BoG appointed Mr. Monale Ratsoma as a Vice President of NDB, starting from July 8, 2024. As NDB's Vice President and Chief Financial Officer, Mr. Ratsoma is responsible for the Bank's treasury, portfolio management, finance and accounting functions.

The Management of NDB (as at December 31, 2024)



Mrs. Dilma Rousseff²⁴

President



Mr. Vladimir Kazbekov

Vice President and Chief
Operating Officer



Mr. Anil Kishora

Vice President and Chief
Risk Officer



Mr. Qiangwu Zhou

Vice President and
Chief Administrative
Officer



Mr. Monale Ratsoma²⁵

Vice President and Chief
Financial Officer

²⁴ On March 19, 2025, NDB's BoG unanimously re-elected Mrs. Dilma Rousseff as the President of the Bank from July 7, 2025, to July 6, 2030.

²⁵ Mr. Monale Ratsoma assumed the Vice Presidency on July 8, 2024. Before that, Mr. Leslie Maasdorp was NDB's Vice President and Chief Financial Officer.

2.5 INDEPENDENT EVALUATION

Reporting directly and exclusively to NDB's BoD, the Independent Evaluation Office (IEO) is responsible for independently evaluating the Bank's policies, strategies, processes, initiatives and operations, contributing to enhancing the Bank's development effectiveness and improving the delivery of the Bank's mandate.

Since it was established in 2022, the IEO has been building an independent evaluation framework. Following the approval of the Evaluation Policy and the Evaluation Strategy 2024–2026 by the BoD in previous years, IEO released in 2024 the first edition of the Evaluation Manual, as the third key piece of its evaluation framework. The Evaluation Manual provides clear and detailed guidance on evaluation methodologies, processes, approaches, and practical aspects of conducting evaluations, using internationally recognised standards and practices, particularly those established by the Evaluation Cooperation Group of MDBs. It also serves as a core resource in the IEO's efforts towards promoting evaluation capacity development within the Bank and beyond.

In 2024, the IEO further expanded the coverage of its evaluations through a more diversified product mix. It completed three project performance evaluations, one country portfolio evaluation, two corporate-level evaluations, one evaluation synthesis as well as the inaugural report on NDB's development results. While these evaluations generally revealed that NDB-financed operations were achieving desired results, they also highlighted areas of improvement and offered recommendations to further enhance the Bank's development impact. To promote transparency, accountability and learning, evaluation reports and related materials have been publicly disclosed on the IEO's dedicated webpage. Throughout the year, the IEO also hosted and participated in numerous knowledge events to share its experiences and build its capacity.

SCAN FOR MORE
ABOUT THE
INDEPENDENT
EVALUATION
OFFICE



EVALUATION FRAMEWORKS AND REPORTS PRODUCED BY IEO IN 2024

03

OPERATIONS

 **SOUTH AFRICA**
BATTERY ENERGY STORAGE PROJECT



3.1 OPERATIONS APPROVED IN 2024

15

TOTAL NEW LOANS

USD

4,511

MILLION

TOTAL FINANCING



INDIA

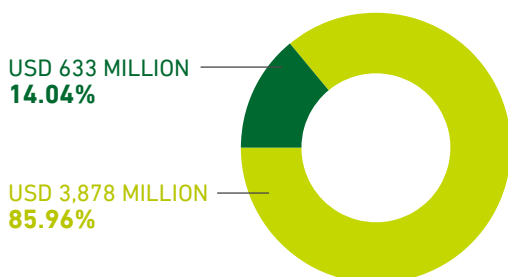
MADHYA PRADESH MAJOR DISTRICT ROADS II PROJECT

The year 2024 witnessed the approval of 15 new loans by NDB with a total financing of USD 4.5 billion,²⁶ more than double the amount approved by the Bank in 2023. Transport infrastructure projects received 54.8% of the total financing approved in 2024, followed by projects in areas of water and sanitation at 30.6% and clean energy and energy efficiency at 7.9%. Both climate financing and local currency financing reached record highs in 2024, representing 55.3% and 43.5% of the Bank's annual approval, respectively. While most of the loans approved in 2024 were sovereign or sovereign-guaranteed, loans without sovereign guarantee accounted for 14% of the annual approval, a substantial increase from the level recorded in 2023.

APPROVALS BY TYPE OF OPERATION

● SOVEREIGN LOANS

● NON-SOVEREIGN LOANS



APPROVALS BY AREA OF OPERATION

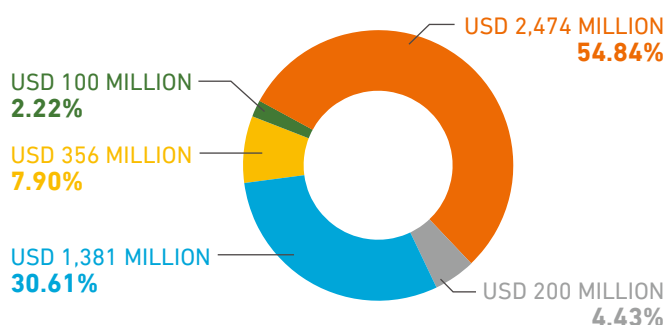
● TRANSPORT INFRASTRUCTURE

● WATER AND SANITATION

● CLEAN ENERGY AND ENERGY EFFICIENCY

● ENVIRONMENTAL PROTECTION

● MULTIPLE AREAS



²⁶ In addition to the 14 loans described in this section, NDB also approved a multi-currency loan in the amount of USD 320 million equivalent in 2024 to a project in a non-founding member.

South Africa Freight Rail Sector Improvement Programme



South Africa boasts Africa’s largest rail transport network, with a total length of over 20,000 km. This network is mainly used to support the country’s freight-intensive mining and manufacturing sectors, playing a crucial role in overcoming the spatial challenges faced by South Africa, where the mining and production centres are concentrated in the interior of the country and are far from the major ports. While the network of the freight rail system is well established, its availability, reliability, and operating efficiency are deteriorating, due to a backlog of maintenance and modernisation. Failing to bridge this gap will undermine South Africa’s competitiveness in logistics and international trade.

In January 2024, NDB approved a sovereign-guaranteed loan of ZAR 18.5 billion to Transnet, a state-owned enterprise responsible for South Africa’s logistics infrastructure. The NDB loan will support Transnet’s five-year capital expenditure programme, which aims to restore the capacity and improve the sustainability of the freight rail system to meet the traffic demand. Specifically, the programme will entail the replacement of 2,400 km of rail track and 950 turnouts, installation of 2.7 million sleepers, screening of 1,950 km of ballast, rehabilitation of 26 km of formation, as well as the implementation of other modernisation and digitisation initiatives. It will also involve a large number of interventions to improve the condition of Transnet’s rolling stock fleet, ensuring that locomotives and wagons are available in a reliable state to serve the rail traffic

over an extended period of time. Furthermore, the programme will expand Transnet’s freight handling capacity along key corridors for specific commodities.

Through the implementation of the programme, Transnet is expected to increase South Africa’s freight rail volume to 216 million tonnes per annum by 2029, an increase of more than 40% from the level recorded in 2023. Additionally, by enabling a modal shift of freight transport from road to rail, the programme will also help avoid 2.2 million tonnes of CO₂ emissions for the 2024–2029 period, significantly contributing to South Africa’s transition towards a lower-emission development path.

South Africa Freight Rail Sector Improvement Programme

Borrower	Transnet SOC Ltd.
Loan amount	ZAR 18.5 billion
Loan tenor	25 years
Approval date	January 3, 2024
Area of operation	Transport Infrastructure
E&S Category ²⁷	Category B
SDG alignment ²⁸	 





²⁷ See additional information on NDB’s environmental and social (E&S) categorisation of projects in the section on “ESG and Project Procurement”.
²⁸ For each project, the large SDG icon indicates the SDG to which the project is most directly and closely related, while the small SDG icons, if any, indicate the SDGs to which the project will also directly contribute.

Assam Bridge-II Project



Assam Bridge-II Project

Borrower	The Republic of India
Loan amount	USD 333.8 million
Loan tenor	24 years
Approval date	April 1, 2024
Area of operation	Transport Infrastructure
E&S Category	Category A
SDG alignment	 

Lying on the banks of the Brahmaputra River, Guwahati is the largest metropolis in the Indian state of Assam and the crossroad of national and regional highways connecting the northeastern states of India with the rest of the country. Despite this critical role in transportation, connectivity in Guwahati has been hampered by insufficient river crossings. In order to cross the Brahmaputra River in the vicinity of Guwahati, both local and regional traffic has to travel through the city centre to reach the existing bridges, causing congestion and creating bottlenecks. To remedy these deficiencies, the Government of Assam announced the construction of two new bridges across the Brahmaputra River, one located in the centre of Guwahati, which is already benefitting from NDB’s financial support through a USD 300 million loan approved in 2019, and the other on the western edge of the metropolitan area.

In April 2024, NDB approved a sovereign loan of USD 333.8 million to finance the construction of the second new bridge over the Brahmaputra River in

Guwahati. Under the project, a 3.6 km four-lane bridge will be built to connect towns located in west Guwahati and to divert traffic from the city centre. Associated viaducts, approach roads, and ancillary structures on both sides of the bridge, totalling 8.6 km, will also be constructed to link the new bridge to existing highways. To enhance the bridge’s sustainability, resilience, and operational efficiency, “smart bridge” solutions will be deployed to monitor performance, conduct inspections, and analyse traffic conditions in real time.

By improving connectivity across the Brahmaputra River, the project is expected to reduce the travel time between northern and southern banks from up to 100 minutes to an average of 20 minutes. The reduced travel time and distance, coupled with improved road conditions, will in turn lead to a 60% reduction in vehicle operating costs and annual CO₂ emission savings of 6,800 tonnes. Together, the two NDB-financed new bridges will create a transformative shift in Guwahati’s connectivity and accessibility, catalysing broader socioeconomic development in Assam and other northeastern states of India.



Paraíba Water Supply Infrastructure Project

The state of Paraíba is located in northeast Brazil, the driest region in the country. Insufficient bulk water supply often leads to water supply interruptions in Paraíba, especially during dry seasons and prolonged droughts in the state's semi-arid inland areas, including the Agreste and Sertão regions of Paraibano. In the absence of reliable provision of piped water, local residents have to resort to alternative sources, such as wells and water tanker trucks, which are insufficient to bridge the supply-demand gap and often too expensive or of inferior quality. To address these challenges, the state of Paraíba has embarked on a series of initiatives aimed at enhancing the availability of piped water in the state, while building its resilience to climate change.

In July 2024, NDB approved a sovereign-guaranteed loan of up to USD 60.95 million to finance the Paraíba Water Supply Infrastructure Project. The project is designed to enhance water supply in 16 municipalities in the Agreste and Sertão regions of Paraibano, where water shortage is particularly acute. In pursuit of this goal, the project will entail the construction of 285 km of water mains, 12 pumping stations, 11 service reservoirs, and two water treatment plants. These interventions will collectively expand the water system's overall

capacity by nearly 150 litres per second, increasing the annual piped water supply from less than 2 million m³ to around 9 million m³. The project will complement other investments in water security under the Federal New Growth Acceleration Program (Novo PAC), and it will be integrated into the São Francisco River Water Transfer system, a major water transfer initiative in Brazil.

Upon completion, the project is expected to eliminate water supply interruptions across 16 beneficiary municipalities, benefitting over 120 thousand local residents who currently lack access to piped water for more than half of a year. This project will significantly contribute to Brazil's efforts to provide universal and stable access to safe and affordable water for all.

Paraíba Water Supply Infrastructure Project

Borrower	The State of Paraíba
Loan amount	USD 60.95 million
Loan tenor	20 years
Approval date	July 10, 2024
Area of operation	Water and Sanitation
E&S Category	Category B
SDG alignment	<div><div>6</div><div>CLEAN WATER AND SANITATION</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div>



Serra Urban Mobility Improvement Project



Serra Urban Mobility Improvement Project

Borrower	The Municipality of Serra
Loan amount	USD 57.6 million
Loan tenor	18 years
Approval date	July 10, 2024
Area of operation	Transport Infrastructure
E&S Category	Category B
SDG alignment	<div> <div>11</div> <div>SUSTAINABLE CITIES AND COMMUNITIES</div> </div> <div> <div>3</div> <div>GOOD HEALTH AND WELL-BEING</div> </div> <div> <div>9</div> <div>INDUSTRIAL INNOVATION AND INFRASTRUCTURE</div> </div>

Neighbouring the capital Vitória of the Brazilian state of Espírito Santo, the municipality of Serra forms part of the metropolitan region of Greater Vitória. Thanks to its road network connecting the municipality to the state capital and major ports in the region, Serra has emerged as an industrial and logistics hub. However, a sharp increase in both freight and passenger traffic has overwhelmed the existing road capacity, resulting in compromised urban mobility, longer commuting time, and heightened accident risks. To address this challenge, a set of measures have been initiated at both federal and municipal levels.

In July 2024, NDB approved a sovereign-guaranteed loan of USD 57.6 million to support the implementation of two key interventions designed to decongest Serra’s urban road network. The first intervention involves constructing a bypass road in Carapina, a district

of Serra that borders Vitória, which will provide an additional route between Serra and Vitória, primarily for passenger traffic. The second intervention is to reinforce a critical feeder road linking two existing trunk roads that connect Serra and Vitória, creating an alternative route to access the trunk road network, especially for freight traffic from ports and industrial centres. These efforts are expected to lead to the construction or upgrade of 48 lane-km of roads, 18 km of sidewalks, 8 km of bike paths, and a 17 km stormwater drainage system. In addition, the project will also entail the development of a municipal-wide road management system to create a comprehensive repository of road assets and facilitate better road maintenance across Serra.

Collectively, these interventions will allow road users to bypass the existing highly congested sections in Serra, increasing their average travel speed between Serra and Vitória by 60% and significantly reducing travel times. Furthermore, by improving road safety measures, the project is expected to reduce accidents by 30% and 49% on the road sections under the two key interventions, respectively. The resulting improvement in urban mobility and road safety in Serra will contribute to the sustainable economic growth and social development of the metropolitan region of Greater Vitória and beyond.

Municipal Water Supply and Sanitation Programme in South Africa

Ensuring access to basic water supply and sanitation services for all is one of the top priorities of the Government of South Africa. Despite considerable progress in developing infrastructure to deliver these services, approximately 2.1 million households in the country still lack access to reliable piped water supply, and around 3.1 million households still have no access to adequate sanitation facilities. To achieve universal access, the Government of South Africa has formulated the National Water and Sanitation Master Plan to guide its investment planning and service delivery through 2030. As per the master plan, the country's water and sanitation sector requires an annual investment of ZAR 90 billion at both the national and municipal levels. Part of this investment is being funded by the Municipal Infrastructure Grant, a conditional grant allocated by the central government to non-metropolitan municipalities to eradicate infrastructure backlogs and ensure the provision of basic services to underserved communities.

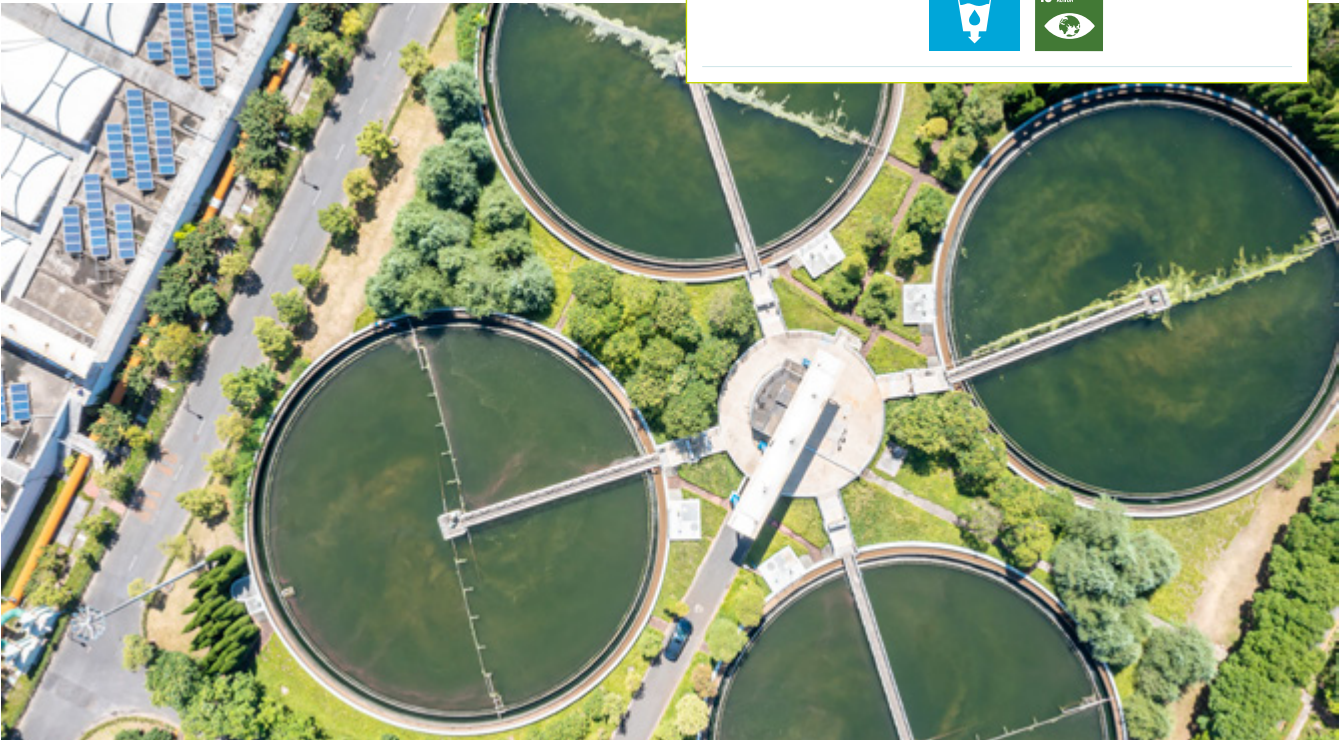
In August 2024, NDB approved a sovereign loan of USD 1 billion to finance water and sanitation infrastructure development in municipalities under the Municipal Infrastructure Grant over the period from 2025 to 2027. More than 70% of the financing under the programme will be dedicated to the construction or rehabilitation of water supply infrastructure, including water treatment plants with a total capacity of 69,000 m³ per day, reservoirs with a combined storage capacity of 645,000 m³, as well as water conveyance systems and reticulation networks with a total length of 3,000 km and 5,400 km, respectively. The remaining financing will be allocated to the development of sanitation infrastructure, which is expected to build or upgrade

sewage treatment plants with a total capacity of 34,000 m³ per day, over 400 km of wastewater conveyance pipelines, and approximately 212,000 toilets, among other facilities.

It is estimated that the programme will support at least 800 water and sanitation projects in more than 200 municipalities across South Africa. Upon successful implementation, around 138,000 households will gain improved access to basic water supply, and more than 212,000 households will have improved access to basic sanitation facilities, contributing to improved health and well-being of people in underserved communities. Recognising South Africa's high vulnerability to climate change, the programme will also implement measures to enhance the resilience of water and sanitation networks across the country.

Municipal Water Supply and Sanitation Programme in South Africa

Borrower	The Republic of South Africa
Loan amount	USD 1 billion
Loan tenor	15 years
Approval date	August 29, 2024
Area of operation	Water and Sanitation
E&S Category	Category B
SDG alignment	<div><div>6</div><div>CLEAN WATER AND SANITATION</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div>





BoCom Financial Leasing LNG Transportation Project



To reach its ambitious targets of peaking CO₂ emissions before 2030 and achieving carbon neutrality by 2060, China has taken a proactive approach to reducing its reliance on coal-fired power and making greater use of cleaner energy sources. As a lower-emission alternative to coal, natural gas is playing a crucial role in China's decarbonisation process, facilitating the country's energy transition while ensuring its energy security. As a result, China has emerged as one of the world's largest importers of liquified natural gas (LNG), and there is an urgent need for additional LNG transportation capacity to meet the country's growing demand.

In August 2024, NDB approved an RMB-denominated loan in the amount of USD 150 million equivalent to BCFL, a financial leasing company wholly owned by the Bank of Communications, for the acquisition of at least three large-scale LNG carriers, with a total cost of over USD 600 million. Each carrier to be acquired will have a capacity to transport at least 174,000 m³ of LNG and will be powered by advanced low-pressure dual-fuel propulsion systems. By utilising both diesel and natural gas as fuels and enabling exhaust gas recirculation, these systems will not only boost the LNG carriers' operating efficiency but also reduce their emissions.

BoCom Financial Leasing LNG Transportation Project

Borrower	Bank of Communications Financial Leasing Co., Ltd. (BCFL)
Loan amount	USD 150 million equivalent in RMB
Loan tenor	5 years
Approval date	August 29, 2024
Area of operation	Transport Infrastructure
E&S Category	Category FI-B
SDG alignment	 

Once acquired by BCFL, the LNG carriers will be leased to Chinese importers, increasing their LNG transportation capacity by at least 522,000 m³. This is expected to allow the importers to bring additional 1.74 million m³ of LNG to China annually, helping the country avoid burning 1.6 million tonnes of coal and saving 350,000 tonnes of CO₂ equivalent emissions per year. Ultimately, the project will contribute to China's transition to a lower-emission and more sustainable development path, while ensuring the security of energy supply in the country.

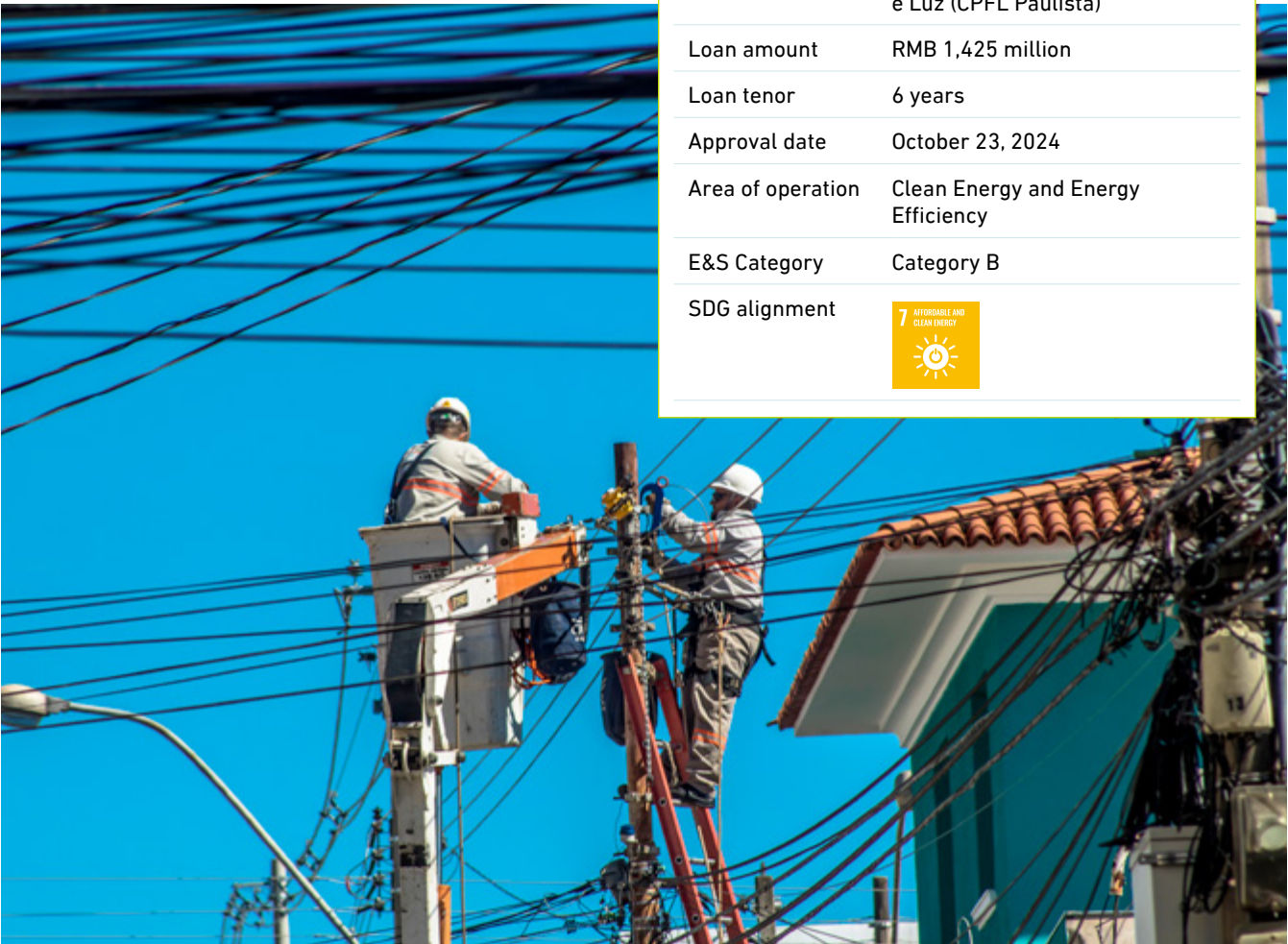
Electricity Distribution Infrastructure Modernisation Project

The private sector plays a critical and active role in building, operating, and maintaining Brazil’s power distribution networks through concessions and permissions. Among over 100 distribution companies operating in the country, CPFL Paulista is the third largest, operating a network that covers 234 municipalities in the state of São Paulo and serving around 4.9 million customers. In line with the requirements specified in its concession agreement, CPFL Paulista has devised an investment programme to guide the expansion and modernisation of its power distribution infrastructure over the period from September 2023 to December 2026.

In October 2024, NDB approved a non-sovereign loan of RMB 1,425 million to support the implementation of CPFL Paulista’s investment programme. This marked the Bank’s first RMB-denominated loan to a project outside China, aiming to optimise the overall mix and cost of funds of the borrower, who is indirectly controlled by the State Grid Corporation of China. Key interventions under the programme are expected to install or modernise 120 km of high voltage distribution lines, 50 high voltage substations, 15,000 km of low voltage distribution lines, and a significant amount of automation equipment,

transformers, and home connection equipment. These interventions will help mitigate both technical and commercial losses in the power distribution network, reduce the duration and frequency of power outages, and improve the overall stability, flexibility, and reliability of the system.

The implementation of the programme is expected to provide electricity access to more than 370,000 underserved households, while improving the quality of services to existing customers across the concession area in the state of São Paulo. By expanding and modernising the power distribution infrastructure, the programme will also lead to efficiency gains, economic savings, and reductions in greenhouse gas (GHG) emissions, contributing to Brazil’s goal of providing universal access to affordable, reliable, and modern energy services.



Electricity Distribution Infrastructure Modernisation Project

Borrower	Companhia Paulista de Força e Luz (CPFL Paulista)
Loan amount	RMB 1,425 million
Loan tenor	6 years
Approval date	October 23, 2024
Area of operation	Clean Energy and Energy Efficiency
E&S Category	Category B
SDG alignment	<div>7 AFFORDABLE AND CLEAN ENERGY</div>

Liaoning Industry Upgradation, Infrastructure and Environmentally Sustainable Development Project

Located in northeast China, Liaoning was one of the first industrialised provinces in the country and witnessed many “first-time accomplishments” in China’s industrial development. During the wave of industrialisation that took place more than half a century ago, a number of industrial cities emerged in the province, including those developed around large factories without proper planning. Nowadays, many of these cities experience similar development challenges, such as polluted water resources, recurrent urban flooding, and limited urban mobility. Addressing these challenges is critical to ensure a successful transformation of these cities from old industrial bases into new urban agglomerations.

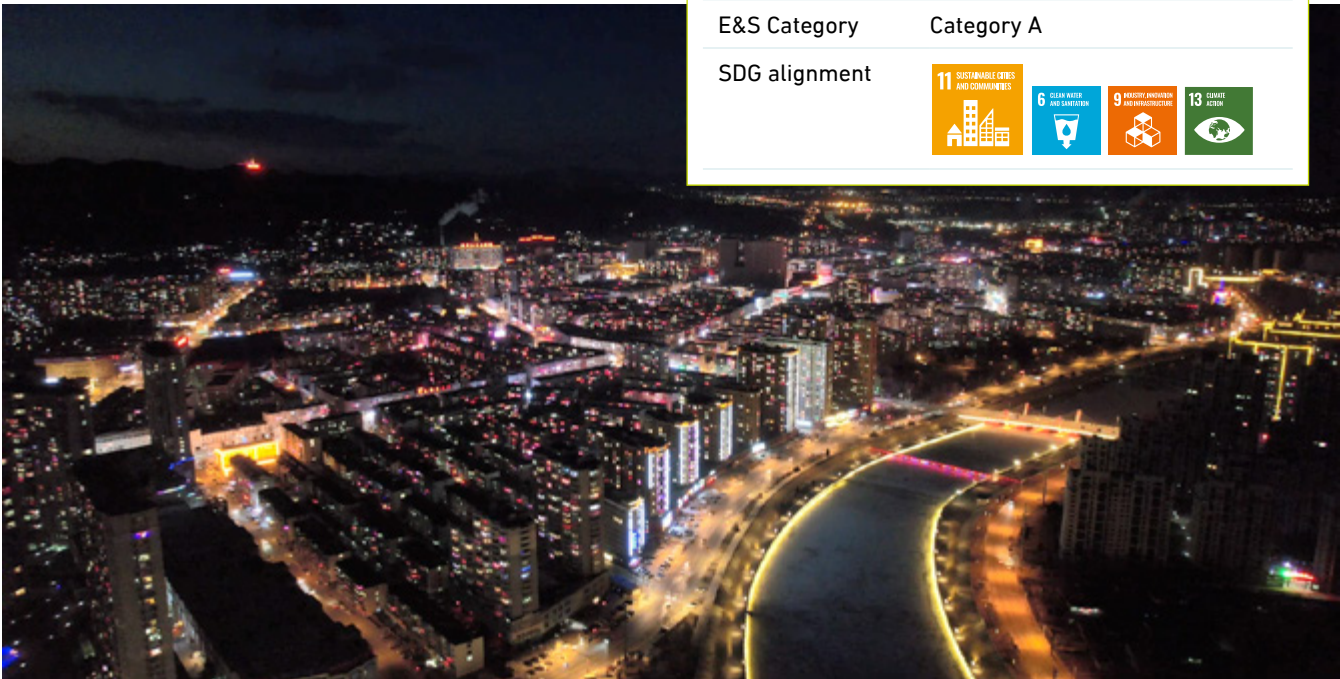
In October 2024, NDB approved a sovereign loan of RMB 1.46 billion to support the sustainable urban development of two pilot cities in Liaoning, namely Anshan and Lingyuan, both of which are homes to large steel producers and face the most typical urban development challenges encountered by many old industrial bases in the region. In Anshan, the project aims to improve the water quality of the Nansha River and resolve waterlogging problems along the river, by creating riverside ecological parks, dredging riverbed sludge, upgrading sewerage and stormwater drainage networks, rehabilitating pumping stations, and establishing a smart digital system for comprehensive water management. In Lingyuan, the project intends to improve urban mobility, prevent urban waterlogging, and strengthen the city’s flood protection level, by expanding and upgrading the urban road network and the drainage system underneath. Ancillary infrastructure, such as street lighting systems, traffic management and signal control systems, and electric vehicle charging facilities, will also be installed in Lingyuan as part of the project.

If the sustainable urban development initiatives piloted under this project successfully address the challenges facing Anshan and Lingyuan, they will serve as a model for replication in other industrial cities in Liaoning, with the aim of improving their liveability, rejuvenating their economic activities, and accelerating their transition to a more sustainable development path.



Liaoning Industry Upgradation, Infrastructure and Environmentally Sustainable Development Project

Borrower	The People’s Republic of China
Loan amount	RMB 1,460 million
Loan tenor	30 years
Approval date	October 24, 2024
Area of operation	Multiple Areas
E&S Category	Category A
SDG alignment	<div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>6 CLEAN WATER AND SANITATION</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>13 CLIMATE ACTION</div></div>



Haitong Leasing Environmental Protection Project



Haitong Leasing Environmental Protection Project

Borrower	Haitong Unitrust International Financial Leasing Co., Ltd. (HUIFL)
Loan amount	USD 100 million equivalent in RMB
Loan tenor	5 years
Approval date	November 28, 2024
Area of operation	Environmental Protection
E&S Category	Category FI-A
SDG alignment	  

In the context of profound transformation in China’s development trajectory, environmental protection has gained an increasingly prominent place on the country’s socioeconomic development agenda. While significant progress has been made in reducing and reversing the negative environmental impact of socioeconomic activities, addressing environmental pollution, including air, soil, and water pollution, remains a priority in China’s quest for green growth and sustainable development.

In November 2024, NDB approved a loan of USD 100 million equivalent in RMB to HUIFL, a financial leasing company majority-owned by Guotai Haitong Securities Co., Ltd., to acquire and lease equipment to its clients for undertaking initiatives that contribute to environmental protection and pollution control. Equipment acquired under the project will be used by eligible lessees to augment their capacity for wastewater treatment,

solid waste treatment, and waste metallurgical gases utilisation for power generation. To promote balanced sustainable development across China, the project will only support initiatives located outside the country’s top-tier cities, namely Beijing, Shanghai, Guangzhou and Shenzhen, thereby channelling much-needed investment to less-developed regions.

Through the collaboration with HUIFL, the NDB loan is expected to benefit a number of environmental protection initiatives. To mobilise additional capital for these initiatives, NDB also played a proactive role in crowding in other financiers through a loan syndication, marking a significant step of the Bank towards establishing itself as a trusted broker in financial markets. The syndicated loan with a total financing of over RMB 1.2 billion will contribute to China’s transition to a new development model that generates high-quality growth without compromising the environment.





Middle Reaches of the Yangtze River (Wuhan) Smart Logistics Hub Project

Situated at the confluence of the Yangtze River and the Han River, Wuhan is the capital city of Hubei Province in central China. Leveraging its strategic location and well-connected transportation networks, the city has for long established itself as a major logistics hub. Despite this, Wuhan's logistics infrastructure is inadequate for handling the large and growing volume of chemical products, including those produced locally as well as those transported nationwide through the city. The main challenges include the scattered locations of chemical enterprises across Wuhan and the heavy reliance on road transportation for chemical products, which results in traffic congestion, air pollution, and road safety concerns.

In December 2024, NDB approved a sovereign loan of RMB 2,415 million to support the development of a smart logistics hub at Wuhan's Beihu Industrial Park, a centralised certified chemical park on the bank of the Yangtze River to host chemical enterprises and enhance logistics efficiency. By building a new railway station, two wharves with six berths, several connecting roads, an integrated logistics information platform, and an off-line simulation training centre, the project aims to augment the overall freight transportation capacity of the Beihu Industrial Park from the current level of 9.4 million tonnes per year to 21.6 million tonnes per year by 2030. Moreover, improved logistics connectivity and integration are also expected to alter the transportation mode structure, shifting more than 50% of cargo throughput in and out of the Beihu Industrial Park from road to rail or waterway, while reducing the average transportation cost per unit of cargo by at least 30%.

By transforming the Beihu Industrial Park into a smart logistics hub, the project is expected to contribute to the avoidance of at least 100,000 tonnes of CO₂ emissions per year and saving approximately RMB 600 million in transportation costs annually. This will not only boost the development of the local chemical industry but also solidify Wuhan's position as the largest transportation and logistics hub in the middle reaches of the Yangtze Rivers.

Middle Reaches of the Yangtze River (Wuhan) Smart Logistics Hub Project

Borrower	The People's Republic of China
Loan amount	RMB 2,415 million
Loan tenor	30 years
Approval date	December 7, 2024
Area of operation	Transport Infrastructure
E&S Category	Category A
SDG alignment	 



Madhya Pradesh State Highways Improvement Project

As a landlocked state in central India, Madhya Pradesh relies heavily on its state highway network to connect major cities within the region and to provide linkage to higher-level national highways for interstate connectivity. However, more than 50% of the state highways in Madhya Pradesh are still single- to intermediate-lane with a width of less than 5.5 metres and need to be upgraded to at least double-lane to meet the growing traffic demand. The insufficient road network capacity coupled with inadequate road maintenance have also resulted in an increasing number of road accidents, making Madhya Pradesh one of the Indian states with the highest numbers of traffic-related injuries and fatalities.

In December 2024, NDB approved a sovereign loan of USD 490 million to support the Madhya Pradesh State Highways Improvement Project, which is designed to strengthen the state’s trunk road network by widening and reconstructing 14 state highway sections with a total length of more than 870 km. All of the project roads are existing sections of the state highway network, that either have traffic exceeding their design capacity or have degraded capacity due to excessive pavement wear and tear. They will be upgraded to double- or four-lane roads with paved shoulders. Ten out of the 14 project roads will serve as feeders to the two national industrial corridors that are currently being developed and will traverse Madhya Pradesh. In addition to upgrading the road sections, the project will support several initiatives

to improve safety features of state highways, test new materials for road construction, and develop wayside amenities, such as electric vehicle charging stations, on a pilot basis.

Upon its completion, the project will better integrate Madhya Pradesh into the national industrial corridors and improve its connectivity with neighbouring states. It will also provide 12 million people in the rural areas of Madhya Pradesh with enhanced road connectivity to more than 650 social, economic and educational centres. The expanded road capacity, improved road conditions, and enhanced safety measures are expected to increase the average speed on the project roads by 37% while reducing injuries and fatalities by at least 20%.

Madhya Pradesh State Highways Improvement Project

Borrower	The Republic of India
Loan amount	USD 490 million
Loan tenor	24 years
Approval date	December 19, 2024
Area of operation	Transport Infrastructure
E&S Category	Category A
SDG alignment	<div><div>9</div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div><div>3</div>GOOD HEALTH AND WELL-BEING</div>



Brasília Capital of Solar Lighting Project



Brasília Capital of Solar Lighting Project

Borrower	Companhia Energética de Brasília
Loan amount	EUR 94 million
Loan tenor	20 years
Approval date	December 26, 2024
Area of operation	Clean Energy and Energy Efficiency
E&S Category	Category B
SDG alignment	  

The Federal District of Brazil, home to the federal capital of Brasília, is a vital economic and political centre for the country. The public lighting system in the Federal District consists of around 300,000 lamps, covering 2,000 km of roads, 680 km of bicycle lanes, and 72 parks. The system is heavily reliant on high energy consuming sodium and metallic vapour lamps, resulting in public lighting accounting for 6% of the total power consumption in the Federal District, nearly double the national average.

In December 2024, NDB approved a sovereign-guaranteed loan of up to EUR 94 million to support the Brasília Capital of Solar Lighting Project proposed by Companhia Energética de Brasília. The project aims to enhance the sustainability and resilience of the Federal District’s public

lighting system through a two-pronged approach. The first component of the project will entail the development of a solar photovoltaic plant with an installed generation capacity of 100 MW. Taking advantage of the region’s high solar photovoltaic potential, this plant is expected to generate 160 GWh of electricity every year, equivalent to around 40% of the current annual energy consumption of the Federal District’s public lighting system. The second component seeks to lower the annual energy consumption of the system by 50 GWh through the replacement of more than 129,000 sodium and metallic vapour lamps with light-emitting diode lamps.

Overall, by upgrading the public lighting system and generating energy from renewable sources, the project is expected to reduce CO₂ emissions by 26,000 tonnes per year, while diversifying the Federal District’s energy mix and enhancing its resilience to climate change. The project is fully aligned with Brazil’s long-term strategy to transit towards a low-emission and climate-resilient development path and will contribute to achieving the country’s goals set under the Paris Agreement.

SAEL 300 MW Renewable Energy Project

India relies heavily on thermal power, which accounts for more than half of its total installed generation capacity. In line with its commitment under the Paris Agreement to achieve net-zero emissions by 2070, the country has announced an ambitious plan to increase its non-fossil generation capacity from the current level of around 150 GW to at least 500 GW by 2030, including 280 GW from solar energy and 140 GW from wind power. Unlocking its huge renewable energy potential will enable India to improve its energy mix, reduce its carbon intensity, and ensure its smooth transition towards a net-zero economy.

In December 2024, NDB approved a non-sovereign loan of USD 63 million to SAEL Solar MHP1 Private Limited, a special purpose vehicle 100% owned by SAEL Industrial Limited, to finance the design, development, construction, maintenance, and operation of a 300 MW solar photovoltaic power plant in the Indian state of Andhra Pradesh. The project is expected to generate at least 680 GWh of electricity per year, which will be evacuated to the grid through a 13 km transmission line connecting the project substation to the grid substation. All power generated will be sold to the state-owned Solar Energy Corporation of India Limited under a 25-year power purchase agreement, which was awarded through an open tender process.

This operation marked NDB's inaugural project finance transaction, an important milestone in expanding the Bank's financial instruments and lending modalities in its toolkits. Through its close collaboration with all parties involved in this project, NDB will not only bridge the funding gap faced by the project sponsor but also assist India in achieving its renewable energy targets and the net-zero goal. By converting sunlight into electricity, the 300 MW solar photovoltaic power plant is expected to help India avoid emitting more than 475,000 tonnes of CO₂ equivalent every year.

SAEL 300 MW Renewable Energy Project

Borrower	SAEL Solar MHP1 Private Limited
Loan amount	USD 63 million
Loan tenor	18 years
Approval date	December 27, 2024
Area of operation	Clean Energy and Energy Efficiency
E&S Category	Category B
SDG alignment	<div><div>7</div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div></div></div> <div><div>13</div><div>13 CLIMATE ACTION</div><div></div></div>



Shriram Finance Sustainable Transport Project

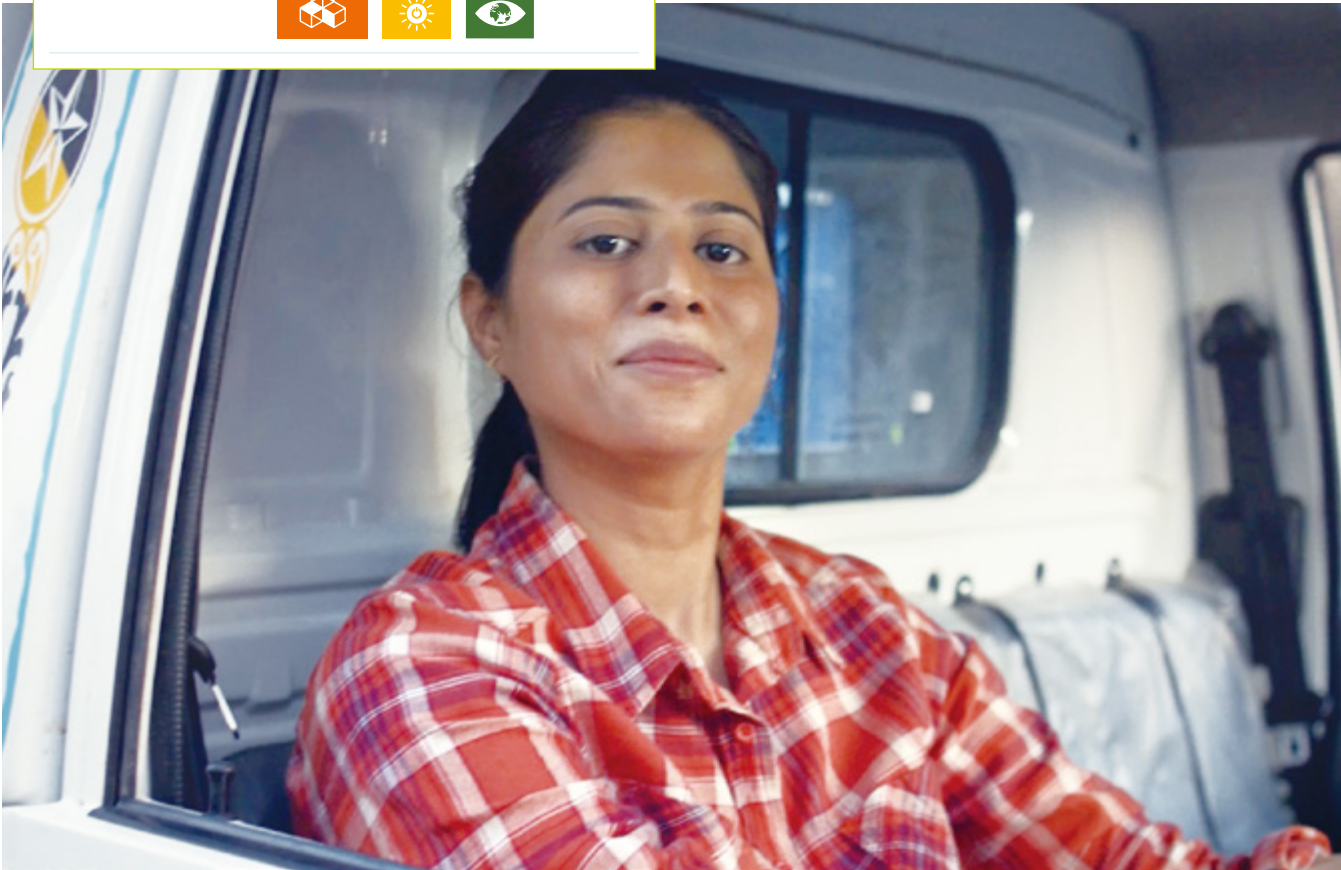
Road transport presently accounts for 12% of India's energy-related CO₂ emissions and is a key contributor to air pollution, especially in urban areas. As the country seeks to meet the growing demand for mobility and logistics, energy consumption and CO₂ emissions from road transport could double by 2050, driven primarily by the expanding vehicle fleet. Therefore, decarbonising road transport by improving fuel efficiency of conventional vehicles and accelerating the adoption of electric vehicles will play a key role in India's transition towards a low-emission development path, with the ultimate goal of becoming a net-zero economy by 2070.

In December 2024, NDB approved a non-sovereign loan of USD 125 million to Shriram Finance Limited, a non-banking financial company incorporated in India, to support and expand its lending for the acquisition of low-emitting and energy-efficient commercial vehicles. The financing will be provided to individual driver turned owners, first time borrowers, as well as micro, small and medium-sized enterprises, including small road transport operators, who are typically underserved by commercial banks. To ensure the project's contribution to India's low-emission transition, at least 75% of financing provided under the project will be allocated to the acquisition of vehicles powered by electricity, LNG, or compressed natural gas, with a minimum of 10% dedicated to electric vehicles.

It is estimated that a total of 18,000 low-emitting and energy-efficient commercial vehicles will be acquired under this project, which could avoid at least 250,000 tonnes of CO₂ emissions per year. In order to achieve greater development impact, the project will focus on financing commercial vehicles in the 10 most industrialised states and six low-income states in India. Therefore, the project will not only contribute to decarbonising India's road transport but also promote financial inclusion and economic development across the country.

Shriram Finance Sustainable Transport Project

Borrower	Shriram Finance Limited
Loan amount	USD 125 million
Loan tenor	5 years
Approval date	December 29, 2024
Area of operation	Transport Infrastructure
E&S Category	Category FI-C
SDG alignment	<div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>13 CLIMATE ACTION</div></div>



3.2 PROJECT PORTFOLIO AT THE END OF 2024



105

TOTAL PROJECTS

USD

35,152

MILLION

TOTAL FINANCING

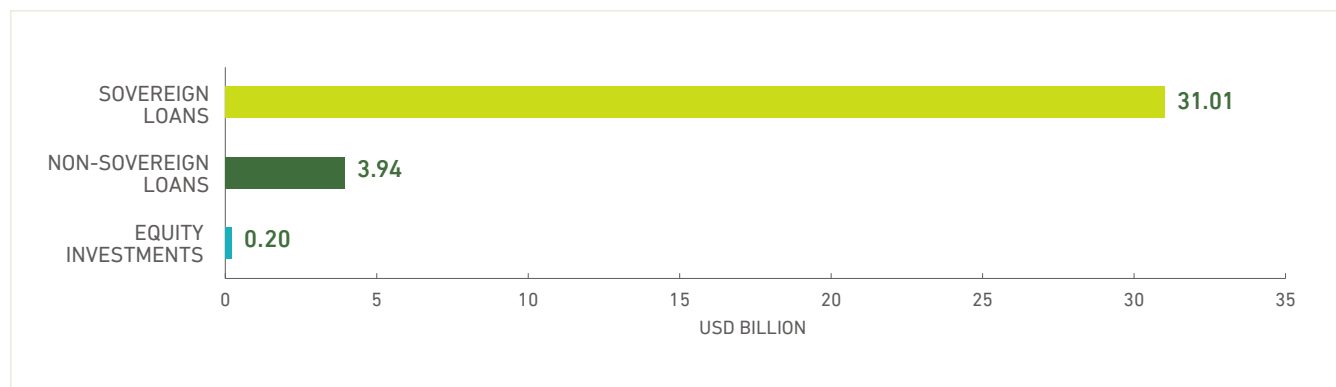
CHINA
ANHUI TONGLING G3 ROAD-RAIL BRIDGE PROJECT

Since its inception, NDB had cumulatively approved USD 39.0 billion for 120 projects on a gross basis by the end of 2024. Excluding financing that was cancelled subsequent to approval and loans that were fully repaid, the Bank's portfolio as of December 31, 2024, included 105 projects with a total financing from NDB amounting to USD 35.2 billion. The portfolio remained predominately concentrated on sovereign and sovereign-guaranteed loans, which accounted for 88.2% of the total financing. Conversely, non-sovereign loans and investments, including those extended to international and national DFIs, state-owned enterprises, and private sector clients without sovereign guarantee, represented 11.8% of the portfolio. If the large-size sovereign loans provided under NDB's Fast Track COVID-19 Emergency Assistance Response Facility are excluded, the share of financing channelled through non-sovereign operations would account for 15.8% of NDB's portfolio at the end of 2024.

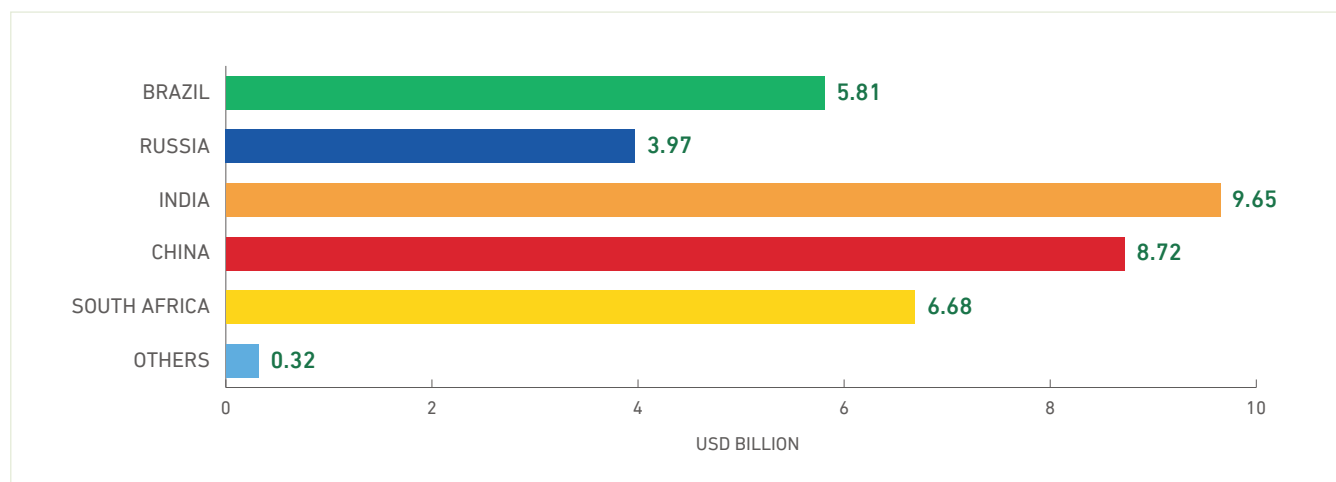
SCAN TO ACCESS DATA
FOR THE EVOLUTION OF
NDB'S PORTFOLIO



PROJECT PORTFOLIO BY TYPE OF OPERATION (AS AT DECEMBER 31, 2024)

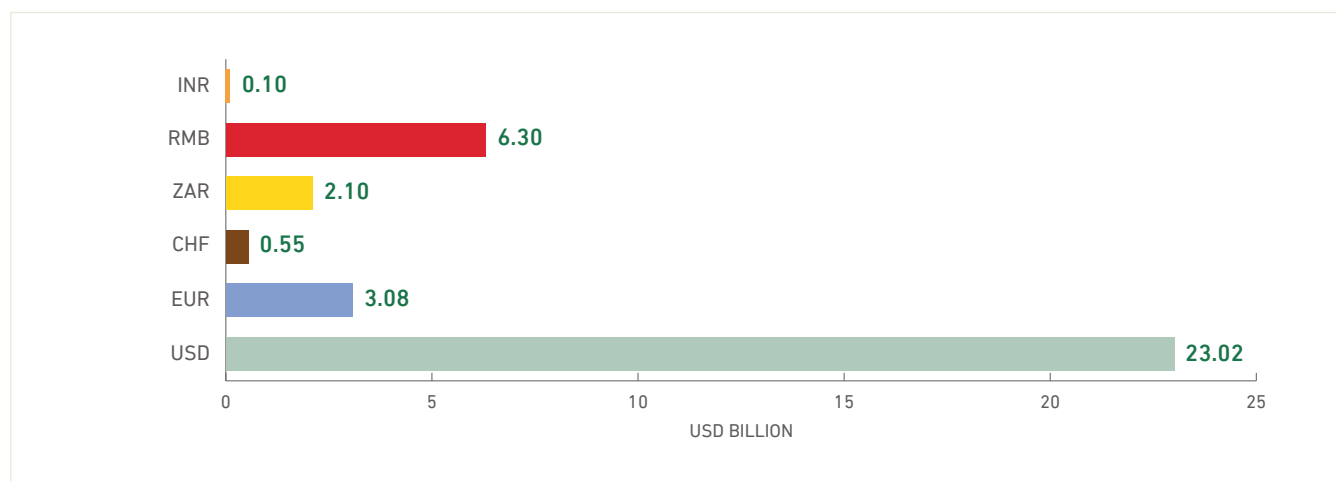


PROJECT PORTFOLIO BY COUNTRY (AS AT DECEMBER 31, 2024)



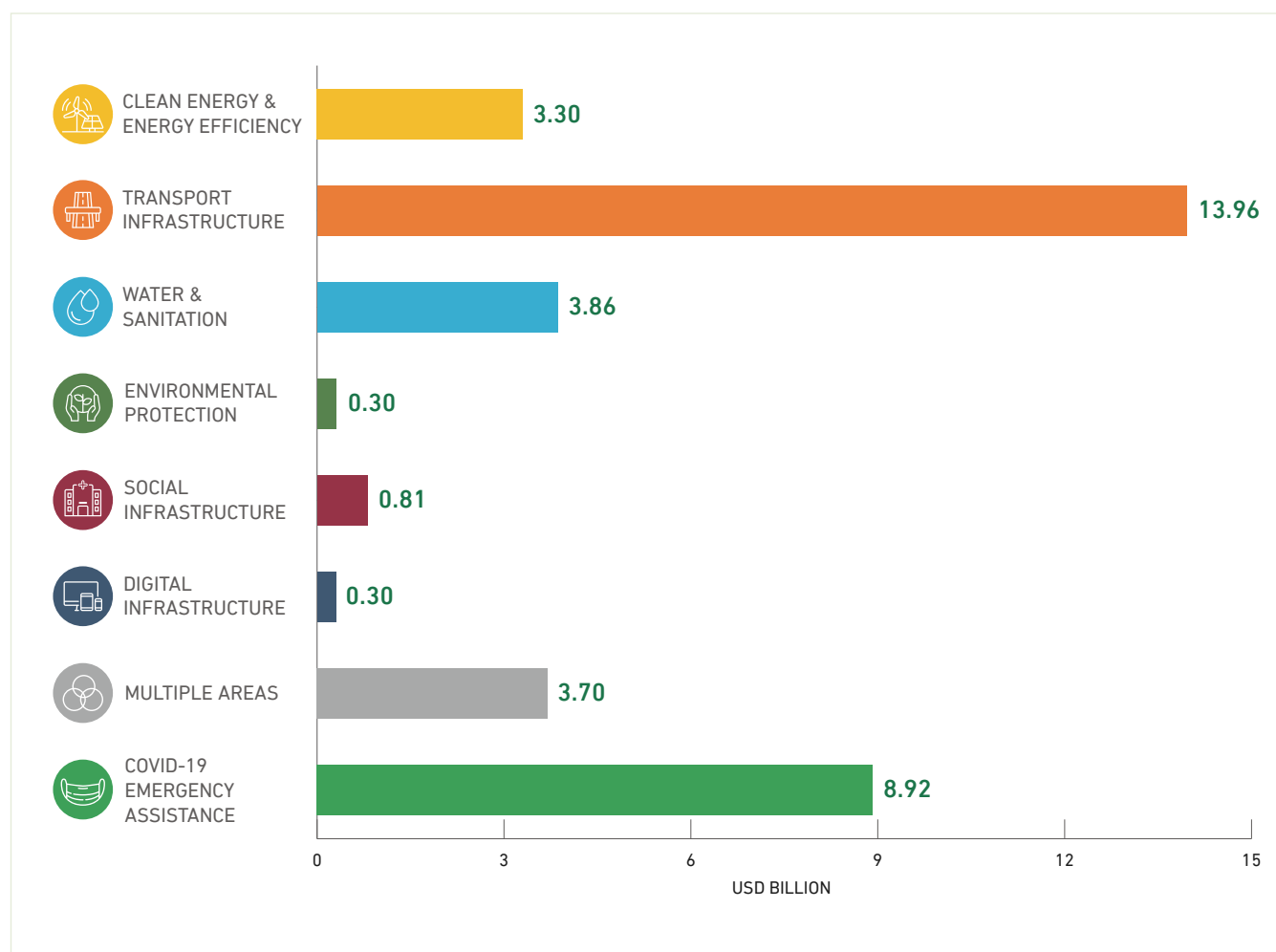
In terms of geographical distribution, projects in India and China received a larger share of NDB financing, representing 27.5% and 24.8% of the Bank's portfolio, respectively. The share of financing to clients in South Africa, Brazil, and Russia stood at 19.0%, 16.5%, and 11.3%, respectively. It is worth noting that, in 2024, NDB approved its first-ever operation in a non-founding member, which not only expanded the Bank's reach beyond its founding members but also contributed positively to the geographical diversification of the Bank's portfolio. As NDB continues building its project pipelines in non-founding members and expanding its membership to other countries, the Bank's project portfolio is expected to further diversify into additional geographies in the near future.

PROJECT PORTFOLIO BY FINANCING CURRENCY (AS AT DECEMBER 31, 2024)



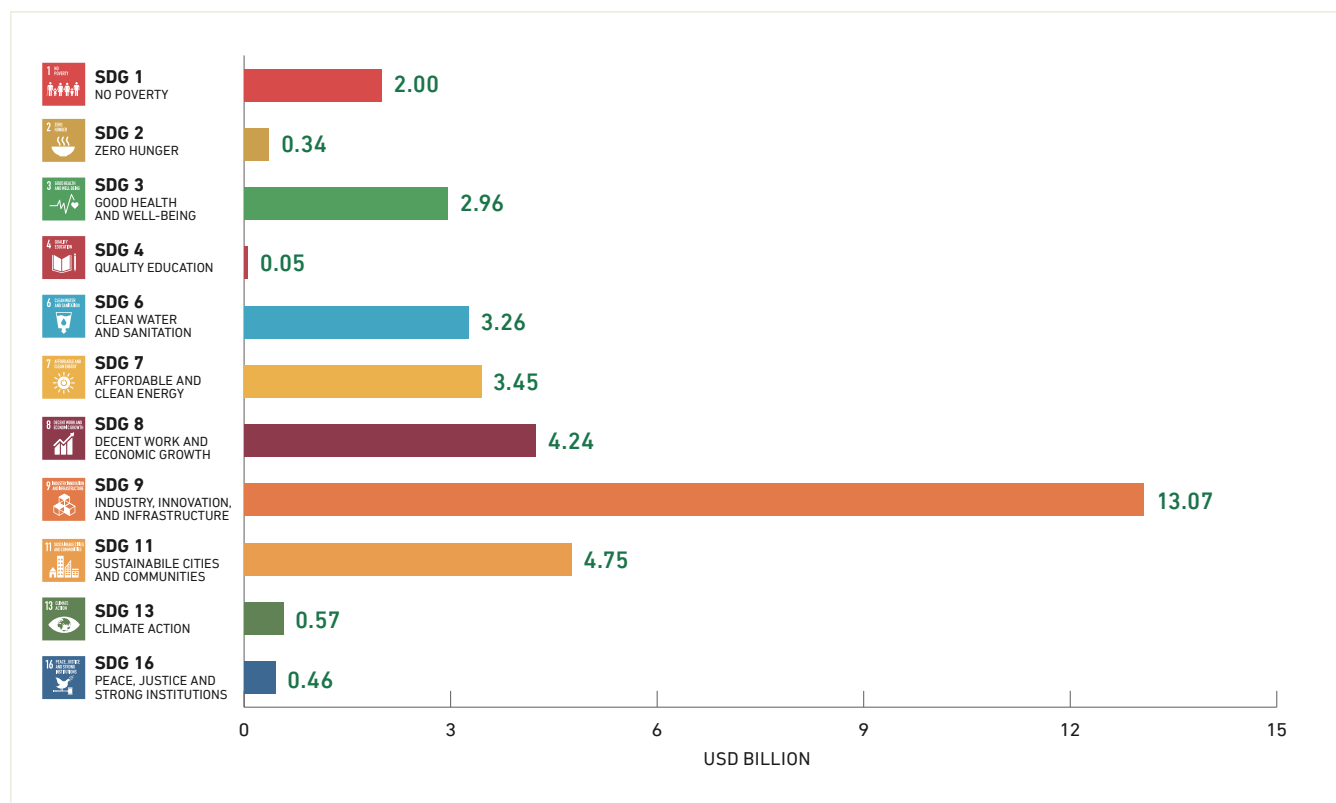
As a strategic priority, NDB seeks to expand its provision of local currency financing, with the dual objectives of mitigating the currency mismatch risks faced by many clients and promoting the development of domestic capital markets in member countries. By the end of 2024, the Bank had provided financing denominated in three national currencies of its borrowing members, namely, RMB, ZAR, and INR, which collectively represented 24.2% of the Bank's portfolio. Notably, almost 70% of NDB's financing to projects in China was denominated in RMB, while over 30% of the Bank's financing to South African clients was provided in ZAR. As an innovative way to optimise borrowers' overall mix and cost of funds, NDB started offering RMB-denominated financing to projects located outside China in 2024. Meanwhile, the Bank continued proactively exploring opportunities to mobilise and provide financing in other national currencies of borrowing members.

PROJECT PORTFOLIO BY AREA OF OPERATION (AS AT DECEMBER 31, 2024)



In the implementation of its General Strategy for 2022–2026, the Bank continued to focus its efforts on supporting projects in strategically selected areas of operation where its financing can catalyse sustainable development at scale. As of end-2024, financing to transport infrastructure projects accounted for 40.0% of the Bank's portfolio, which was followed by financing to water and sanitation projects (11.0%), multi-area projects (10.5%), clean energy and energy efficiency projects (9.4%). Financing to projects in areas of environmental protection, social infrastructure, and digital infrastructure jointly accounted for 4.0% of the portfolio. With the growth of the total portfolio size, the share of NDB's COVID-19 emergency programme loans has been gradually diluted over time, representing around a quarter of the portfolio at the end of the year.

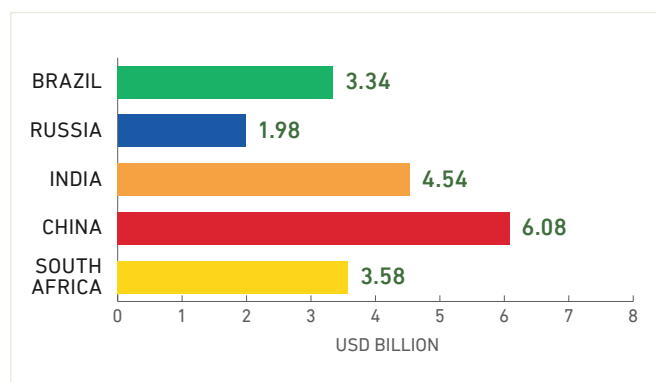
PROJECT PORTFOLIO BY PRIMARY SDG ALIGNMENT (AS AT DECEMBER 31, 2024)



To ensure the alignment of NDB's operations with the 2030 Agenda, all projects supported by the Bank are mapped to relevant SDGs, according to an evidence-based methodology with rigorous analysis of intervention logic. Specifically, each project is mapped, through quantifiable development result indicators, to a primary SDG with which the project is most directly and closely associated. Based on the analysis of its intervention logic, a project may be mapped to additional SDGs to which it will also contribute directly. At the end of 2024, NDB's portfolio included projects that are primarily aligned with 11 out of the 17 SDGs. The largest share (37.2%) of the Bank's portfolio was primarily aligned with SDG 9 on Industry, Innovation and Infrastructure, which was followed by SDG 11 on Sustainable Cities and Communities (13.5%), SDG 8 on Decent Work and Economic Growth (12.1%), SDG 7 on Affordable and Clean Energy (9.8%), SDG 6 on Clean Water and Sanitation (9.3%), and SDG 3 on Good Health and Well-being (8.4%).

As NDB's member countries accelerated their transition towards low-emission and climate-resilient development paths, the Bank also stepped up its efforts to finance projects that contribute to climate change mitigation and adaptation. In 2024 alone, NDB approved a total of USD 2.5 billion in climate finance, accounting for 55.3% of the Bank's total approval in the year. By the end of the year, climate financing represented 23.0% of the Bank's portfolio, amounting to USD 8.1 billion, of which USD 6.5 billion was mitigation finance and USD 1.6 billion was adaptation finance. If the COVID-19 emergency programme loans are excluded, climate finance would represent 30.8% of the Bank's portfolio.

OUTSTANDING DISBURSEMENTS BY COUNTRY (AS AT DECEMBER 31, 2024)



In 2024, NDB disbursed a total of USD 2.4 billion in financing to its clients, bringing the Bank's outstanding disbursements, defined as financing that had been disbursed but not repaid, to USD 19.5 billion by the end of the year.²⁹ This steady increase reflected the net positive financing flows channelled through the Bank towards infrastructure and sustainable development in its borrowing members.

²⁹ As at December 31, 2024, the Bank's cumulative disbursements and cumulative repayments stood at USD 20.9 billion and USD 1.4 billion, respectively.

3.3 ESG AND PROJECT PROCUREMENT

ESG

NDB is committed to ensuring that all projects supported by the Bank are sustainable and that adverse environment, social and governance (ESG) impacts are carefully assessed, minimised, and mitigated throughout the entire project lifecycle. While promoting the use of robust country systems within its member countries, NDB ensures that its projects align with the core principles of its Environment and Social Framework (ESF). This involves full compliance with national and sub-national standards, correct identification and application of regulations, and evidence of compliance through regulatory authorisations. To achieve this, the Bank employs a risk-based, outcome-focused approach to manage the ESG performance of its projects.

As a key component of this approach, NDB assigns an E&S category to each project based on its E&S risks and the financing modality employed, in accordance with the criteria set out in the Bank's ESF. These E&S categories range from Category A or FI-A, for projects with significant adverse E&S impacts, to Category C or FI-C, for those with minimal or no negative E&S impacts, with FI indicating projects involving financial intermediaries.³⁰ The E&S category assigned to a project determines the level of scrutiny and depth of analysis required for the E&S due diligence and monitoring of the project. At the end of 2024, the majority of the projects in the Bank's portfolio were classified as Category B or FI-B, and less than one-third of the projects were classified as Category A or FI-A, while only three projects fell under Category C or FI-C. This project categorisation enables the Bank to manage a diverse range of E&S impacts and risks across its portfolio.

PORTFOLIO BY E&S CATEGORY (AS AT DECEMBER 31, 2024)

E&S Category	Number of projects	Percentage of total projects
Category A	27	25.7
Category FI-A	7	6.7
Category B	51	48.6
Category FI-B	17	16.2
Category C	2	1.9
Category FI-C	1	0.9
Total	105	100.0

In addition to E&S categorisation, NDB screens a project's E&S impacts and risks under three specific criteria, namely, E&S impacts, loss of assets and livelihood impacts from involuntary land acquisition, and impacts on indigenous peoples and vulnerable groups. Mandatory requirements to manage and mitigate adverse impacts under each criterion in line with NDB's ESF are set out in the Bank's Environmental and Social Standards (ESSs), including ESS 1: "E&S Assessment"; ESS 2: "Involuntary Resettlement"; and ESS 3: "Indigenous Peoples". A project may trigger multiple ESSs, depending on the nature and extent of its E&S impacts and risks. At the end of 2024, nearly all projects in the Bank's portfolio triggered ESS 1, while more than half of them triggered ESS 2 and only less than 10% triggered ESS 3. To effectively address affected peoples' concerns, project-specific grievance redressal mechanisms have also been established.

ESSs TRIGGERED BY PROJECTS IN THE PORTFOLIO (AS AT DECEMBER 31, 2024)

ESS	Number of projects triggered ESS	Percentage of total projects
ESS 1: E&S Assessment	103	98.1
ESS 2: Involuntary Resettlement	54	51.4
ESS 3: Indigenous Peoples	10	9.5

³⁰ A project is classified as Category A or FI-A if it is likely to have significant adverse E&S impacts that are irreversible, diverse, or unprecedented. These impacts may affect an area larger than the sites or facilities subjected to physical works. Category B or FI-B is assigned to projects with lesser potential adverse impacts, i.e., where the impacts are site-specific, few or none of them are irreversible and mitigation measures can be readily designed. Category C or FI-C is assigned to projects with minimal or no adverse E&S impacts.

To manage identified E&S impacts and risks while enhancing positive development results, NDB proactively engages with its clients throughout the implementation of projects. The Bank’s interventions are typically designed to ensure the compliance of projects with country-specific E&S requirements, enhance the capacity of clients to effectively manage E&S impacts and risks, and improve operational practices in project management and implementation. In 2024, the Bank delivered numerous capacity-building and knowledge-sharing sessions to strengthen E&S risk management among its clients and other stakeholders. Overall, NDB’s value-adding engagements contributed to improving the E&S performance of 85.7% of the projects in the Bank’s portfolio at the end of 2024.

NDB’S E&S VALUE ADDITION TO PROJECTS IN THE PORTFOLIO (AS AT DECEMBER 31, 2024)

Type of value addition	Number of projects benefitted from NDB’s E&S value addition	Percentage of total projects
Strengthening compliance with country E&S systems	85	81.0
Building E&S capacity	62	59.0
Improving operational E&S practices	71	67.6
Total	90	85.7

NDB conducts periodic assessments of country E&S systems to track and monitor evolving local requirements and to promote the harmonisation of safeguards approaches in collaboration with other financial institutions. In 2024, the Bank completed the assessments of country E&S systems for its two non-founding borrowing members, namely Bangladesh and Egypt, with a knowledge-dissemination and capacity-building workshop on E&S risk management held in Dhaka, Bangladesh. Such assessments and engagements helped NDB to calibrate its approach to the use of country E&S systems in specific national contexts, contributing to refining the modalities employed by the Bank to ensure the compliance of projects with its E&S standards. In cases where a country’s E&S systems are not deemed adequate, NDB fills gaps with additional action plans tailored to specific needs of individual projects, ensuring their adherence to the Bank’s stringent requirements.

MODALITIES TO ENSURE PROJECT COMPLIANCE WITH NDB’S E&S STANDARDS

- Country Systems:**
 This modality is used for Category B or FI-B projects with low E&S risk and Category C or FI-C projects, relying on well-structured host country systems to address E&S impacts with minimal additional measures required by NDB.
- Country Systems +:**
 This modality applies to Category B or FI-B projects with medium-to-high E&S risk and Category A or FI-A projects, requiring targeted actions to bridge gaps in host country systems, particularly for biodiversity, cultural heritage, resettlement, and indigenous peoples.
- IFI Safeguards:**
 This modality is used in co-financed or parallel-financed projects, aligning NDB’s E&S management with the most stringent safeguards of other IFIs, including MDBs, to ensure a unified and efficient process.


With the expansion of the Bank’s operational capacity and the introduction of the governance dimension in its project processing and management, NDB is implementing a governance risk management framework, which was developed based on the existing legal frameworks of member countries and good international governance practices. By assessing corporate governance risks and providing tailored governance recommendations to its non-sovereign and private sector clients, the Bank seeks to ensure that its projects follow good corporate governance practices, and their governance risks are thoroughly assessed, clearly understood, and adequately mitigated. Moreover, the Bank seeks to support its clients in building their governance capacity, which will in turn contribute to improving the overall ESG performance of projects, mainstreaming sustainability considerations, and enhancing transparency.

Project Procurement

NDB aims to use the procurement systems of its member countries to safeguard the quality and integrity of project procurement, ensuring that the funds provided by the Bank are efficiently utilised for their intended purposes. Applying a risk-based and outcome-focused model in line with its Procurement Policy, NDB places a strong emphasis on value for money, competition, efficiency, transparency, and sustainability in managing project procurement practices.

To promote the timely implementation of projects and the efficient use of resources, NDB continued directing its efforts towards streamlining, simplifying and strengthening the use of country procurement systems. Taking a client-centric approach, the Bank sought to understand the gaps in country procurement systems and to propose necessary enhancements to improve the effectiveness and efficiency of NDB's operational support in terms of project procurement and compliance with fiduciary standards. In 2024, the Bank completed the assessments of China and India's country procurement systems and launched similar reviews for Bangladesh and Egypt. The findings from these exercises enabled the Bank not only to provide value-adding project implementation support but also to offer capacity-building training effectively tailored to country-specific procurement contexts.



 **SOUTH AFRICA**
IDC RENEWABLE ENERGY SECTOR DEVELOPMENT PROJECT

Leveraging its expertise and experience, NDB provided thought leadership in creating an MDB working group on the use of country procurement systems. The Bank also played an active role in other procurement-related MDB working groups, contributing to discussions on standard harmonisation, sustainable public procurement, value for money, among others.

While the funds provided by NDB are supposed to be primarily used for the procurement of goods, works, and services produced within its member countries, procurement from non-member countries could also be approved by the BoD on a case-by-case basis. By the end of 2024, the BoD had permitted over 30 projects supported by NDB to procure goods, works, and services from non-member countries, although such procurement was only observed in limited transactions.

3.4 PROJECT PREPARATION FUND

Providing technical assistance to support the preparation of infrastructure and sustainable development projects that can attract financing, especially from the private sector, is an integral component of the Bank's mandate. To achieve this, NDB-PPF was created as a multi-donor fund to provide grant-based resources to the governments of the Bank's borrowing members, including sub-national governments, for preparing bankable and quality projects that can be considered by NDB and other financiers for financing. NDB was entrusted with the administration of NDB-PPF to fulfil its purpose. By the end of 2024, NDB-PPF has received a total of USD 9 million in commitments, all of which had been fully contributed by the donors.

CONTRIBUTIONS TO NDB-PPF (AS AT DECEMBER 31, 2024)

Contributor	Contribution committed (USD million)	Contribution paid (USD million)
Russia	1.5	1.5
India	1.5	1.5
China	4.0	4.0
South Africa	2.0	2.0
Total	9.0	9.0

A significant milestone was achieved in 2024 with the signing of NDB-PPF's first-ever grant agreement. Under this agreement, a technical assistance facility of USD 252,300 was committed to support the preparation of the proposed Kohima Town Water Supply Augmentation Project in India's mountainous state of Nagaland. The facility will be used primarily to fund the development of a detailed report for the proposed project, which in turn will enable potential financiers to assess the project's feasibility and to consider investing in it. If successfully prepared, financed, and implemented, the project will entail the upgrade and expansion of the water supply infrastructure and associated facilities in Kohima, improving the access of local residents to safe drinking water.

To facilitate more effective and efficient utilisation of the technical assistance resources, NDB-PPF Guideline was amended in 2024, allowing the funds to be used for preparing projects and programmes financed without sovereign guarantee, including public-private partnerships, as well as for project implementation.



INDIA

KOHIMA TOWN WATER SUPPLY AUGMENTATION PROJECT

04

RISK MANAGEMENT AND TREASURY ACTIVITIES



INDIA

DELHI-GHAZIABAD-MEERUT REGIONAL RAPID TRANSIT SYSTEM PROJECT

4.1 RISK MANAGEMENT

In accordance with its Enterprise Risk Management and Risk Appetite Framework, NDB adopts a conservative and integrated approach to managing risks, ensuring that both financial and non-financial risks are properly managed and that the Bank's decision-making processes are effective, consistent, transparent, and accountable. Based on the "three lines of defence" model, NDB's risk management framework covers key elements across the entire lifecycle of risk management, including risk governance and risk appetite, risk assessment and measurement, risk monitoring and reporting, as well as risk awareness and culture.

To safeguard its capital base and ensure the effective delivery of its mandate, NDB follows international standards and leading practices to actively manage various types of risks that are inherent in its activities, including credit, market, liquidity, and operational risks. In 2024, the Bank operated within its risk appetite limits and remained adequately capitalised with sufficient liquidity to cover its financial commitments, while continuing its efforts towards building a more robust, efficient, and effective risk management architecture.

Credit Risk

NDB's Credit Risk Management Policy and the Provisioning and Write-off Policy establish key principles governing the assessment, measurement, mitigation, and monitoring of credit risk. Guided by these principles, the Bank conducts risk assessment and monitoring using credit risk data from both external credit rating agencies and internal credit analyses.

At the end of 2024, the credit quality of the Bank's approved loan portfolio, measured by the weighted average risk rating (WARR), stood at BBB-, remaining unchanged from the previous year and within the investment-grade band. The expected credit loss (ECL) provisioning under IFRS 9 for the Bank's loan and treasury portfolios as a share of the Bank's total credit exposure increased slightly to 0.60%, up from the level of 0.41% recorded a year ago. The Bank had only one loan classified as "Stage Three", which constituted 0.24% of the outstanding loan portfolio at the end of 2024.

To build a balanced and diversified portfolio, NDB applies credit risk concentration limits to exposures to any single borrower, sector, and jurisdiction. The Bank's loan portfolio remained reasonably diversified among its borrowing countries and across various economic sectors.

Market and Liquidity Risks

NDB has limited appetite for market risk and strives to minimise its exposure to potential losses resulting from interest rate and exchange rate risks. In 2024, the Bank's exposure to interest rate and exchange rate risks remained low with all relevant metrics well within the established limits.

The Bank takes a prudent approach to managing liquidity risk and maintains a strong liquidity position in high-quality investments. Throughout 2024, the Bank kept its primary liquidity ratio, which considers cash flows over a 12-month horizon without raising additional funds, well above the trigger level of 110%.

Operational Risk

In line with its Operational Risk Policy, NDB manages non-financial risks in order to identify, measure, monitor, control, and mitigate losses arising from failure or inadequacy of systems and controls, human errors, fraud or external events. NDB's Business Continuity Management Policy outlines the framework and tools for minimising the impact of major operational and financial disruptions on the Bank's operations. In 2024, there was no material operational risk loss or business disruption, and the Bank continued the implementation of its operational risk tools and methodologies, such as risk and control self-assessments, information security risk assessments, and business continuity assessments, covering all organisational units across the Bank.

Capital Adequacy

NDB takes a conservative approach to capital management and seeks to maintain strong capital adequacy ratios. Macroeconomic and climate stress testing as well as sensitivity analysis are performed regularly to complement the assessment of capital adequacy under highly adverse scenarios. At the end of 2024, the Bank remained sufficiently capitalised with a capital utilisation ratio of 16%, well below the upper limit of 90%, and an equity-to-asset ratio of 37%, significantly higher than the lower limit of 25%.

4.2 CREDIT RATINGS

NDB's strong credit profile underpins the Bank's operating model and enables it to raise funds at competitive terms, passing on the benefits to its clients. In 2024, NDB continued relying on its prudent risk appetite and strong enterprise risk management to maintain its high international credit ratings.

NDB'S CREDIT RATINGS (AS AT DECEMBER 31, 2024)

Credit rating agency	Credit rating	Outlook	Latest rating affirmation
S&P Global Ratings	AA+ (Long-term issuer credit rating) A-1+ (Short-term issuer credit rating)	Stable	May 2024
Fitch Ratings	AA (Long-term issuer default rating) F1+ (Short-term issuer default rating)	Stable	May 2024
Japan Credit Rating Agency	AAA (Long-term issuer rating)	Stable	October 2023 ³¹

Acknowledging NDB's extremely strong financial profile, robust liquidity position, solid capital base, sound asset quality, extraordinary shareholder support, and preferred creditor status, S&P Global Ratings and Fitch Ratings, and Japan Credit Rating Agency all kept the high credit ratings and stable outlooks they assigned to the Bank unchanged throughout the year.³²



³¹ In March 2025, Japan Credit Rating Agency affirmed NDB's long-term issuer rating at AAA with a stable outlook.

³² NDB's contract with Analytical Credit Rating Agency ended in 2024, and thus the credit ratings that were previously assigned by the agency to the Bank have been withdrawn.

4.3 FUNDING STRATEGY AND ACTIVITIES

The primary objective of NDB's funding strategy is to ensure the availability of sufficient resources to meet the Bank's liquidity requirements, while minimising the Bank's borrowing costs. As part of its funding strategy, NDB continues to expand its investor base through consistent and regular engagements with investors and other market participants. When issuing debt instruments, the Bank considers not only its financing requirements, but also investor preferences in terms of issuance formats, use of proceeds, ESG criteria, currencies, tenors, and types of interest rates, with due regard to the availability of appropriate hedging instruments in line with the Bank's risk management policies.

KEY ELEMENTS OF NDB'S FUNDING STRATEGY

- Diversifying funding by market, instrument, currency, and tenor
- Regular benchmark issuances in different currencies
- Maintaining a consistent presence in key funding markets
- Local currency financing in national currencies of member countries
- Issuing thematic debt instruments, such as green, social, and sustainability bonds
- Aligning with the 2030 Agenda

NDB's funding activities are primarily driven by the need to finance and refinance the Bank's growing project portfolio. To diversify its funding sources, a number of borrowing programmes have been established by the Bank in both international capital markets and domestic capital markets of member countries. These programmes serve as funding platforms for the Bank to mobilise resources in various currencies through both public and private transactions.

In 2024, NDB continued to diversify its borrowing across markets, currencies, and maturities to support its business activities. During the year, the Bank raised a total of USD 8.7 billion equivalent in USD, RMB, EUR, and ZAR through various fundraising instruments, including public issuances and private placements of bonds as well as loan facilities from bilateral and syndicated lenders.

Notably, under its Euro Medium Term Note Programme, NDB successfully issued another three-year USD 1.25 billion green bond in international capital markets to finance and refinance its loans extended to eligible green projects in accordance with the Bank's Sustainable Financing Policy Framework. In China's Interbank Bond Market, NDB's status as one of the largest issuers in the panda bond market was further consolidated, with the Bank raising RMB 14 billion through two additional issuances. The five-year RMB 6 billion bond issued in February marked the largest-ever five-year panda bond issuance and was followed by the issuance of a three-year RMB 8 billion bond in July. In South Africa, to fund its growing ZAR-denominated lending business, the Bank once again accessed the domestic bond market with dual-tranche ZAR-offerings, which raised a total of ZAR 1 billion and contributed to establishing the Bank as regular issuer in the market.

BENCHMARK BONDS ISSUED IN 2024

Bond	Amount	Issue date	Maturity date	Annual coupon rate
2024 RMB Bond (Series 1)	RMB 6,000 million	February 1, 2024	February 1, 2029	2.66%
2024 RMB Bond (Series 2)	RMB 8,000 million	July 25, 2024	July 25, 2027	2.03%
2024 ZAR Bond (NDBB05)	ZAR 500 million	September 10, 2024	September 10, 2027	3M JIBAR + 90 bps
2024 ZAR Bond (NDBB06)	ZAR 500 million	September 10, 2024	September 10, 2029	3M JIBAR + 105 bps
2024 USD Green Bond	USD 1,250 million	November 7, 2024	November 7, 2027	4.677%

Furthermore, NDB concluded its debut USD 2 billion syndicated loan facility, executed a USD 1.5 billion club loan facility, and expanded its revolving credit capacities in 2024, to further diversify its funding sources to new markets and broaden its investor base for future debt instrument issuances.

4.4 TREASURY PORTFOLIO MANAGEMENT

NDB's treasury portfolio management seeks to preserve the Bank's capital, maintain a strong liquidity position, and deliver reasonable returns, while providing efficient management of the Bank's funds within the established risk limits. The Bank's treasury investment portfolio primarily consists of highly rated fixed-income instruments, such as bank deposits, interbank money market instruments, sovereign bonds, debt instruments of banks, and highly rated corporate bonds. The actual composition of the portfolio depends on market conditions, the investment outlook and the Bank's various risk limits.

During 2024, NDB made treasury investments in USD, RMB (both onshore and offshore), ZAR, HKD, EUR, and AUD. Continued efforts were made to maintain the diversification of the treasury investment portfolio in terms of instruments, jurisdictions, and counterparties, with due regard to the Bank's conservative risk management policies and guidelines. As the Bank makes disbursements in local currencies and actively manages its asset-liability and currency risks, it undertakes hedging transactions in the form of cross-currency swaps, interest rate swaps, and foreign exchange forwards, whenever needed. At the end of 2024, the Bank's treasury investment portfolio stood at USD 11.2 billion and continued to have a robust credit rating profile.



05

INSTITUTIONAL DEVELOPMENT



CHINA

MIDDLE REACHES OF THE YANGTZE RIVER (WUHAN) SMART LOGISTICS HUB PROJECT



5.1 TALENT MANAGEMENT

Talent is the most valuable capital of NDB. To deliver on its mandate and achieve its strategic objectives, the Bank continued its efforts to build a talent-intensive institution and nurture a capable, diverse, and engaged workforce. By constantly improving its talent acquisition, development, and engagement practices as well as various staff wellbeing initiatives, the Bank aims to create a competitive, supportive and caring work environment, becoming an international employer of choice.

Talent Acquisition

In 2024, NDB continued to strengthen its workforce by attracting top talent globally. While merit-based selection remained as an overarching principle underpinning the Bank's talent acquisition process, due considerations have been given to recruiting on a diverse basis in terms of professional background, experience, gender, nationality, and other parameters. By the end of 2024, the Bank's workforce stood at 278 employees, a 14% net increase from the previous year.

EMPLOYEES BY CATEGORY (AS AT DECEMBER 31, 2024)

Category	Number	Percentage of total employees
President and Vice Presidents	5	1.8
Professional staff (managerial)	32	11.5
Professional staff (non-managerial)	191	68.7
Support Staff	13	4.7
Short-term consultants, secondees, and outsourced staff	37	13.3
Total	278	100.0

Recognising the importance of gender balance, NDB strived to achieve greater representation of women at all levels of its organisational structure. At the end of 2024, the share of women in NDB's entire workforce reached 43%, a significant increase from the level of 39% recorded a year ago. Female representation in the Bank's professional staff, including both managerial and non-managerial positions, also increased commensurately from 35% to 39% over the year, reaching closer to the strategic target of 40% set by the Bank for the end of its 2022–2026 strategy cycle.

Talent Development

Enhancing staff learning and fostering personal development remain a priority for NDB to build a talent-intensive institution. In 2024, the Bank, in collaboration with reputed international training providers and learning platforms, continued offering targeted professional courses and staff development programmes to equip employees with cutting-edge skills and knowledge needed to excel in their respective roles. These courses and programmes covered not only technical skills, such as project management and investment, but also soft skills, including effective communication and career development.

Furthermore, staff continued to benefit from various knowledge-sharing events and capacity-building sessions conducted in-house by various NDB teams throughout the year. Covering different aspects of the Bank's work, these sessions contributed to enhancing inter-functional collaboration and fostering a silo-free organisational culture.

Staff Engagement

NDB introduced a range of engagement initiatives to better understand the needs and expectations of its staff, with a view to co-creating solutions that can enhance employee experience and workplace satisfaction. In 2024, the Bank revamped its onboarding programme for new employees, conducted a variety of wellbeing sessions, and organised regular social get-together events that celebrate diversity and inclusivity. Enhanced staff engagement through various communication channels contributed to building a workplace where employees feel valued, motivated, and empowered to achieve their full potential.



PRESIDENT ROUSSEFF WELCOMES DIGNITARIES AND STAFF TO 2024 NEW YEAR RECEPTION AT NDB HEADQUARTERS IN SHANGHAI, CHINA, JANUARY 2024



2024 INTERNATIONAL WOMEN'S DAY CELEBRATION AT NDB HEADQUARTERS IN SHANGHAI, CHINA, MARCH 2024

5.2 DIGITAL TRANSFORMATION

In 2024, NDB made significant progress in its digital transformation – such as strategically adopting artificial intelligence (AI) in the Bank’s work, optimising the use of global and member country-based digital solutions, and reinforcing the Bank’s critical information technology infrastructure. The continuous journey of digital transformation has enabled the Bank to increasingly enhance work efficiency, build operational resilience, strengthen cybersecurity, and promote technology-driven innovation.

Capitalising on its access to cutting-edge AI infrastructure and applications within its member countries, NDB embarked on a structured evaluation and piloting of AI-driven solutions. Key initiatives undertaken by the Bank in 2024 included the deployment of an AI assistant, AI-embedded business applications, and advanced financial analytics, as well as the expanded use of robotic process automation to drive operational efficiency. To ensure a smooth integration of AI as a transformative force into NDB’s innovation ecosystem, the Bank started formulating a strategic AI framework that is capable to define relevant governance protocols, manage associated risks, and chart a phased implementation roadmap.

Seeking to elevate NDB to a higher level of digital excellence, the Bank continued pursuing systematic enhancements in its core systems and platforms. In 2024, NDB expanded the coverage of its document management and workflow

automation systems to further streamline internal processes and ensure business continuity, while the Bank’s intranet portal and Board portal were upgraded to facilitate more effective collaboration and decision-making. Client-facing platforms as well as payment and messaging systems were also refined to improve accessibility and user experience. Concurrently, the Bank optimised its cloud infrastructure and deployed connection hub technologies to enhance network performance and reliability.

To ensure information security, NDB further enhanced its cyber defences and resilience in 2024, amid an escalating threat landscape. Key milestones achieved in this area included elevating threat detection and response by integrating advanced threat intelligence capabilities into security operations, reducing risk exposure through rigorous vulnerability management protocols, ensuring timely identification and remediation and fostering a robust cybersecurity culture by implementing regular training programmes that enhanced awareness and preparedness across the Bank.

Going forward, NDB’s digital transformation agenda will continue to prioritise user-centric innovation, data-driven decision-making, and multilateral collaboration. By mainstreaming AI across its functions, fortifying its cybersecurity frameworks, and optimising its digital infrastructure, NDB is positioning itself to better deliver its mandate with greater efficiency, agility, and impact.



5.3 PARTNERSHIPS AND STRATEGIC ENGAGEMENTS



VICE PRESIDENT ANIL KISHORA AT THE HEADS OF MDBS MEETING AT THE INTER-AMERICAN DEVELOPMENT BANK HEADQUARTERS, OCTOBER 2024

NDB seeks to enhance its international standing and strategic positioning as an MDB created by and for EMDCs, through effective partnerships and active engagements with the global development community. Leveraging the expertise of development partners and integrating insights from key engagement groups, NDB continuously strengthens its capacity to deliver on its mandate and achieve its strategic goals, while promoting the voices and perspectives that reflect the development aspirations and experiences of the Global South.

Since its inception, NDB has established a robust network of partnerships with peer MDBs, other international organisations, government agencies, national development institutions, commercial banks, private sector entities, as well as academia, think tanks, and civil society organisations. By the end of 2024, the Bank had 36 effective memoranda of understanding (MoUs) on general cooperation with key partners. These MoUs established structured frameworks for cooperation at the strategic, operational, and technical levels with key partners for the realisation of their common goals. The main areas of collaboration include high-level engagements, joint participation in project financing, information exchanges in areas of mutual interest, as well as knowledge sharing through various events and forums. In line with the spirit of SDG 17 on Partnerships for the Goals, most of the projects in NDB's portfolio are undertaken by the Bank in collaboration with its development partners.



PRESIDENT ROUSSEFF MET WITH RUSSIA'S PRESIDENT VLADIMIR PUTIN ON THE SIDELINES OF THE 16TH BRICS SUMMIT IN KAZAN, RUSSIA, OCTOBER 2024



PRESIDENT ROUSSEFF MET WITH UZBEKISTAN'S PRESIDENT SHAVKAT MIRZIYOYEV ON THE SIDELINES OF THE 16TH BRICS SUMMIT IN KAZAN, RUSSIA, OCTOBER 2024



PRESIDENT ROUSSEFF JOINED THE HEADS OF STATES AND INTERNATIONAL ORGANISATIONS AT THE LAUNCH OF THE GLOBAL ALLIANCE AGAINST HUNGER AND POVERTY AT THE G20 SUMMIT IN RIO DE JANEIRO, BRAZIL, NOVEMBER 2024



PRESIDENT ROUSSEFF AT THE G20 SUMMIT IN RIO DE JANEIRO, BRAZIL, NOVEMBER 2024



PRESIDENT ROUSSEFF MET WITH BRAZIL'S PRESIDENT LUIZ INÁCIO LULA DA SILVA AND FIRST LADY AT THE G20 SUMMIT IN RIO DE JANEIRO, BRAZIL, NOVEMBER 2024



PRESIDENT ROUSSEFF PARTICIPATED IN "1+10" DIALOGUE WITH CHINA'S PREMIER LI QIANG AND HEADS OF OTHER INTERNATIONAL ECONOMIC ORGANISATIONS IN BEIJING, CHINA, DECEMBER 2024



PRESIDENT ROUSSEFF MET WITH RUSSIA'S PRESIDENT VLADIMIR PUTIN ON THE SIDELINES OF ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM IN ST. PETERSBURG, RUSSIA, JUNE 2024

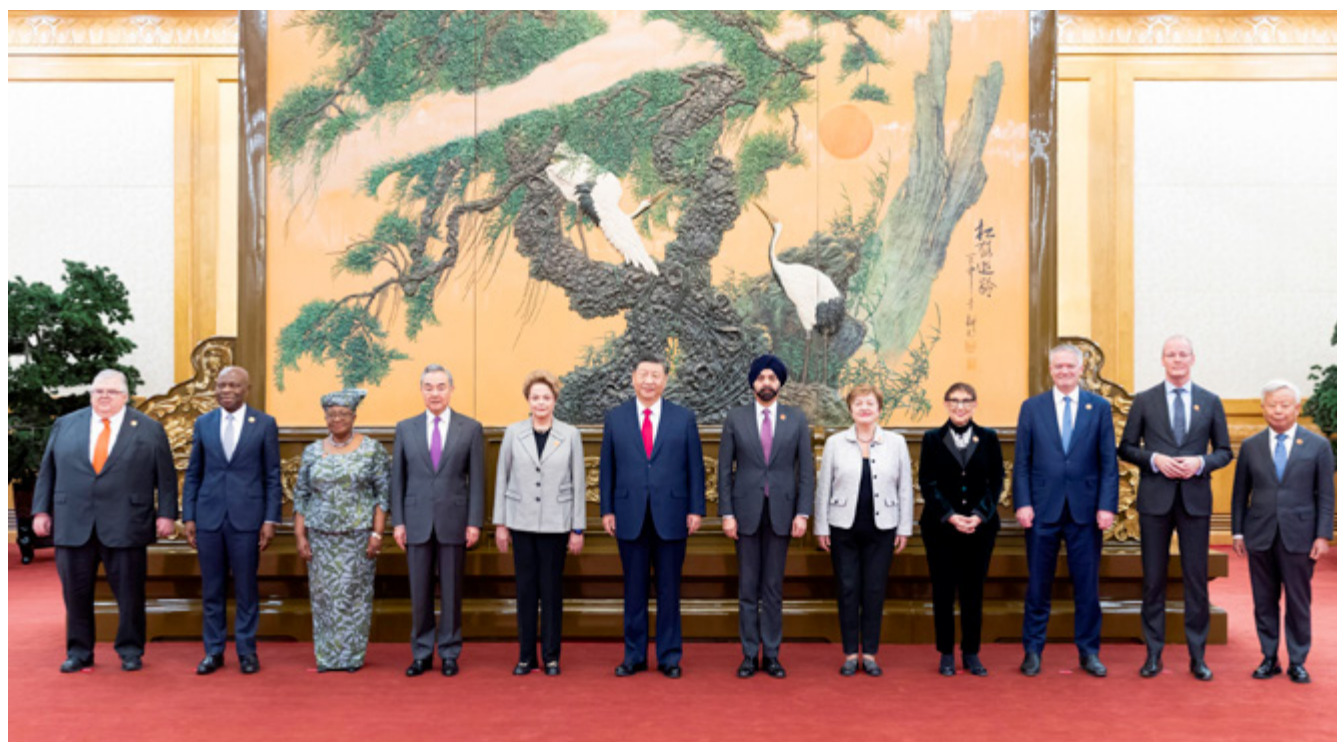
In addition to bilateral collaborations, NDB also actively engaged with multilateral collaboration platforms and international forums, including the G20, BRICS, UNFCCC, the Heads of MDBs Group, and numerous MDB-led working groups, with a view to shaping global development agendas. Notably, building on the joint statement issued under NDB's chairship in 2023, the Heads of MDBs Group published a viewpoint note in April 2024, reiterating their commitment to work as a system for impact and scale and outlining key deliverables for joint and coordinated action in the year and beyond. The viewpoint note also served as a key input to the formulation of the G20 Roadmap towards Better, Bigger and More Effective MDBs, which was endorsed by the G20 Leaders in November 2024. Throughout the year, NDB's engagements with the G20 and its working groups and taskforces further intensified under the Brazilian Presidency.

Furthermore, NDB, in collaboration with other MDBs, also issued several joint statements in 2024 to support the implementation of the Paris Agreement, to improve global water security, and to end violence against women, respectively. The Bank also joined the Global Alliance Against Poverty and Hunger to accelerate efforts towards achieving SDG 1 on No Poverty and SDG 2 on Zero Hunger. Through these engagements, NDB has established itself as a contributor to the international development discourse.

VIEWPOINT NOTE OF THE HEADS OF MDBS GROUP

The Heads of MDBs committed to concrete and actionable deliverables in five critical areas:

- **Scaling up MDB financing capacity:** MDBs expect to generate additional lending headroom on the order of USD 300–400 billion over the next decade, with the support of shareholders and partners.
- **Boosting joint action on climate change:** MDBs are increasing their common engagement on climate.
- **Strengthening country-level collaboration and co-financing:** MDBs are engaged in discussions and supporting country-owned and country-led platforms to make it easier for countries to work with the banks.
- **Catalysing private-sector mobilization:** MDBs are committed to scaling up private-sector financing for development goals, including by pursuing innovative approaches and financial instruments.
- **Enhancing development effectiveness and impact:** MDBs agreed to heighten the focus on the impact of their work.



PRESIDENT ROUSSEFF MET WITH CHINA'S PRESIDENT XI JINPING AND LEADERS OF OTHER MAJOR INTERNATIONAL ECONOMIC ORGANISATIONS IN BEIJING, CHINA, DECEMBER 2024

06

THE YEAR AHEAD



BRAZIL

FINANCING OF RENEWABLE ENERGY PROJECTS AND ASSOCIATED TRANSMISSION
RENEWABLE ENERGY BNDES



6 THE YEAR AHEAD

The year 2025 will mark a major institutional milestone as NDB reaches the tenth anniversary of its operational journey. Within only a decade, NDB has demonstrated remarkable resilience and agility in navigating global volatility, emerging as an innovative, reliable and solution-oriented development partner for the Global South. This milestone will serve as both a moment of celebration and a call to further action – a testament to the foresight of its founding members, the strength of its governance, and the commitment of its Management and staff.

In 2025, NDB will keep the momentum of accelerated progress, further solidifying its role within the global development community and the international financial architecture. Led by its seasoned leadership, the Bank stands ready to navigate an increasingly complex and uncertain external environment in the next and following years. Through the deepening of existing partnerships and the cultivation of new ones, NDB will reinforce its institutional foundations while expanding its reach and impact across the Global South.

In 2025, the Bank anticipates welcoming a new cohort of member countries. This membership expansion will coincide with the accelerated project approvals and disbursements for non-founding members, consolidating NDB as a multilateral platform for development cooperation. Efforts to scale local currency financing, funded through strategic benchmark issuances across member countries' domestic capital markets, will be intensified, alongside focused approaches towards non-sovereign operations and refined use of country systems. These approaches will continue to be distinguishable features of NDB, allowing the Bank to provide development support in a more inclusive, sustainable, and responsive manner.

The Bank also reaffirms its commitment to strengthened collaboration with its peer MDBs and other development partners. In a year where MDB reforms will take centre stage under South Africa's G20 Presidency, NDB stands prepared to contribute constructively to the dialogue on reshaping the international development finance system. As an MDB created by and for EMDCs, NDB will continue to pursue strategic engagements to amplify its voice in the international arena, offering a distinctive perspective rooted in the development priorities of the Global South. The Bank's priorities in this regard include advancing knowledge exchange on sustainable development, accelerating private capital mobilisation, deepening cooperation on green transitions, and fostering technological innovation.

The year ahead will also usher in a new presidential term at NDB and a transition of part of the Management team, which will help shape the next phase of NDB's evolution. The incoming leadership will be tasked with reinforcing the Bank's mandate and reaffirming its mission to deliver impactful, sustainable, and client-centred development solutions. With the work towards the elaboration of a new general strategy starting next year, NDB will have the opportunity to revisit its role so as to enhance its institutional and financial standing, ensure the transformative impact of its interventions, and expand its capacity to serve the development needs of the Global South with excellence and purpose.

FINANCIAL STATEMENTS



CHINA

LANZHOU ZHONGCHUAN INTERNATIONAL AIRPORT PHASE III EXPANSION PROJECT



NDB ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024
(Prepared in accordance with IFRS Accounting Standards)

Independent Auditor's Report	72
Statement of Profit or Loss and Other Comprehensive Income	75
Statement of Financial Position	76
Statement of Changes in Equity	77
Statement of Cash Flows	78
Notes to the Annual Financial Statements	80

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF THE NEW DEVELOPMENT BANK

Opinion

We have audited the financial statements of the New Development Bank (the Bank), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key audit matter

Measurement of Expected Credit Loss (ECL) of loans and advances

We identified the measurement of ECL for the Bank's loans and advances as a key audit matter due to the significance of these assets to the Bank's financial statements and the significant management judgement and estimation required in the measurement.

As disclosed in Note 4 to the financial statements, significant management judgement and estimation is required in the measurement of ECL, which includes assessing whether the credit risk of an asset has significantly increased, using appropriate models and assumptions, determining the key inputs including probability of default (PD) and loss given default (LGD), selecting forward-looking scenarios and their probability weighting.

As at 31 December 2024, the Bank held loans and advances to customers of USD 19,665 million, less impairment allowance of USD 147 million as disclosed in Note 19 to the financial statements.

How our audit addressed the key audit matter

Our procedures in relation to Management's measurement of ECL for loans and advances included:

- Understanding and evaluating key controls of the management over the measurement of ECL;
- Evaluating the appropriateness of the ECL model, and the critical assumptions and parameters used in the model, including PD, LGD, macroeconomic scenarios and their weightings selected for forward-looking information;
- Evaluating the determination of the criteria for significant increase in credit risk by Management and, on a sample basis, testing its application;
- Recalculating the ECL outputs on a sample basis independently.

Other Information

Management of the Bank is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and the Board of Governors for the Financial Statements

Management of the Bank is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

The Board of Governors is responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management of the Bank.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Governors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Governors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matter communicated with the Board of Governors, we determine the matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. We describe the matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu CPA LLP

Deloitte Touche Tohmatsu
Certified Public Accountants LLP
Shanghai, People's Republic of China

April 17, 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

► FOR THE YEAR ENDED DECEMBER 31, 2024
EXPRESSED IN MILLIONS OF U.S. DOLLARS

	NOTES	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
Interest income	7	1,591	1,284
Interest expense	7	(663)	(425)
Net interest income	7	928	859
Net fee income	8	7	9
Net gains/(losses) on financial instruments at fair value through profit or loss (FVTPL)	9	66	(244)
		1,001	624
Staff costs	10	(66)	(56)
Other operating expenses	11	(33)	(31)
Impairment losses under expected credit loss (ECL) model, net of reversal	12	(65)	48
Foreign exchange (losses)/gains		(246)	6
Other expense		(6)	(7)
Operating profit for the year		585	584
Unwinding of interest on paid-in capital receivables		10	9
Profit for the year		595	593
Other comprehensive income/(expense) Items that may be reclassified subsequently to profit or loss:			
Fair value gains on debt instruments at fair value through other comprehensive income (FVTOCI)		3	30
Impairment loss for debt instruments at FVTOCI included in profit or loss, net of reversal		(1)	—*
Other comprehensive income for the year		2	30
Total comprehensive income for the year		597	623

* Less than United States Dollar (USD) half of a million

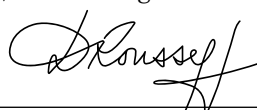
STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024 EXPRESSED IN MILLIONS OF U.S. DOLLARS

	NOTES	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
Assets			
Cash and cash equivalents	13	609	762
Due from banks other than cash and cash equivalents	14	5,282	6,335
Derivative financial assets	15	315	204
Financial assets at FVTPL	16	623	84
Debt instruments at FVTOCI	17	702	2,000
Debt instruments measured at amortised cost	18	4,091	1,231
Loans and advances	19	19,518	17,767
Paid-in capital receivables	20	386	427
Right-of-use assets		1	1
Property and equipment		1	1
Intangible assets		–*	–*
Other assets	21	8	28
Total assets		31,536	28,840
Liabilities			
Derivative financial liabilities	15	210	508
Financial liabilities designated at FVTPL	22	12,557	12,669
Bank borrowings	23	4,756	–
Note payables	24	–	2,248
Bond payables	25	1,560	1,654
Lease liabilities		–*	–*
Contract liabilities	26	57	51
Other liabilities	27	157	68
Total liabilities		19,297	17,198
Equity			
Paid-in capital	28	10,538	10,538
Reserves	29	(23)	(35)
Retained earnings		1,724	1,139
Total equity		12,239	11,642
Total equity and liabilities		31,536	28,840

* Less than USD half of a million

The annual financial statements on pages 75 to 133 were approved and authorised for issue by the Board of Governors on April 17, 2025 and signed on their behalf by:



Dilma Vana Rousseff
President



Monale Ratsoma
Chief Financial Officer



Halima Nazeer
Director General, Finance, Budget and Accounting

STATEMENT OF CHANGES IN EQUITY

► FOR THE YEAR ENDED DECEMBER 31, 2024 EXPRESSED IN MILLIONS OF U.S. DOLLARS

	PAID-IN CAPITAL	CAPITAL RESERVE	REVALUATION RESERVE	OTHER RESERVES	RETAINED EARNINGS	TOTAL
As at January 1, 2024	10,538	–*	(2)	(33)	1,139	11,642
Operating profit for the year	–	–	–	–	585	585
Other comprehensive income for the year	–	–	2	–	–	2
Unwinding of interest on paid-in capital receivables for the year	–	–	–	–	10	10
Total comprehensive income for the year	–	–	2	–	595	597
Impact of early payment on paid-in capital receivables (Note 20)	–	–	–	–*	–	–*
Reclassification of unwinding of interest arising from paid-in capital receivables	–	–	–	10	(10)	–
As at December 31, 2024	10,538	–*	–*	(23)	1,724	12,239

	PAID-IN CAPITAL	CAPITAL RESERVE	REVALUATION RESERVE	OTHER RESERVES	RETAINED EARNINGS	TOTAL
As at January 1, 2023	10,299	–*	(32)	(7)	555	10,815
Operating profit for the year	–	–	–	–	584	584
Other comprehensive income for the year	–	–	30	–	–	30
Unwinding of interest on paid-in capital receivables for the year	–	–	–	–	9	9
Total comprehensive income for the year	–	–	30	–	593	623
Capital subscriptions	239	–	–	–	–	239
Special contribution from founding member	–	–*	–	–	–	–*
Impact on discounting of paid-in capital receivables	–	–	–	(35)	–	(35)
Impact of early payment on paid-in capital receivables (Note 20)	–	–	–	–*	–	–*
Reclassification of unwinding of interest arising from paid-in capital receivables	–	–	–	9	(9)	–
As at December 31, 2023	10,538	–*	(2)	(33)	1,139	11,642

* Less than USD half of a million

STATEMENT OF CASH FLOWS

► FOR THE YEAR ENDED DECEMBER 31, 2024 EXPRESSED IN MILLIONS OF U.S. DOLLARS

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
OPERATING ACTIVITIES		
Profit for the year	595	593
Adjustments for:		
Interest expense	663	425
Interest income from debt instruments measured at amortised cost	(134)	(59)
Interest income from debt instruments at FVTOCI	(83)	(60)
Depreciation and amortisation	1	1
Losses on disposal of property and equipment	–*	1
Unrealised gains on financial instruments	(226)	(29)
Realised losses on derivatives	246	250
Realised (gains)/losses from financial liabilities designated at FVTPL	(84)	23
Unwinding of interest on paid-in capital receivables	(10)	(9)
Impairment losses under ECL model, net of reversal	65	(48)
Unwinding of discount on the ECL included in interest income	2	–
Exchange losses on debt instruments at FVTOCI	–	4
Exchange losses on debt instruments measured at amortised cost	6	1
Exchange gains on bond payables	(4)	–
Exchange (gains)/losses on note payables	(1)	–*
Exchange (gains)/losses on lease liabilities	–*	–*
Other exchange losses/(gains)	5	–*
Debt issuance cost	6	7
Fee expense	2	–*
Operating cash flows before changes in operating assets and liabilities	1,049	1,100
Net decrease/(increase) in due from banks	1,053	(2,314)
Net increase in loans and advances	(1,800)	(3,317)
Net increase in Money Market Funds included in financial assets at FVTPL	(500)	–
Net decrease in other assets	20	14
Net increase/(decrease) in other liabilities and contract liabilities	100	(2)
Cash used in from operations	(78)	(4,519)
Proceeds from settlement on derivatives	1,383	2,344
Payment of settlement on derivatives	(1,313)	(2,284)
NET CASH USED IN OPERATING ACTIVITIES	(8)	(4,459)

* Less than USD half of a million

► FOR THE YEAR ENDED DECEMBER 31, 2024
EXPRESSED IN MILLIONS OF U.S. DOLLARS

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
INVESTING ACTIVITIES		
Interest received on debt instruments measured at amortised cost	31	69
Interest received on debt instruments at FVTOCI	21	31
Purchase of debt instruments measured at amortised cost	(5,542)	(1,796)
Proceeds from redemption of debt instruments measured at amortised cost	2,753	3,160
Purchase of debt instruments at FVTOCI	(722)	(1,726)
Proceeds from redemption of debt instruments at FVTOCI	2,085	2,725
Purchase of financial assets at FVTPL	(42)	(27)
Proceeds from settlement on derivatives	1,138	20
Payment of settlement on derivatives	(1,133)	(12)
Purchase of property and equipment and intangible assets	(1)	(2)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(1,412)	2,442
FINANCING ACTIVITIES		
Interest paid on bonds	(409)	(220)
Interest paid on bank borrowings	(134)	-
Interest paid on note payables	(106)	(121)
Interest paid on lease liabilities	-*	-*
Paid-in capital received	51	55
Proceeds from issuance of bonds	3,988	4,630
Repayment from bonds	(4,278)	(2,325)
Proceeds from withdrawal of bank borrowings	4,700	-
Proceeds from issuance of note payables	929	5,957
Repayments from note payables	(3,140)	(6,748)
Payment of issuance cost of bond and note payables	(6)	(7)
Payment of fee expense of bank borrowings	(2)	-*
Proceeds from settlement on derivatives	54	3
Payment of settlement on derivatives	(380)	(321)
Repayments of lease liabilities	-*	-*
NET CASH FROM FINANCING ACTIVITIES	1,267	903
NET DECREASE IN CASH AND CASH EQUIVALENTS	(153)	(1,114)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	762	1,876
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	609	762
Interest received in operating activities	1,356	983
Interest paid in operating activities	2	-*

* Less than USD half of a million

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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 known as 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. On September 16, 2021, October 4, 2021 and February 20, 2023, the People's Republic of Bangladesh (Bangladesh), the United Arab Emirates (UAE) and the Arab Republic of Egypt (Egypt), respectively, became new members of the Bank. The headquarters of the Bank is located in Shanghai, China. The Bank has established Africa Regional Center in Johannesburg, Americas Regional Office in

Sao Paulo with a sub-office in Brasilia, Eurasian Regional Centre (ERC) in Moscow and Indian Regional Office (IRO) in Gujarat International Finance Tec-City.

As at December 31, 2024, the Bank had eight member countries. More details of member countries' paid-in capital are disclosed in Note 28. Additionally, the Bank's Board of Governors admitted two prospective members that will officially become member countries once they deposit their instruments of accession.

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.

2. APPLICATION OF IFRS ACCOUNTING STANDARDS

The annual financial statements of the Bank have been prepared in accordance with IFRS Accounting Standards.

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Bank's financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Bank has not early adopted the following new and amendments to IFRS Accounting Standards that have been issued and are relevant to the Bank but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²

¹ Effective for annual periods beginning on or after 1 January 2026.
² Effective for annual periods beginning on or after 1 January 2027.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Bank is in the process of assessing the detailed impact of IFRS 18 on the financial statements.

The Bank anticipates that the application of above new and amendments to IFRS Accounting Standards other than IFRS 18 will have no material impact on the financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of financial statements

The annual financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, and in accordance with the IFRS Accounting Standards. These policies have been consistently applied throughout the year. For the purpose of preparation of the annual financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users.

The Management of the Bank has, at the time of approving the annual financial statements, a reasonable expectation that the Bank has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank takes into

account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for leasing transactions that are accounted for in accordance with IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36 *Impairment of Assets*.

More details about fair value hierarchy are provided in Note 6.

The preparation of the annual financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the annual financial statements and the reported amounts of revenues and expenses during the reporting years. It also requires Management to exercise its judgement in the process of applying the Bank's policies. The areas involving a higher degree of judgement or complexity, or areas where judgements and estimates are significant to the financial statements, are disclosed in Note 4.

The material accounting policies adopted are set out below and have been applied consistently to each year presented.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

Revenue

Interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments at fair value through other comprehensive income.

For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Front-end fee

Front-end fees relating to the origination or acquisition of a financial asset are recognised as deferred income at the date of the first drawdown. They are subsequently amortised over the period of the contract when they satisfy the performance obligation.

Commitment fee

Commitment fees relating to the undrawn loan commitment are recognised over the commitment period.

Borrowing costs

All borrowing costs of the Bank are recognised in profit or loss in the period in which they are incurred.

Financial instruments

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Bank's financial instruments mainly consist of cash and cash equivalents, due from banks other than cash and cash equivalents, financial assets at FVTPL, debt instruments at FVTOCI, debt instruments measured at amortised cost, loans and advances, paid-in capital receivables, certain other assets, financial liabilities designated at FVTPL, bank borrowings, note payables, bond payables, certain other liabilities, and derivative financial assets/liabilities.

Financial assets and financial liabilities are recognised in the statement of financial position when the Bank becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 Revenue from Contracts with Customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Classification and subsequent measurement of financial instruments

Financial assets

The Bank classifies its financial assets under IFRS 9 *Financial Instruments* depending on the Bank's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets measured at amortised cost

The Bank classifies an asset measured at amortised cost when the following conditions have been met:

- The financial asset is held within a business model whose objective is to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The Bank applies the effective interest method to the amortised costs of a financial asset.

Financial assets classified as at FVTOCI

The Bank classifies debt instruments at FVTOCI if they are held within a business model whose objective is achieved by both selling the financial assets and collecting contractual cash flows and the contractual terms of financial asset give rise on specified dates to cash flows that are SPPI.

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Financial assets at FVTPL

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Bank may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Bank manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a designated and effective hedging instrument.

In addition, the Bank may irrevocably designate a financial asset that is required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "net gains/losses on financial instruments at fair value through profit or loss" line item.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Bank are recognised at the proceeds received, net of direct issue costs.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 *Business Combinations* applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition, it is part of a portfolio of identified financial instruments that the Bank manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not a designated and effective hedging instrument or a financial guarantee contract.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated at FVTPL upon initial recognition if:

- It eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL; or
- It forms part of a group of financial liabilities, which is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Bank's key management personnel.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

The Bank applies the fair value measurement option to the bonds issued during 2019 to 2024 to reduce the measurement or recognition inconsistency resulting from the economically related interest rate swap and cross currency swap.

Financial liabilities measured at amortised cost

Other financial liabilities such as bank borrowings, note payables and bond payables are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

The Bank enters into a variety of derivative financial instruments to manage its exposure to interest rate and currency risk, including interest rate swaps, cross currency swaps and forwards. Further details of derivative financial instruments are disclosed in Note 15.

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Impairment

The Bank performs impairment assessment under expected credit loss (ECL) model on financial assets and items which are subject to impairment assessment under IFRS 9, such as loans and advances, debt instruments measured at amortised cost, debt instruments at FVTOCI, due from banks other than cash and cash equivalents, paid-in capital receivables, loan commitments and certain other assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

ECL of a financial instrument should be measured in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Bank applies a three-stage approach to measuring ECL on financial assets measured at amortised cost, debt instruments at FVTOCI and loan commitments. Financial assets and loan commitments migrate through the following three stages based on the change in credit quality since initial recognition:

(i) *Stage 1: 12-month ECL*

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events, occurring within the next 12 months, is recognised.

(ii) *Stage 2: Lifetime ECL - not credit-impaired*

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired, a lifetime ECL is recognised.

(iii) *Stage 3: Lifetime ECL - credit-impaired*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. For financial assets that are credit-impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of impairment allowance) rather than the gross carrying amount.

More details about credit risk analysis are provided in Note 5.

The disclosure regarding significant increases in credit risk, definition of default and credit-impaired financial assets are detailed in Note 5.

Measurement of ECL

The measurement of ECL is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive, discounted at the effective interest rate determined at initial recognition.

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Bank if the holder of the loan commitments draws down the loan, and the cash flows that the Bank expects to receive if the loan is drawn down.

Except for investments in debt instruments that are measured at FVTOCI and loan commitments, the Bank recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their net carrying amount. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the revaluation reserve without reducing the carrying amount of these debt instruments. Such amount represents the changes in the revaluation reserve in relation to accumulated loss allowance. The expected credit losses of loan commitment are recognised as a provision and presented in other liabilities.

Write-off policy

The Bank writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of assets other than sovereign loans, when the amounts are over 90 days past due or the amounts of sovereign loans are over 180 days past due. Financial assets written off may still be subject to enforcement activities under the Bank's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

Foreign exchange gains and losses

The carrying amount of financial assets and liabilities that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets and liabilities measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “Foreign exchange (losses)/gains”;
- For financial assets and liabilities measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “Net gains/(losses) on financial instruments at fair value through profit or loss”.

Derecognition of financial instruments

The Bank derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the financial asset derecognised and the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified to profit or loss.

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

When the contractual terms of a financial asset are modified, the Bank assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Bank considers the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset, after reducing gross carrying amount that has been written off.

The Bank derecognises financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Bank has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liability simultaneously.

Net gains/losses on financial instruments at FVTPL

Net gains/losses on financial instruments at FVTPL represents non-trading derivatives held for risk management purposes used in economic hedge relationship but not under hedge accounting, financial assets and financial liabilities designated as at FVTPL and also non-trading assets measured at FVTPL, as required by or elected under IFRS 9 *Financial Instruments*. The line item includes fair value changes, settlement of net interest payments, dividends and foreign exchange differences.

Employee benefits

In the accounting period in which employees provide services, the Bank recognises the salary and welfare costs incurred and estimated employee benefits, as a liability at the undiscounted amount of the benefits expected to be paid, with a corresponding charge to the profit or loss for the current period.

The amounts payable arising on the Bank's defined contribution scheme are recognised in the financial statements in the period in which the related service is provided. The Bank has no legal or constructive obligation to pay further contributions in the event that these plans do not hold sufficient assets to pay any employee the benefits relating to services rendered in any current and prior period. A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Paid-in capital

In accordance with the Agreement, the Bank has authorised capital and subscribed capital that is further divided into paid-in shares and callable shares. The Bank's paid-in capital is denominated in USD.

Where shares have been issued on terms that provide the Bank with the rights to receive cash or another financial asset, on a specified future date, the Bank recognises the financial asset at the fair value of the amount of receivable.

Taxation

The Bank enjoys tax exemption within the territory of mainland China according to Article 9 of the Headquarters Agreement between the New Development Bank and the Government of the People's Republic of China regarding the Headquarters of the New Development Bank in Shanghai, the People's Republic of China.

The Bank shall be also immune from all taxation, restrictions and customs duties for the transfers, operations and transactions it carries out pursuant to the Agreement entered into force on July 3, 2015.

Cash and cash equivalents

Cash comprises of cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Bank's short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash, and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Foreign currencies

The financial statements of the Bank are presented in the currency of the primary economic environment in which the Bank operates, its functional currency, which is USD. In preparing the annual financial statements of the Bank, transactions in currencies other than the Bank's functional currency (USD) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated after initial recognition.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS APPLIED BY MANAGEMENT

In the application of the Bank's accounting policies, the Bank is required to make estimates and judgements about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

Measurement of the ECL allowance for the financial assets measured at amortised cost, fair value through other comprehensive income and loan commitments

The following significant judgement is required in applying the accounting requirements for measuring the ECL:

- Determining criteria for significant increase in credit risk and credit-impaired.

As disclosed in Note 5, the Bank considers both qualitative and quantitative criteria in assessing whether a financial instrument has experienced a significant increase in credit risk.

Key sources of estimation uncertainty

Measurement of the ECL allowance for loans and advances and loan commitments

The measurement of the ECL allowance for the Bank's loans and advances and loan commitments requires the use of a model and certain assumptions. This involves:

- Choosing an appropriate model and determining appropriate assumptions for the measurement of ECL; and
- Establishing the number and weighting of forward-looking scenarios for each type of product.

Details of the model and certain assumptions used in measuring ECL are further disclosed in Note 5, which also presents sensitivities of the ECL.

Valuation of bonds designated at FVTPL

Certain financial liabilities are measured at FVTPL. The Bank is required to use valuation techniques to determine the fair value. The Bank made judgements about the appropriate discount rate to apply which was calculated on the basis of zero-coupon yield curve and adjusted spread. The valuation models of the bonds designated at FVTPL are also based on underlying observable market data and market accepted valuation techniques.

The Bank's analysis and method for determining the fair value of financial liabilities designated at fair value are provided in Note 6.

Discounting of paid-in capital receivables

The discounted cash flow model is used by the Bank to calculate the present value of paid-in capital receivables at initial recognition. In determining the discount rate of paid-in capital receivables, the Bank took into account various factors including the funding cost of similar instruments issued by similar institutions, instrument-specific risk profile. It was concluded by Management of the Bank that USD LIBOR yield curve was the most appropriate discount rate that reflected the time value and the credit risk of the receivables in question at initial recognition.

5. 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 of the Bank. 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 comprises exchange rate risk, 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 provides financial support through loans, guarantees, equity investment and other financial activities to fulfill this purpose. Any potential inability or unwillingness of borrowers or obligors to meet their financial obligation with the Bank stands as 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.

A prudential credit risk limit structure facilitates the management of risks associated to the Bank's portfolio. Credit risk concentration limits are applied to exposures to single jurisdiction, sector, obligor and product.

The Bank mainly relies on external credit rating results from major international rating agencies (e.g. Moody's, S&P Global Rating and Fitch) to provide an initial assessment of the credit quality of sovereign and non-sovereign borrowers and treasury counterparties. In case where the loans are guaranteed by the governments of the individual countries, the credit risk is assessed based on the guarantor. In case a loan is not rated by any of the external credit ratings mentioned previously, the Bank uses either an alternative agency approved by the Finance Committee or an internal credit assessment taking into account specific project, borrower, sector, macro and country credit risks. The Risk Management Department of the Bank continuously monitors the overall credit risk of the Bank on a periodic basis.

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

- Senior investment grade: broadly corresponds with AAA to A- under the S&P Global Rating scale;
- Investment grade: broadly corresponds with BBB+ to BBB- under the S&P Global Rating scale;
- Sub-investment grade: broadly corresponds with BB+ to D under the S&P Global Rating scale.

All ratings are derived from global rating agencies or the Bank's internal credit rating criteria.

5. FINANCIAL RISK MANAGEMENT - CONTINUED

ECL measurement

The Bank adopts a three-stage model for impairment based on changes in credit quality since initial recognition. The ECL calculation tool designed by Moody's is used for the year ended December 31, 2024 and 2023.

Significant increases in credit risk

In assessing whether a financial instrument has experienced a significant increase in credit risk, the Bank considers both qualitative and quantitative criteria including forward looking information available without undue cost or effort. In particular, the following information is considered in assessing whether there has been a significant increase in credit risk.

Quantitative criteria:

- Delay in interest or principal or other contractual payment exceeds 30 days;
- Credit rating downgrade by three notches compared to the credit rating at initial recognition.

Qualitative criteria:

- History of arrears within 12 months;
- Adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its obligations;
- Material regulatory action against the borrower or counterparty that is expected to cause a significant change in the borrower's ability to meet its obligations.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a material detrimental impact on the estimated future cash flows of that financial asset have occurred. The following criteria is applied in assessing credit-impaired financial asset for the Bank's portfolio.

Evidence that a financial asset is credit impaired includes observable data about the following events:

- Delay in interest or principal or other contractual payment exceeds 90 days or in the case of sovereign lending by more than 180 days;
- Any breach of contract other than payment overdue, such as covenant breach;
- Significant financial difficulty of the issuer or the borrower;
- Borrower or counterparty is no longer considered a going concern;
- Failure to pay a final judgement or court order;
- Bankruptcy, liquidation or the appointment of a receiver or any similar official.

Definition of default

For internal credit risk management, the Bank considers occurrence of an event of default when internally and externally obtained information indicates that the debtor is unlikely to discharge its obligations, including to the Bank, in full (without taking into account any collaterals held by the Bank).

The Management of the Bank considers that payment default has occurred when the financial asset is more than 90 days past due unless the Bank has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. For the sovereign loans, the Management of the Bank considers that the payment default occurs when it is more than 180 days past due. It aligns with the definition of payment default for sovereign exposures used by major international rating agencies and other Multilateral Development Banks.

12-month ECL measurement

Estimation of 12-month ECL is calculated using the following formula for a given scenario:

$$12m\ ECL = \sum_{t=1}^{12m} PD_t \times LGD_t \times EAD_t \times DF_t$$

- Unconditional Point-in-time Probability of Default (PIT-PD) is derived based on Moody's model considering specific rating, country and industry information for sovereign and non-sovereign exposures, due from banks, debt instruments measured at amortised cost and debt instruments at FVTOCI. It is then conditioned on three future macro-economic scenarios (baseline, optimistic and pessimistic);
- LGD for the sovereign loans is set at a range of 10% – 45% and LGD is set at 45% for non-sovereign loans with senior unsecured claims and 75% for the non-sovereign loans with subordinated claim. The bank may apply a higher LGD to credit-impaired financial assets as applicable. LGD of 45% is adopted for due from banks, debt instruments measured at amortised cost and debt instruments at FVTOCI;
- EAD for stage 1 loan includes the sum of loans disbursed, interest receivable while EAD for stage 1 loan commitment includes net projected disbursement schedule over the next 12 months which is a part of loan commitments. The EAD includes the sum of principal and interest receivable over the next 12 months for due from banks, debt instruments measured at amortised cost and debt instruments at FVTOCI; and
- Discount rate is equal to the effective interest rate.

Lifetime ECL measurement

Estimation of lifetime ECL is calculated using the following formula for a given scenario:

$$Lifetime\ ECL = \sum_{t=1}^{Lifetime} PD_t \times LGD_t \times EAD_t \times DF_t$$

- The process to determine the PIT-PD term structure is the same as 12-month ECL calculation for the first 5 years and PIT-PD is assumed to revert back to the long-run PD for the remaining years;
- LGD is the same as those used for the 12-month ECL calculation;

- EAD for any given year is based on the sum of loan disbursed, interest receivable and net projected disbursement schedule over the remaining loan contract period for sovereign and non-sovereign loans and/or loan commitments. The EAD is based on the sum of principal and interest receivable throughout the remaining life for due from banks, debt instruments measured at amortised cost and debt instruments at FVTOCI;
- Discount rate is equal to the effective interest rate; and
- Lifetime of the loan is the remaining loan contract period.

Forward-looking information incorporated in ECL

Macro scenario development

- Three macro scenarios: baseline, optimistic and pessimistic. Each scenario is forecasted for five years.
- Based on each member country's development and conditions, a range of forward-looking macro-economic information is considered.
- Choice of macro scenarios and probability weightings of each scenario is approved by the Management.

$$Weighted\ Average\ ECL = \sum_{Scenarios} Weight_{Scenario} \times ECL_{Scenario}$$

The baseline, optimistic and pessimistic scenarios were given weightings of 50%, 25% and 25% respectively. The estimation is based on the best representative management judgement and going forward the current path of macro-economic projections is judged to have an equal chance of being worse (pessimistic scenario) or better (optimistic scenario).

5. FINANCIAL RISK MANAGEMENT - CONTINUED

Sensitivity Analysis

The sensitivity of provisions for loans and loan commitments to the key variables used in determining the impairment is provided below.

	AS AT DECEMBER 31, 2024 RECALCULATED ECL	AS AT DECEMBER 31, 2024 CHANGE IN ECL
	USD MILLION	USD MILLION
Rating		
All upgraded 1 notch	153	(32)
All downgraded 1 notch	199	14
Staging		
All in Stage 1	87	(98)
All in Stage 2	242	57
LGD		
All increased by 10 percentage points	254	69
Weights of the scenarios		
The baseline, optimistic and pessimistic scenarios were given weightings of 45%, 25% and 30% respectively	187	2

	AS AT DECEMBER 31, 2023 RECALCULATED ECL	AS AT DECEMBER 31, 2023 CHANGE IN ECL
	USD MILLION	USD MILLION
Rating		
All upgraded 1 notch	97	(21)
All downgraded 1 notch	137	19
Staging		
All in Stage 1	53	(65)
All in Stage 2	179	61
LGD		
All increased by 10 percentage points	169	51
Weights of the scenarios		
The baseline, optimistic and pessimistic scenarios were given weightings of 45%, 25% and 30% respectively	120	2

Credit quality analysis

The following table sets out the loans and loan commitments for sovereign loans, non-sovereign loans and bond investments, with their respective ECL allowance balances.

	AS AT DECEMBER 31, 2024		
	GROSS CARRYING AMOUNT OF LOANS/BONDS	UNUTILISED LOAN COMMITMENTS	ECL
	USD MILLION	USD MILLION	USD MILLION
Loans and Loan commitments:			
- Sovereign operations	17,661	6,831	(47)
- Non-sovereign operations	2,004	496	(138)
Subtotal	19,665	7,327	(185)
Treasury:			
- Debt instruments measured at amortised cost	4,093	N/A	(2)
- Debt instruments at FVTOCI	702	N/A	-*
Subtotal	4,795	N/A	(2)
Total	24,460	7,327	(187)

	AS AT DECEMBER 31, 2023		
	GROSS CARRYING AMOUNT OF LOANS/BONDS	UNUTILISED LOAN COMMITMENTS	ECL
	USD MILLION	USD MILLION	USD MILLION
Loans and Loan commitments:			
- Sovereign operations	15,930	5,313	(32)
- Non-sovereign operations	1,931	794	(86)
Subtotal	17,861	6,107	(118)
Treasury:			
- Debt instruments measured at amortised cost	1,232	N/A	(1)
- Debt instruments at FVTOCI	2,003	N/A	(1)
Subtotal	3,235	N/A	(2)
Total	21,096	6,107	(120)

5. FINANCIAL RISK MANAGEMENT - CONTINUED

Credit exposure on loan facilities

The table below represents an analysis of the credit quality of loan facilities, based on the external rating of the counterparties:

AS AT DECEMBER 31, 2024	EFFECTIVE FACILITY	UTILISED	UNUTILISED LOAN COMMITMENTS
	USD MILLION	USD MILLION	USD MILLION
Senior investment grade	7,390	6,036	1,354
Investment grade	7,913	4,934	2,979
Sub-investment grade	11,425	8,431	2,994
Total	26,728	19,401	7,327
Interest receivable		264	
Less: ECL allowance		(147)	
Net carrying amount as at December 31, 2024		19,518	

AS AT DECEMBER 31, 2023	EFFECTIVE FACILITY	UTILISED	UNUTILISED LOAN COMMITMENTS
	USD MILLION	USD MILLION	USD MILLION
Senior investment grade	7,107	5,304	1,803
Investment grade	7,090	4,636	2,454
Sub-investment grade	9,511	7,661	1,850
Total	23,708	17,601	6,107
Interest receivable		260	
Less: ECL allowance		(94)	
Net carrying amount as at December 31, 2023		17,767	

Additional disclosures on the stage classification and ECL allowance of loans and advances and loan commitments are set out in Note 19 and Note 27 respectively.

Concentration risk

The following table breaks down the credit risk exposures relating to loans and commitments, in their carrying amounts, by country.

AS AT DECEMBER 31, 2024	EFFECTIVE FACILITY	UTILISED	UNUTILISED LOAN COMMITMENTS
	USD MILLION	USD MILLION	USD MILLION
Brazil	4,784	3,274	1,510
Russia	3,158	1,981	1,177
India	7,464	4,486	2,978
China	7,439	6,085	1,354
South Africa	3,883	3,575	308
Total	26,728	19,401	7,327
Interest receivable		264	
Less: ECL allowance		(147)	
Net carrying amount as at December 31, 2024		19,518	

AS AT DECEMBER 31, 2023	EFFECTIVE FACILITY	UTILISED	UNUTILISED LOAN COMMITMENTS
	USD MILLION	USD MILLION	USD MILLION
Brazil	2,895	2,492	403
Russia	3,476	2,101	1,375
India	6,439	4,170	2,269
China	7,107	5,304	1,803
South Africa	3,791	3,534	257
Total	23,708	17,601	6,107
Interest receivable		260	
Less: ECL allowance		(94)	
Net carrying amount as at December 31, 2023		17,767	

5. FINANCIAL RISK MANAGEMENT - CONTINUED

Credit exposure on deposits

The Bank had deposits with commercial banks that are subject to credit risk. These deposits are mainly placed with highly rated banks in Hong Kong, Singapore, the United Kingdom and mainland China. The credit ratings of banks are analysed as below:

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Cash and cash equivalents		
Senior investment grade	609	761
Investment grade	–*	–*
Sub-investment grade	–*	1
Due from banks other than cash and cash equivalents		
Senior investment grade	4,776	5,824
Investment grade	509	514
Total	5,894	7,100
Less: ECL allowance	(3)	(3)
Net carrying amount	5,891	7,097

* Less than USD half of a million

Credit exposure on debt instruments measured at amortised cost

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Senior investment grade	3,955	1,127
Investment grade	138	105
Total	4,093	1,232
Less: ECL allowance	(2)	(1)
Net carrying amount	4,091	1,231

Credit exposure on debt instruments at FVTOCI

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Senior investment grade	702	2,000
Total	702	2,000

ECL allowance of due from banks, debt instruments at FVTOCI and debt Instruments measured at amortised cost are measured on the basis of 12-month ECL up to December 31, 2024 and 2023. 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 bonds issued, time deposits, loans and advances, debt instruments measured at amortised cost and debt instruments at FVTOCI. The Bank operates with counterparties with high credit rating and enters into derivative contracts with them mainly through master agreements.

Liquidity risk

The Bank's liquidity risk arises mainly 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.

The Bank utilises a set of risk measurement tools for identifying, monitoring, managing 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 or note payables in order to achieve its development mission and optimise liquidity. In addition, 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 the main financial assets and financial liabilities based on the remaining period at the end of reporting period to the contractual maturity date. The balances in the tables will not necessarily agree to the amounts presented on the statement of financial position as amounts incorporate cash flows on an undiscounted basis, therefore, the figures include both principal and associated future interest payments.

5. FINANCIAL RISK MANAGEMENT - CONTINUED

AS AT DECEMBER 31, 2024	ON DEMAND/ OVERDUE	LESS THAN 1 MONTH	1-3 MONTHS	3-12 MONTHS	1-5 YEARS	OVER 5 YEARS	MATURITY UNDEFINED	TOTAL
	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Non-derivatives								
Cash and cash equivalents	95	242	275	-	-	-	-	612
Due from banks other than cash and cash equivalents	-	820	809	3,766	6	-	-	5,401
Financial assets at FVTPL	-	-	-	-	-	-	623	623
Debt instruments measured at FVTOCI	-	3	8	113	636	-	-	760
Debt instruments measured at amortised cost	-	555	627	1,836	1,221	-	-	4,239
Loans and advances	14	1	419	906	6,681	21,166	-	29,187
Paid-in capital receivables	24	-	-	81	304	-	-	409
Other financial assets	-*	-	1	-	-	-	5	6
Financial liabilities designated at FVTPL	-	(421)	(22)	(3,950)	(20,920)	-	-	(25,313)
Bank borrowings	-	(57)	(15)	(167)	(5,109)	-	-	(5,348)
Bond payables	-	(3)	(20)	(119)	(1,634)	-	-	(1,776)
Lease liabilities	-	-*	-*	-*	-*	-	-	-*
Other financial liabilities	(5)	-	-	-	-	-	(109)	(114)
Sub-total	128	1,140	2,082	2,466	(18,815)	21,166	519	8,686
Derivatives								
<i>Net setting derivatives</i>								
Interest rate swap - cash inflow	-	10	20	98	254	-	-	382
Interest rate swap - cash outflow	-	(8)	(31)	(171)	(133)	-	-	(343)
<i>Gross setting derivatives</i>								
Cross currency swap - cash inflow	-	-	539	779	1,680	594	-	3,592
Cross currency swap - cash outflow	-	(8)	(496)	(710)	(1,535)	(755)	-	(3,504)
Foreign exchange forward - cash inflow	-	-	84	432	-	-	-	516
Foreign exchange forward - cash outflow	-	-	(78)	(422)	-	-	-	(500)
Sub-total	-	(6)	38	6	266	(161)	-	143
Net	128	1,134	2,120	2,472	(18,549)	21,005	519	8,829

* Less than USD half of a million

AS AT DECEMBER 31, 2023	ON DEMAND/ OVERDUE	LESS THAN 1 MONTH	1-3 MONTHS	3-12 MONTHS	1-5 YEARS	OVER 5 YEARS	MATURITY UNDEFINED	TOTAL
	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Non-derivatives								
Cash and cash equivalents	633	129	-	-	-	-	-	762
Due from banks other than cash and cash equivalents	-	335	1,591	4,560	-	-	-	6,486
Financial assets at FVTPL	-	-	-	-	-	-	84	84
Debt instruments measured at FVTOCI	-	51	125	1,811	76	-	-	2,063
Debt instruments measured at amortised cost	-	104	411	115	623	-	-	1,253
Loans and advances	-	-	434	762	5,399	20,319	-	26,914
Paid-in capital receivables	-	-	28	47	344	41	-	460
Other financial assets	-*	-	1	-	-	-	24	25
Financial liabilities designated at FVTPL	-	(10)	(1,401)	(2,674)	(9,376)	-	-	(13,461)
Bond payables	-	(3)	(18)	(566)	(1,124)	-	-	(1,711)
Note payables	-	-	(575)	(1,722)	-	-	-	(2,297)
Lease liabilities	-	-	-*	-*	-*	-	-	-*
Other financial liabilities	(31)	-	-	-	-	-	(8)	(39)
Sub-total	602	606	596	2,333	(4,058)	20,360	100	20,539
Derivatives								
<i>Net setting derivatives</i>								
Interest rate swap - cash inflow	-	21	23	(28)	117	-	-	133
Interest rate swap - cash outflow	-	(72)	(17)	(141)	(164)	-	-	(394)
<i>Gross setting derivatives</i>								
Cross currency swap - cash inflow	-	9	68	609	2,269	625	-	3,580
Cross currency swap - cash outflow	-	(11)	(45)	(555)	(2,204)	(800)	-	(3,615)
Foreign exchange forward - cash inflow	-	-	-	-	-	-	-	-
Foreign exchange forward - cash outflow	-	-	-	-	-	-	-	-
Sub-total	-	(53)	29	(115)	18	(175)	-	(296)
Net	602	553	625	2,218	(4,040)	20,185	100	20,243

* Less than USD half of a million

5. 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 result in profits and 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 Department of the Bank makes investment and hedging decisions within the guidelines set in Board-approved policies.

Interest rate risk

Interest rate risk is defined as the risk of adverse impact on the Bank's financial position, including its net interest 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 have a significant impact on the movement of interest rate curves for different currencies.

The Bank has limited tolerance towards interest rate risks. The primary strategy for interest rate risk management 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) indicates the extent to which a financial instrument is exposed to interest rate risk. Interest rate risk results from interest rate variations that affect the value of the Bank's assets, liabilities and off-balance sheet items. Interest rate risk also arises from the 1) 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 2) 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 by adopting a match-funding principle complemented by duration gap analysis, value at risk analysis, interest rate repricing gap analysis, economic value of equity analysis and scenario analysis. The Bank aims to maintain the duration up to the approved limits by generating a stable overall economic value of equity and 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 economic value of equity and 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 estimating the interest rate re-pricing profile which is used to analyse the impact of interest rate change on its economic value of equity and 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, 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, in order to consider the possible change in interest rates, a 100 basis points increase or decrease in the relevant interest rates is adopted for sensitivity analysis. The impact of a change in interest rates on the last date of the reporting period is shown below.

	IMPACT ON PROFIT	
	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
	USD MILLION	USD MILLION
+ 100 basis points	101	76
- 100 basis points	(101)	(76)

Exchange rate risk

The Bank's exchange rate risk arises from the impact of exchange rate movements on net open positions. Accordingly, movements in currencies in which the Bank transacts, relative to its functional currency (USD), can affect the Bank's financial results. The Bank's main exposure to the exchange rate risk is associated with Renminbi (RMB) and European Monetary Unit (EUR) for the year ended December 31, 2024, and 2023. The RMB and EUR exposures are mainly hedged through swaps or forwards.

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 open position limit to evaluate 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 December 31, 2024 and 2023 assuming that all other variables remain constant. The sensitivity analysis includes outstanding foreign currency denominated monetary items in their net carrying amounts as at December 31, 2024 and 2023.

	IMPACT ON PROFIT	
	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
	USD MILLION	USD MILLION
10% appreciation	19	5
10% depreciation	(19)	(5)

Capital management

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

The Bank sets early warning indicators for the pillars (95% for Limitation on Operations, 30% for Equity-to-Loan Ratio, 30% for Equity-to-Asset Ratio and 85% for Capital Utilisation Ratio) and monitors the capital adequacy level on an on-going basis. Once any of the early warning indicators are reached, contingency actions should be triggered to bring the capital adequacy level within the Bank's comfort levels.

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

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 as per Article 7e of the Agreement.

6. 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 FVTPL, derivatives, financial assets at FVTPL, and debt instruments at FVTOCI as at December 31, 2024.

The Risk Management Department 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. For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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.

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

The Bank is of the opinion that there is no active market related to its bonds issued and certain debt instruments at FVTOCI 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 that are commonly used by market participants using observable key inputs as appropriate in the market and published by reputable agencies like Bloomberg such as interest rates and foreign exchange rates.
- The fair value of the financial liabilities designated at FVTPL is measured at discounted cash flow using key observable inputs such as interest rates and foreign exchange rates.
- The fair value of money market fund is based on the net asset value provided by fund manager.
- The fair value of private equity fund is based on the shares of the net asset values of the fund, determined with reference to fair value of the underlying investments by using valuation techniques, including valuation methods such as discounted cash flow model.
- The fair value of debt instruments at FVTOCI is based on quoted price in an active or inactive market.

The following table presents the valuation techniques and inputs used for the financial instrument in Level 3.

FINANCIAL INSTRUMENTS	VALUATION TECHNIQUE(S) AND KEY INPUT(S)	SIGNIFICANT UNOBSERVABLE INPUT(S)	RELATIONSHIP OF UNOBSERVABLE INPUT(S) TO FAIR VALUE
Private equity fund	Shares of the net asset value of the fund, determined with reference to the fair value of the underlying investments, calculated based on valuation techniques including discounted cash flow model.	Net asset value	The higher the net asset value, the higher the fair value.

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	USD MILLION	USD MILLION	USD MILLION	USD MILLION
As at December 31, 2024				
Financial assets				
Financial assets at FVTPL	-	500	123	623
Debt instruments at FVTOCI	692	10	-	702
Derivative financial assets	-	315	-	315
Total financial assets measured at fair value	692	825	123	1,640
Financial liabilities				
Derivative financial liabilities	-	210	-	210
Financial liabilities designated at FVTPL	-	12,557	-	12,557
Total financial liabilities measured at fair value	-	12,767	-	12,767
As at December 31, 2023				
Financial assets				
Financial assets at FVTPL	-	-	84	84
Debt instruments at FVTOCI	245	1,755	-	2,000
Derivative financial assets	-	204	-	204
Total financial assets measured at fair value	245	1,959	84	2,288
Financial liabilities				
Derivative financial liabilities	-	508	-	508
Financial liabilities designated at FVTPL	-	12,669	-	12,669
Total financial liabilities measured at fair value	-	13,177	-	13,177

There were no transfers between Level 1 and Level 2 for the year ended December 31, 2024 and 2023.

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AT FVTPL

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
As at beginning of the year	84	55
Purchased	42	27
Unrealised changes in fair value recognised in profit or loss	(3)	2
As at end of the year	123	84

6. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES - CONTINUED

Fair value of the Bank's financial instruments that are not measured at fair value on a recurring basis

The table below shows the carrying amount and fair value of loans and advances and debt instruments measured at amortised cost, which is not presented on the Bank's statement of financial position at their fair values. The fair value of loans and advances is determined in accordance with discounted cash flow method. The main parameters used in discounted cash flow method for financial instruments held by the Bank that are not measured on a recurring basis include loan interest rates, foreign exchange rates and counterparty credit spreads.

	AS AT DECEMBER 31, 2024		AS AT DECEMBER 31, 2023	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Financial assets				
Debt instruments measured at amortised cost	4,091	4,047	1,231	1,176
Loans and advances	19,518	21,238	17,767	19,710

AS AT DECEMBER 31, 2024

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Financial assets				
Debt instruments measured at amortised cost	1,345	2,242	460	4,047
Loans and advances	-	-	21,238	21,238

AS AT DECEMBER 31, 2023

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Financial assets				
Debt instruments measured at amortised cost	976	200	-	1,176
Loans and advances	-	-	19,710	19,710

The fair value of the debt instruments measured at amortised cost is obtained from active market quotes or independent valuation services. The fair value of the loans and advances above has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of respective counterparties.

Except for the above, the Bank considered that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the Bank's statement of financial position, approximate their fair values.

7. NET INTEREST INCOME

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
	USD MILLION	USD MILLION
Interest income calculated using the effective interest rate method		
- Banks	340	327
- Loans and advances	1,033	837
- Debt instruments measured at amortised cost	134	59
- Financial assets held under resale agreements	–*	–*
- Swap related collateral	1	1
- Debt instruments at FVTOCI	83	60
Total interest income	1,591	1,284
Interest expense calculated using the effective interest rate method		
- Note payables	(70)	(119)
- Bond payables	(115)	(60)
- Bank borrowings	(190)	–
- Interest expense on financial liabilities designated at FVTPL	(286)	(246)
- Financial assets sold under repurchase agreements	–	–*
- Swap related collateral	(2)	–*
Interest expense on lease liabilities	–*	–*
Total interest expense	(663)	(425)
Net interest income	928	859

* Less than USD half of a million

8. NET FEE INCOME

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
	USD MILLION	USD MILLION
Front-end fee recognised	3	3
Commitment fee	6	6
Total fee income	9	9
Upfront fee expense	(1)	–*
Commission fee expense	(1)	–
Agency fee	–*	–
Total fee expense	(2)	–*
Net fee income	7	9

* Less than USD half of a million

9. NET GAINS/(LOSSES) ON FINANCIAL INSTRUMENTS AT FVTPL

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
	USD MILLION	USD MILLION
Derivatives	163	(54)
Bonds issued	(96)	(192)
Money market funds	2	–
Others (Note 1 below)	(3)	2
Total	66	(244)

* Less than USD half of a million

Note 1: Others mainly represent investments in private equity fund.

10. STAFF COSTS

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
	USD MILLION	USD MILLION
Salaries and allowances	50	43
Other benefits	16	13
Total	66	56

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 year ended December 31, 2024 for the SRP and PRP was USD 10 million (year ended December 31, 2023: USD 8 million) and USD 1 million (year ended December 31, 2023: USD 1 million) 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 year ended December 31, 2024 and 2023. 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.

11. OTHER OPERATING EXPENSES

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
	USD MILLION	USD MILLION
Office expenses	9	9
IT expenses	10	8
Professional fees	6	7
Travel expenses	6	5
Auditor's remuneration	1	1
Hospitality expenses	–*	–*
Depreciation and amortisation	1	1
Others	–*	–*
Total	33	31

* Less than USD half of a million

12. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
	USD MILLION	USD MILLION
Impairment losses (reversed)/recognised on:		
- Due from banks other than cash and cash equivalents	–*	2
- Debt instruments at FVTOCI	(1)	–*
- Debt instruments measured at amortised cost	1	(2)
- Loans and advances	51	(39)
- Loan commitments	14	(9)
Total	65	(48)

* Less than USD half of a million

13. CASH AND CASH EQUIVALENTS

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Cash on hand	–*	–*
Demand deposits	95	633
Time deposits with original maturity within three months	514	129
Total	609	762

* Less than USD half of a million

14. DUE FROM BANKS OTHER THAN CASH AND CASH EQUIVALENTS

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Commercial banks	5,799	6,467
Less: ECL allowance	(3)	(3)
	5,796	6,464
Less: Time deposits with original maturity within three months	(514)	(129)
Total	5,282	6,335

► RECONCILIATION OF PROVISION FOR DUE FROM BANKS:

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
ECL allowance of due from banks as at beginning of the year	3	1
Additions	3	3
Derecognition	(3)	(1)
Change in risk parameters	–	–*
ECL allowance of due from banks as at end of the year	3	3

* Less than USD half of a million

For the year ended December 31, 2024, the additions to the ECL allowance of USD 3 million (December 31, 2023: USD 3 million) was due to increase or origination of due from banks with gross carrying amount of USD 5,799 million (December 31, 2023: USD 6,366 million).

For the year ended December 31, 2024, the derecognition to the ECL allowance of USD 3 million (December 31, 2023: USD 1 million) was due to decrease of due from banks with gross carrying amount of USD 6,467 million (December 31, 2023: USD 5,055 million).

15. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

During the year ended December 31, 2024, the Bank has entered into derivative contracts in relation to the USD denominated notes and the RMB bond and EUR denominated notes, that were paired with swaps of which the total notional amounts are USD 3,318 million to convert the issuance proceeds into the interest rate structure sought by the Bank.

Besides, the Bank has mainly entered into derivative contracts in connection with loans and advances and financial liabilities designated at FVTPL to convert the notional amounts into the cross currency swap structure sought by the Bank during the year ended December 31, 2024. The Bank has mainly entered into forward contracts for debt instruments measured at amortised cost and due from banks other than cash and cash equivalents to convert the notional amounts into the currency structure sought by the Bank.

Notwithstanding the purpose for achieving an economic hedge, the Bank opted not to apply hedge accounting to any derivative contracts entered into for the year ended December 31, 2024 and 2023.

AS AT DECEMBER 31, 2024	NOTIONAL USD	FAIR VALUE ASSET	FAIR VALUE LIABILITY
	USD MILLION	USD MILLION	USD MILLION
Interest Rate Swap	11,986	165	169
Cross Currency Swap	3,192	134	41
Forward Contract	1,291	16	–*
Total	16,469	315	210

AS AT DECEMBER 31, 2023	NOTIONAL USD	FAIR VALUE ASSET	FAIR VALUE LIABILITY
	USD MILLION	USD MILLION	USD MILLION
Interest Rate Swap	12,864	113	407
Cross Currency Swap	3,113	91	101
Total	15,977	204	508

* Less than USD half of a million

► MAJOR TERMS OF THE INTEREST RATE SWAP ARE AS FOLLOWS:

AS AT DECEMBER 31, 2024	NOTIONAL USD	RECEIVED RATE	PAID RATE
	USD MILLION		
Receive fixed pay floating	11,911	0.424% to 5.7%	3-month SHIBOR, Fallback Rate (6-month USD LIBOR), SOFR or EURIBOR
Pay fixed receive floating	75	Fallback Rate (3-month USD LIBOR)	0.384% to 0.857%
Total	11,986		

AS AT DECEMBER 31, 2023	NOTIONAL USD	RECEIVED RATE	PAID RATE
	USD MILLION		
Floating to floating	396	Fallback Rate (6-month USD LIBOR)	SOFR
Receive fixed pay floating	12,393	0.424% to 5.7%	3-month SHIBOR, Fallback Rate (6-month USD LIBOR), SOFR or EURIBOR
Pay fixed receive floating	75	Fallback Rate (3-month USD LIBOR)	0.384% to 0.857%
Total	12,864		

► MAJOR TERMS OF THE CROSS CURRENCY SWAP ARE AS FOLLOWS:

AS AT DECEMBER 31, 2024	NOTIONAL USD	RECEIVED RATE	PAID RATE
USD MILLION			
Floating to floating	2,613	Fallback Rate (6-month USD LIBOR), 3-month USD LIBOR or SOFR	3-month ZAR JIBAR, 6-month EUR Euribor, 3-month SHIBOR or SARON
Receive fixed pay floating	579	1.00% to 4.904%	Fallback Rate (6-month USD LIBOR) or SOFR
Total	3,192		

AS AT DECEMBER 31, 2023	NOTIONAL USD	RECEIVED RATE	PAID RATE
USD MILLION			
Floating to floating	2,703	Fallback Rate (6-month USD LIBOR), 3-month USD LIBOR or SOFR	3-month ZAR JIBAR, 6-month EUR Euribor, 3-month SHIBOR or SARON
Receive fixed pay floating	402	0.56% to 4.904%	Fallback Rate (6-month USD LIBOR) or SOFR
Fixed to fixed	8	0.86%	2.98%
Total	3,113		

► MAJOR TERMS OF THE FORWARD CONTRACT ARE AS FOLLOWS:

AS AT DECEMBER 31, 2024	NOTIONAL USD	DEAL RATE
USD MILLION		
Exchange of RMB to USD	1,013	USD 1: RMB 6.8484 to USD 1: RMB 7.0298
Exchange of HKD to USD	108	USD 1: HKD 7.7543
Exchange of EUR to USD	104	USD 1: EUR 1.04442 to USD 1: EUR 1.12607
Exchange of AUD to USD	66	USD 1: AUD 1.5139816
Total	1,291	

The Bank has entered certain derivative transactions that are covered by the ISDA Master Agreement signed with various banks. These derivative instruments are not offset in the statement of financial position as the ISDA Master Agreements are in place with a right of set off only in the event of default, insolvency or bankruptcy so that the Bank currently has no legally enforcement right to set off the recognised amounts.

The Bank or counterparties require collateral in the form of cash and security against the exposures to derivative counterparties. The Bank records collateral in respect of the interest rate swaps, cross currency swaps and forward contracts based on the margin paid or received with reference to the fair value of the derivative contracts. The collateral would only be applied against amounts due in the event that some or all the corresponding derivative contracts are terminated early, including but not limited to, as a result of a default by the relevant counterparty. As at December 31, 2024, the Bank has cash collateral of USD 5 million (Note 21) (December 31, 2023: USD 24 million) paid to the counterparties, and has cash collateral of USD 109 million (Note 27) (December 31, 2023: USD 8 million) received from the counterparties.

16. FINANCIAL ASSETS AT FVTPL

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Mandatorily measured at FVTPL:		
- Private equity fund	123	84
- Money Market Fund	500	-
Total	623	84

17. DEBT INSTRUMENTS AT FVTOCI

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Government bonds	97	147
Bank bonds	581	1,780
Corporate bonds	24	73
Total	702	2,000

► RECONCILIATION OF PROVISION FOR DEBT INSTRUMENTS AT FVTOCI:

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
ECL allowance of debt instruments at FVTOCI as at beginning of the year	1	1
Additions	-*	1
Derecognition	(1)	(1)
Change in risk parameters	-*	-*
ECL allowance of debt instruments at FVTOCI as at end of the year	-*	1

* Less than USD half of a million

For the year ended December 31, 2024, the additions to the ECL allowance of USD less than half of a million (December 31, 2023: USD 1 million) was due to increase or purchase of debt instruments at FVTOCI with gross carrying amount of USD 627 million (December 31, 2023: USD 1,753 million).

For the year ended December 31, 2024, the derecognition to the ECL allowance of USD 1 million (December 31, 2023: USD 1 million) was due to redemption of debt instruments at FVTOCI with gross carrying amount of USD 1,929 million (December 31, 2023: USD 2,727 million).

18. DEBT INSTRUMENTS MEASURED AT AMORTISED COST

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Government bonds	394	125
Bank bonds	3,624	1,022
Corporate bonds	75	85
Less: ECL allowance	(2)	(1)
Net carrying amount	4,091	1,231

► RECONCILIATION OF PROVISION FOR DEBT INSTRUMENTS MEASURED AT AMORTISED COST:

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
ECL allowance of debt instruments measured at amortised cost as at beginning of the year	1	3
Additions	1	–*
Derecognition	–*	(1)
Change in risk parameters	–*	(1)
ECL allowance of debt instruments measured at amortised cost as at end of the year	2	1

* Less than USD half of a million

For the year ended December 31, 2024, the additions to the ECL allowance of USD 1 million (December 31, 2023: USD less than half a million) was due to increase or purchase of debt instruments measured at amortised cost with gross carrying amount of USD 3,481 million (December 31, 2023: USD 77 million).

For the year ended December 31, 2024, the derecognition to the ECL allowance of USD less than half a million (December 31, 2023: USD 1 million) was due to redemption of debt instruments measured at amortised cost with gross carrying amount of USD 620 million (December 31, 2023: USD 1,427 million).

19. LOANS AND ADVANCES

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Principal	19,401	17,601
Interest receivable	264	260
Gross carrying amount	19,665	17,861
Less: ECL allowance	(147)	(94)
Net carrying amount	19,518	17,767

As at December 31, 2024, the net carrying amount of loans and advances denominated in RMB, Swiss Franc (CHF), South African Rand (ZAR) or EUR amounted to USD 7,052 million (December 31, 2023: USD 6,368 million).

As at December 31, 2024, the floating reference rates of the Bank's loans and advances were SOFR, SARON, 6-month EURIBOR, 3-month SHIBOR or 3-month ZAR JIBAR (December 31, 2023: SOFR, SARON, 6-month EURIBOR, 3-month SHIBOR or 3-month ZAR JIBAR).

► RECONCILIATION OF PROVISION FOR LOANS AND ADVANCES

	12 MONTH ECL	LIFETIME ECL - NOT CREDIT-IMPAIRED	LIFETIME ECL - CREDIT-IMPAIRED	TOTAL
	USD MILLION	USD MILLION	USD MILLION	USD MILLION
ECL allowance of loans as at January 1, 2024	20	55	19	94
Additions	3	1	2	6
Derecognition	(1)	(1)	-	(2)
Change in risk parameters	(5)	31	23	49
ECL allowance of loans as at December 31, 2024	17	86	44	147

	12 MONTH ECL	LIFETIME ECL - NOT CREDIT-IMPAIRED	LIFETIME ECL - CREDIT-IMPAIRED	TOTAL
	USD MILLION	USD MILLION	USD MILLION	USD MILLION
ECL allowance of loans as at January 1, 2023	21	112	-	133
Additions	5	1	1	7
Derecognition	(1)	(1)	-*	(2)
Change in risk parameters	(5)	(57)	18	(44)
Transfer to lifetime ECL - credit-impaired	-	-*	-*	-
ECL allowance of loans as at December 31, 2023	20	55	19	94

* Less than USD half of a million

For the year ended December 31, 2024, the additions to the ECL allowance of USD 6 million (December 31, 2023: USD 7 million) was due to increase or origination of loans and advances with gross carrying amount of USD 2,576 million (December 31, 2023: USD 3,627 million).

For the year ended December 31, 2024, the derecognition to the ECL allowance of USD 2 million (December 31, 2023: 2 million) was due to repayment of loans and advances with gross carrying amount of USD 536 million (December 31, 2023: USD 318 million).

For the year ended December 31, 2024, the change in risk parameters led to the recognition of ECL of USD 49 million (for the year ended December 31, 2023: reversal of ECL of USD 44 million) was mainly due to change in the LGD of one credit-impaired loan and the PD.

AS AT DECEMBER 31, 2024	12 MONTH ECL	LIFETIME ECL - NOT CREDIT-IMPAIRED	LIFETIME ECL - CREDIT-IMPAIRED	TOTAL
	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Gross carrying amount	17,640	1,978	47	19,665

AS AT DECEMBER 31, 2023	12 MONTH ECL	LIFETIME ECL - NOT CREDIT-IMPAIRED	LIFETIME ECL - CREDIT-IMPAIRED	TOTAL
	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Gross carrying amount	15,727	2,091	43	17,861

20. PAID-IN CAPITAL RECEIVABLES

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Balance as at the beginning of year	460	276
Add: Paid-in capital receivables originated during the year (Note 2 below)	-	239
Less: Installment received during the year	(51)	(55)
Total nominal amounts of receivable at the end of the year (Note 1 and Note 3 below)	409	460
Less: Interest on paid-in capital receivables to be unwound in the future year (Note 2 below)	(23)	(33)
Balance as at the end of the year	386	427

Note 1: The Bank established the rights to receive the initial subscribed paid-in capital of Bangladesh and UAE of 1,884 shares and 1,112 shares amounted to USD 188 million and USD 111 million respectively upon the date on which their instruments of accession to the Agreement are deposited. The payment of the amount initially subscribed to the paid-in capital stock of the Bank shall be made in seven installments. The first, second and third installments of paid-in capital were paid by each member within 6 months and 18 months and 30 months respectively from the dates of depositing the instruments of accession. The remaining four installments shall each become due successively one year from the date on which the preceding installment becomes due.

The Bank established the rights to receive the initial subscribed paid-in capital of Egypt of 2,392 shares amounted to USD 239 million upon the date on which Egypt's instruments of accession are deposited. The payment of the amount of Egypt initially subscribed to the paid-in capital stock of the Bank shall be made in seven installments. The first installment of paid-in capital of Egypt was paid during the year ended December 31, 2023 and the second installment shall become due 18 months from the date of depositing the instrument of accession. The remaining five installments shall each become due successively one year from the date on which the preceding installment becomes due.

Note 2: The discounting method is applied to derive the interest to be unwound over the installment period. The balance includes an initial discount of USD 667 million (December 31, 2023: USD 667 million) less USD 608 million of accumulated unwinding interest already unwound on the paid-in capital receivables (December 31, 2023: USD 598 million) and USD 36 million of accumulated early payment impact on discounting which was credited to reserves as an equity transaction by the end of December 31, 2024 (December 31, 2023: USD 36 million).

Note 3: As at December 31, 2024, the total paid-in capital receivables that will be due within one-year amounted to an undiscounted value of USD 105 million, and that will be due after one-year amounted to an undiscounted value of USD 304 million.

21. OTHER ASSETS

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Swap related collateral	5	24
Others (Note 1 below)	2	3
Commitment fee receivables	1	1
Other receivables	–*	–*
Total	8	28

* Less than USD half of a million

Note 1: Others mainly include prepayment.

22. FINANCIAL LIABILITIES DESIGNATED AT FVTPL

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Bond		
- Principal	12,695	12,979
- Interest payable	166	174
- Fair value adjustment	(304)	(484)
Total	12,557	12,669

In February 2019, the Bank issued a RMB 3 billion (USD 448 million equivalent) new panda bond consisting of two tranches, RMB 2 billion for a three-year tenor with the maturity date on February 26, 2022 at an annual fixed coupon rate of 3.00% and RMB 1 billion for a five-year tenor with the maturity date on February 26, 2024 at an annual fixed coupon rate of 3.32%. Tranche 1 of the bond with par value of RMB 2 billion and tranche 2 of the bond with par value of RMB 1 billion have been fully repaid on February 26, 2022 and February 26, 2024 respectively.

In July 2020, the Bank issued a five-year RMB bond (series 2) with par value of RMB 2 billion (USD 284 million equivalent) with the maturity date on July 7, 2025. The interest is paid by the Bank annually with fixed coupon rate of 3%.

In September 2020, the Bank issued a five-year Euro Medium Term Note (series 2) with par value of USD 2 billion at a discount with the maturity date on September 29, 2025. The interest is paid by the Bank annually with fixed coupon rate of 0.625%.

In March 2021, the Bank issued a three-year RMB bond with par value of RMB 5 billion (USD 767 million equivalent) with the maturity date on March 25, 2024. The interest is paid by the Bank annually with fixed coupon rate of 3.22%. The bond has been fully repaid on March 25, 2024.

In April 2021, the Bank issued a five-year Euro Medium Term Note (series 4) with par value of USD 1.5 billion at a discount with the maturity date on April 27, 2026. The interest is paid by the Bank annually with fixed coupon rate of 1.125%.

In July 2021, the Bank issued two notes with par value of GBP 35 million and HKD 500 million under the Euro Medium Term Note Programme as private placements, with the maturity date on July 15, 2024 and July 2, 2026 respectively. The interests are paid by the Bank annually with fixed coupon rate of 0.56% and 1% respectively. The note with par value of GBP 35 million has been fully repaid on July 15, 2024.

In July 2021, the Bank issued a three-year Euro Medium Term Note (series 9) with par value of USD 2.25 billion at a discount with the maturity date on July 22, 2024. The interest is paid by the Bank annually with fixed coupon rate of 0.625%. The note has been fully repaid on July 22, 2024.

In September 2021, the Bank issued a five-year RMB bond with par value of RMB 2 billion (USD 310 million equivalent) with the maturity date on September 17, 2026. The interest is paid by the Bank annually with fixed coupon rate of 3.02%.

In January 2022, the Bank issued a three-year RMB bond (series 1) with par value of RMB 3 billion (USD 472 million equivalent) with the maturity date on January 27, 2025. The interest is paid by the Bank annually with fixed coupon rate of 2.45%.

In May 2022, the Bank issued a three-year RMB bond (series 2) with par value of RMB 7 billion (USD 1,048 million equivalent) with the maturity date on May 20, 2025. The interest is paid by the Bank annually with fixed coupon rate of 2.70%.

In May 2022, the Bank issued two two-year Euro Medium Term Notes (series 10 and 11) with par value of USD 50 million each with the maturity date on May 6, 2024 and May 17, 2024. The interest is paid by the Bank annually with fixed coupon rate of 3.205% and 3.210% respectively. Two notes have been fully repaid on May 6, 2024 and May 17, 2024 respectively.

In September 2022, the Bank issued a two-year AUD note (series 12) with par value of AUD 73 million (USD 51 million equivalent) under the Euro Medium Term Note Programme as a private placement with the maturity date of September 1, 2024. The interest is paid by the Bank annually with fixed coupon rate of 4.12%. The note has been fully repaid on September 1, 2024.

In October 2022, the Bank issued a three-year RMB bond (series 3) with par value of RMB 3 billion (USD 410 million equivalent) with the maturity date on October 26, 2025.

The interest is paid by the Bank annually with fixed coupon rate of 2.53%.

In March 2023, the Bank issued a one-year note with par value of USD 500 million under the Euro Medium Term Note Programme as private placements, with the maturity date on March 15, 2024. The interest is paid by the Bank annually with fixed coupon rate of 5.869%. The note has been fully repaid on March 15, 2024.

In April 2023, the Bank issued a three-year note with par value of USD 1.25 billion at a discount under the Euro Medium Term Note Programme with the maturity date on April 26, 2026. The interest is paid by the Bank annually with fixed coupon rate of 5.125%.

In May 2023, the Bank issued a three-year note with par value of HKD 750 million (USD 96 million equivalent) under the Euro Medium Term Note Programme with the maturity date on May 22, 2026. The interest is paid by the Bank annually with fixed coupon rate of 4.10%.

In May 2023, the Bank issued a three-year RMB bond with par value of RMB 8.5 billion (USD 1.2 billion equivalent) with the maturity date on May 30, 2026. The interest is paid by the Bank annually with fixed coupon rate of 2.86%.

In June 2023, the Bank issued a three-year note with par value of HKD 500 million (USD 64 million equivalent) under the Euro Medium Term Note Programme as private placements, with the maturity date on June 20, 2026. The interest is paid by the Bank annually with fixed coupon rate of 4.65%.

In August 2023, the Bank issued a three-year note with par value of USD 100 million under the Euro Medium Term Note Programme as private placements, with the maturity date on August 25, 2026. The interest is paid by the Bank annually with fixed coupon rate of 5.00%.

In September 2023, the Bank issued a three-year note with par value of HKD 625 million (USD 80 million equivalent) under the Euro Medium Term Note Programme as private placements, with the maturity date on September 1, 2026. The interest is paid by the Bank annually with fixed coupon rate of 4.904%.

In October 2023, the Bank issued a three-year note with par value of USD 150 million under the Euro Medium Term Note Programme as private placements, with the maturity date on October 17, 2026. The interest is paid by the Bank annually with fixed coupon rate of 5.7%.

In December 2023, the Bank issued a five-year note with par value of USD 100 million under the Euro Medium Term Note Programme as private placements, with the maturity date on December 21, 2028. The interest is paid by the Bank annually with fixed coupon rate of 4.63%.

In February 2024, the Bank issued a five-year RMB bond with par value of RMB 6 billion (USD 834 million equivalent) with the maturity date on February 1, 2029. The interest is paid by the Bank annually with fixed coupon rate of 2.66%.

In June 2024, the Bank issued a three-year USD bond with par value of USD 60 million with the maturity date on June 20, 2027. The interest is paid by the Bank annually with fixed coupon rate of 5.00%.

In July 2024, the Bank issued a three-year EUR bond with par value of EUR 90 million (USD 97 million equivalent) with the maturity date on July 3, 2027. The interest is paid by the Bank annually with fixed coupon rate of 3.57%.

In July 2024, the Bank issued a three-year RMB bond with par value of RMB 8 billion (USD 1,107 million equivalent) million with the maturity date on July 25, 2027. The interest is paid by the Bank annually with fixed coupon rate of 2.03%.

In August 2024, the Bank issued a three-year USD bond with par value of USD 50 million with the maturity date on August 23, 2027. The interest is paid by the Bank annually with fixed coupon rate of 4.35%.

In August 2024, the Bank issued a three-year USD bond with par value of USD 50 million with the maturity date on August 27, 2027. The interest is paid by the Bank annually with fixed coupon rate of 4.4575%.

In September 2024, the Bank issued a three-year USD bond with par value of USD 100 million with the maturity date on September 13, 2027. The interest is paid by the Bank annually with fixed coupon rate of 4.18%.

In November 2024, the Bank issued a three-year USD bond with par value of USD 1.25 billion with the maturity date on November 07, 2027. The interest is paid by the Bank annually with fixed coupon rate of 4.677%.

In November 2024, the Bank issued a five-year USD bond with par value of USD 30 million with the maturity date on November 25, 2027. The interest is paid by the Bank annually with fixed coupon rate of 4.677%.

There has been no change in fair value of the bond attributable to changes in the Bank's credit risk for the year ended December 31, 2024 and 2023. The contractual principal amount to be paid at maturity in original currency are RMB 39.5 billion (December 31, 2023: RMB 31.5 billion) for RMB denominated bonds, USD 6.64 billion, HKD 2.38 billion and EUR 90 million (December 31, 2023: USD 7.95 billion, GBP 35 million, HKD 2.38 billion and AUD 73 million) for USD, HKD and EUR denominated notes respectively.

23. BANK BORROWINGS

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Bank borrowings	4,756	-
Total	4,756	-

On January 25, 2024, the Bank utilised the bank borrowing facility and withdrew an amount of USD 2 billion with the maturity of January 25, 2027. The interest is paid by the Bank semi-annually with the rate of SOFR plus 0.70% margin.

On March 29, 2024, the Bank utilised the bank borrowing facility and withdrew an amount of USD 1.2 billion with maturity of March 29, 2027. The interest is paid by the Bank quarterly with the rate of SOFR plus 0.83% margin.

On October 15, 2024, the Bank utilised the bank borrowing facility and withdrew an amount of USD 1.5 billion with maturity of October 15, 2027. The interest is paid by the Bank semi-annually with the rate of SOFR plus 0.70% margin.

All bank borrowings are unsecured and unsubordinated.

24. NOTE PAYABLES

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Note payables	-	2,248
Total	-	2,248

As at December 31, 2023, notes payables includes various zero-coupon note issuances with maturity within 1 year (2024: Nil).

25. BOND PAYABLES

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Bond payables	1,560	1,654
Total	1,560	1,654

In December 2021, the Bank issued a three-year note with par value of USD 500 million at a discount under the Euro Medium Term Note Programme with the maturity date on December 9, 2024. The interest is paid by the Bank quarterly with a floating rate of SOFR compounded index plus 28 basis points. The note has been fully repaid on December 9, 2024.

In October 2022, the Bank issued a three-year note with par value of USD 50 million at a discount under the Euro Medium Term Note Programme with the maturity date on October 18, 2025. The interest is paid by the Bank quarterly with a floating rate of SOFR compounded index plus 90 basis points.

In May 2023, the Bank issued a five-year note with par value of USD 200 million under the Euro Medium Term Note Programme with the maturity date on May 18, 2028. The interest is paid by the Bank quarterly with a floating rate of SOFR compounded index plus 115 basis points.

In May 2023, the Bank issued a three-year note with par value of USD 110 million under the Euro Medium Term Note Programme with the maturity date on May 22, 2026. The interest is paid by the Bank quarterly with a floating rate of SOFR compounded index plus 100 basis points.

In July 2023, the Bank issued a three-year note with par value of USD 50 million under the Euro Medium Term Note Programme with the maturity date on July 19, 2026. The interest is paid by the Bank quarterly with a floating rate of SOFR compounded index plus 95 basis points.

In July 2023, the Bank issued a three-year note with par value of USD 100 million under the Euro Medium Term Note Programme with the maturity date on July 24, 2026. The interest is paid by the Bank quarterly with a floating rate of SOFR compounded index plus 95 basis points.

In August 2023, the Bank issued a three-year note with par value of USD 200 million under the Euro Medium Term Note Programme with the maturity date on August 3, 2026. The interest is paid by the Bank quarterly with a floating rate of SOFR compounded index plus 95 basis points.

In August 2023, the Bank issued a three-year note with par value of USD 125 million under the Euro Medium Term Note Programme with the maturity date on August 15, 2026. The interest is paid by the Bank quarterly with a floating rate of SOFR compounded index plus 90 basis points.

In August 2023, the Bank issued a five-year note with par value of ZAR 1,000 million (USD 53 million equivalent) under the ZAR Note Programme with the maturity date on August 21, 2028. The interest is paid by the Bank quarterly with a floating rate of Johannesburg Interbank Agreed Rate (JIBAR) compounded index plus 105 basis points.

In August 2023, the Bank issued a three-year note with par value of ZAR 500 million (USD 26 million equivalent) under the ZAR Note Programme with the maturity date on August 21, 2026. The interest is paid by the Bank quarterly with a floating rate of JIBAR compounded index plus 95 basis points.

In September 2023, the Bank issued a three-year note with par value of USD 80 million under the Euro Medium Term Note Programme with the maturity date on September 1, 2026. The interest is paid by the Bank quarterly with a floating rate of SOFR compounded index plus 90 basis points.

In December 2023, the Bank issued a three-year note with par value of ZAR 500 million (USD 26 million equivalent) under the ZAR Note Programme with the maturity date on December 8, 2026. The interest is paid by the Bank quarterly with a floating rate of JIBAR compounded index plus 90 basis points.

In December 2023, the Bank issued a five-year note with par value of ZAR 831 million (USD 44 million equivalent) under the ZAR Note Programme with the maturity date on December 8, 2028. The interest is paid by the Bank quarterly with a floating rate of JIBAR compounded index plus 110 basis points.

In December 2023, the Bank issued a three-year note with par value of USD 79 million under the Euro Medium Term Note Programme with the maturity date on December 28, 2026. The interest is paid by the Bank quarterly with a floating rate of SOFR compounded index plus 85 basis points.

25. BOND PAYABLES - CONTINUED

In June 2024, the Bank issued a three-year note with par value of USD 160 million under the Euro Medium Term Note Programme with the maturity date on June 11, 2027. The interest is paid by the Bank quarterly with a floating rate of SOFR compound index plus 80 basis points.

In August 2024, the Bank issued a three-year note with par value of USD 30 million under the Euro Medium Term Note Programme with the maturity date on August 2, 2027. The interest is paid by the Bank quarterly with a floating rate of SOFR compound index plus 75 basis points.

In August 2024, the Bank issued a three-year note with par value of USD 100 million under the Euro Medium Term Note Programme with the maturity date on August 12, 2027. The interest is paid by the Bank quarterly with a floating rate of SOFR compound index plus 80 basis points.

In August 2024, the Bank issued a three-year note with par value of USD 64 million under the Euro Medium Term Note Programme with the maturity date on August 22, 2027. The interest is paid by the Bank quarterly with a floating rate of SOFR compound index plus 75 basis points.

In September 2024, the Bank issued a three-year note with par value of ZAR 500 million (USD 28 million equivalent) under the ZAR Note Programme with the maturity date on September 10, 2027. The interest is paid by the Bank quarterly with a floating rate of 3 month JIBAR plus 90 basis points.

In September 2024, the Bank issued a five-year note with par value of ZAR 500 million (USD 28 million equivalent) under the ZAR Note Programme with the maturity date on September 10, 2029. The interest is paid by the Bank quarterly with a floating rate of 3 month JIBAR plus 105 basis points.

26. CONTRACT LIABILITIES

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Deferred income (Note 1 below)	57	51
Total	57	51

Note 1: The deferred income disclosed above relates to the unsatisfied performance obligations of front end fees as at December 31, 2024 and 2023. Revenue recognised for the year ended December 31, 2024 that was included in the contract liabilities balance at beginning of the year is USD 3 million (year ended December 31, 2023: USD 3 million).

Front end fees are recognised over time throughout the contractual period of the loans and advances on a straight-line basis. The Bank elected to apply the practical expedient of not disclosing the transaction price allocated to the remaining performance obligation.

27. OTHER LIABILITIES

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Impairment provision of loan commitments	38	24
Swap related collateral	109	8
Annual leave provision	4	4
Accrued expenses	5	6
Employee benefits payable	1	1
Payable for purchase of debt instruments measured at amortised cost	-	25
Others	–*	-
Total	157	68

► RECONCILIATION OF PROVISION FOR LOAN COMMITMENTS

	12 MONTH ECL	LIFETIME ECL - NOT CREDIT-IMPAIRED	TOTAL
	USD MILLION	USD MILLION	USD MILLION
ECL allowance of loan commitments as at January 1, 2024	3	21	24
Additions	1	-	1
Derecognition	–*	-	–*
Change in risk parameters	(1)	14	13
ECL allowance of loan commitments as at December 31, 2024	3	35	38

	12 MONTH ECL	LIFETIME ECL - NOT CREDIT-IMPAIRED	TOTAL
	USD MILLION	USD MILLION	USD MILLION
ECL allowance of loan commitments as at January 1, 2023	5	28	33
Additions	1	11	12
Derecognition	(1)	(1)	(2)
Change in risk parameters	(2)	(17)	(19)
ECL allowance of loan commitments as at December 31, 2023	3	21	24

* Less than USD half of a million

For the year ended December 31, 2024, the additions to the ECL allowance of USD 1 million (December 31, 2023: USD 12 million) was due to origination of loan commitments that is expected to be drawn down within 12 months from December 31, 2024 and/or over the remaining loan contract period of USD 1,456 million (December 31, 2023: USD 1,053 million).

For the year ended December 31, 2024, the derecognition to the ECL allowance of less than USD half a million

(December 31, 2023: USD 2 million) was due to expiry, cancellation or full utilisation of loan commitments of USD 398 million (December 31, 2023: USD 627 million).

For the year ended December 31, 2024, the change in risk parameters led to the recognition of ECL of USD 13 million (for the year ended December 31, 2023: reversal of ECL of USD 19 million) was mainly due to change in the PD.

28. 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 and the Resolution, is set out in the following table. There is no amendment to the terms of subscription payment in the Agreement and the Resolution as at December 31, 2024.

	AS AT DECEMBER 31, 2024		AS AT DECEMBER 31, 2023	
	NUMBER OF SHARES	AMOUNT IN USD MILLION	NUMBER OF SHARES	AMOUNT IN USD MILLION
Authorised shared capital	1,000,000	100,000	1,000,000	100,000
Less: unsubscribed by members	(473,060)	(47,306)	(473,060)	(47,306)
Total subscribed capital	526,940	52,694	526,940	52,694
Less: callable capital	(421,552)	(42,156)	(421,552)	(42,156)
Total paid in capital	105,388	10,538	105,388	10,538

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:

AS AT DECEMBER 31, 2024	TOTAL SHARES	TOTAL CAPITAL	CALLABLE CAPITAL	PAID-IN CAPITAL	PAID-IN CAPITAL RECEIVED	PAID-IN CAPITAL OUTSTANDING
	NUMBERS	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Brazil	100,000	10,000	8,000	2,000	2,000	-
Russia	100,000	10,000	8,000	2,000	2,000	-
India	100,000	10,000	8,000	2,000	2,000	-
China	100,000	10,000	8,000	2,000	2,000	-
South Africa	100,000	10,000	8,000	2,000	2,000	-
Bangladesh	9,420	942	754	188	66	122
UAE	5,560	556	445	111	39	72
Egypt	11,960	1,196	957	239	24	215
Total	526,940	52,694	42,156	10,538	10,129	409

AS AT DECEMBER 31, 2023	TOTAL SHARES	TOTAL CAPITAL	CALLABLE CAPITAL	PAID-IN CAPITAL	PAID-IN CAPITAL RECEIVED	PAID-IN CAPITAL OUTSTANDING
	NUMBERS	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Brazil	100,000	10,000	8,000	2,000	2,000	-
Russia	100,000	10,000	8,000	2,000	2,000	-
India	100,000	10,000	8,000	2,000	2,000	-
China	100,000	10,000	8,000	2,000	2,000	-
South Africa	100,000	10,000	8,000	2,000	2,000	-
Bangladesh	9,420	942	754	188	38	150
UAE	5,560	556	445	111	22	89
Egypt	11,960	1,196	957	239	18	221
Total	526,940	52,694	42,156	10,538	10,078	460

¹ Pursuant to Article 9 and attachment 2 of the Agreement each founding members' paid in capital stock is received in seven installments. Further the paid in capital stock is received in seven installments according to annexure of the respective Board Resolutions.

² As at December 31, 2024, the paid-in capital due relating to the second installment of USD 23.9 million of a member country was overdue (December 31, 2023: Nil).

29. RESERVES

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Capital reserve (Note 1 below)	–*	–*
Revaluation reserve	–*	(2)
Other reserves (Note 2 below)	(23)	(33)
Total	(23)	(35)

* Less than USD half of a million

Note 1: As at December 31, 2024, the Bank has received cash contributions amounting to USD 0.30 million (December 31, 2023: USD 0.30 million) from Russian Federation for the reimbursement of relevant payments for the ERC. The Bank recognises such cash contributions from Russian Federation as capital reserve on the basis that the contribution agreement does not include a contractual obligation of the Bank to repay cash or another financial asset, and there are no other features that would meet the definition of a financial liability.

As at December 31, 2024, the Government of India, on behalf of the Bank has paid the rent plus taxes amounting to USD 0.13 million (December 31, 2023: USD 0.07 million) as applicable of IRO for the lease period of first two years. The Bank recognises such contributions as capital reserve on the basis that the lease deed does not include a contractual obligation of the Bank to repay cash or another financial asset, and there are no other features that would meet the definition of a financial liability.

Note 2: 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 installment payments of the subscribed paid-in capital, which is regarded as an equity transaction. The subsequent unwinding of interest on paid-in capital receivables is reclassified from retained earnings to other reserves immediately following the unwinding treatment in the relevant accounting period.

30. 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, 2024	NET FINANCING CASH OUTFLOWS/ (INFLOWS)	NON-CASH MOVEMENTS			AS AT DECEMBER 31, 2024
			UNWINDING OF INTEREST	IMPACT OF EARLY PAYMENT	FAIR VALUE CHANGES AND OTHERS ¹	
	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Derivative financial assets	112	11	-	-	46	169
Paid-in capital receivables	427	(51)	10	-*	-	386
Total liabilities from financing activities	539	(40)	10	-*	46	555

	AS AT JANUARY 1, 2024	NET FINANCING CASH (OUTFLOWS)/ INFLOWS	NON-CASH MOVEMENTS				AS AT DECEMBER 31, 2024
			INTEREST ACCRUED MOVEMENTS	FAIR VALUE CHANGES AND OTHERS ¹	FOREIGN EXCHANGE MOVEMENTS	DEBT ISSUANCE COSTS	
	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Derivative financial liabilities	421	(315)	-	72	-	-	178
Financial liabilities designated at FVTPL	12,669	(494)	286	96	-	-	12,557
Bank Borrowings	-	4,566	190	-	-	-	4,756
Bond payables	1,654	(205)	115	-	(4)	-	1,560
Note payables	2,248	(2,317)	70	-	(1)	-	-
Lease liabilities	-*	-*	-*	-*	-*	-	-*
Other liabilities	-	(8)	-	-	-	8	-
Total liabilities from financing activities	16,992	1,227	661	168	(5)	8	19,051

* Less than USD half of a million

¹ USD 46 million represents fair value changes and realised losses of derivative financial assets hedging transactions which are financing in nature economically.

USD 72 million represents fair value changes and realised losses of derivative financial liabilities hedging transactions which are financing in nature economically.

	NON-CASH MOVEMENTS							AS AT DECEMBER 31, 2023
	AS AT JANUARY 1, 2023	NET FINANCING CASH OUTFLOWS/ (INFLOWS)	UNWINDING OF INTEREST	IMPACT OF EARLY PAYMENT	CAPITAL SUBSCRIPTIONS	IMPACT OF DISCOUNTING	FAIR VALUE CHANGES AND OTHERS ²	
	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	
Derivative financial assets	45	79	-	-	-	-	(12)	112
Paid-in capital receivables	269	(55)	9	-*	239	(35)	-	427
Total assets from financing activities	314	24	9	-*	239	(35)	(12)	539

	NON-CASH MOVEMENTS						
	AS AT JANUARY 1, 2023	NET FINANCING CASH (OUTFLOWS)/ INFLOWS	INTEREST ACCRUED MOVEMENTS	FAIR VALUE CHANGES AND OTHERS ²	FOREIGN EXCHANGE MOVEMENTS	DEBT ISSUANCE COSTS	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Derivative financial liabilities	629	(239)	-	31	-	-	421
Financial liabilities designated at FVTPL	11,189	1,042	246	192	-	-	12,669
Bond payables	551	1,043	60	-	-	-	1,654
Note payables	3,041	(912)	119	-	-*	-	2,248
Lease liabilities	-*	-*	-*	-*	-*	-	-*
Other liabilities	-	(7)	-	-	-	7	-
Total liabilities from financing activities	15,410	927	425	223	-*	7	16,992

* Less than USD half of a million

² USD 12 million represents fair value changes and realised losses of derivative financial assets hedging transactions which are financing in nature economically.
USD 31 million represents fair value changes and realised gains of derivative financial liabilities hedging transactions which are financing in nature economically.

31. FINANCIAL INSTRUMENTS

► CATEGORIES OF FINANCIAL INSTRUMENTS

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Financial assets		
Financial assets at FVTPL	938	288
Debt instruments at FVTOCI	702	2,000
Financial assets measured at amortised cost	29,892	26,547
Total	31,532	28,835
Financial liabilities		
Financial liabilities at FVTPL	12,767	13,177
Financial liabilities measured at amortised cost	6,430	3,941
Total	19,197	17,118

32. COMMITMENTS

1) Capital commitments

As at December 31, 2024 and 2023, the Bank had no irrevocable capital expenditures commitment.

2) Credit Commitments

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD MILLION	USD MILLION
Letters of effectiveness signed	7,327	6,107
Total	7,327	6,107

Credit commitments represent general facility limits granted to borrowers. These credit facilities may be drawn on demand 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.

33. 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 Related Party Disclosures, exempted from the disclosure requirements in relation to related party transactions and outstanding balances, including commitments and debt instruments at FVTOCI, 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 member governments are disclosed below. As December 31, 2024 and 2023, no transactions, individually or collectively with governments are considered significant to the Bank.

(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
The People's Republic of Bangladesh	The Bank's shareholder
The United Arab Emirates	The Bank's shareholder
The Arab Republic of Egypt	The Bank's shareholder

According to the Agreement between the Bank and the Government of the People's Republic of China, the Headquarters of the Bank, permanent premises and other relevant facilities to support the Bank's operations shall be provided by the Government of the People's Republic of China, for free.

The permanent premise of the Bank is located at 1,600 Guozhan Road, Shanghai Expo Park, Pudong New District, Shanghai.

According to the Agreement between the Government of the Russian Federation and the Bank on the Hosting of the New Development Bank ERC in the Russian Federation, the Government of the Russian Federation has agreed to transfer special purpose contribution to the Bank for reimbursement of rent payment of ERC office premises and the cost of purchasing of furniture, equipment, and other facilities for the operation of ERC. Details of the cash contribution received from the Russian Federation as at December 31, 2024 and 2023 are set out in Note 29.

According to the Agreement between the Government of the India and the Bank on the Hosting of the New Development Bank IRO in the Republic of India, the Government of India on behalf of the Bank has paid the rent plus taxes as applicable for the period of first two years. Details of the contribution from the Government of India as at December 31, 2023 are set out in Note 29.

Details of the paid-in capital receivables as at December 31, 2024 and 2023 are set out in Note 20, and unwinding of interest on paid-in capital receivables for the year ended December 31, 2024 and 2023 are set out in the statement of profit or loss and other comprehensive income.

(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 year ended December 31, 2024 and 2023:

► FOR THE YEAR ENDED DECEMBER 31, 2024

NAME	COUNTRIES	POSITIONS
Dilma Vana Rousseff	Brazil	President
Vladimir Kazbekov	Russia	Vice President; Chief Operating Officer
Anil Kishora	India	Vice President; Chief Risk Officer
Qiangwu Zhou	China	Vice President; Chief Administrative Officer
Monale Ratsoma	South Africa	Vice President; Chief Financial Officer (with effect from July 8, 2024)
Leslie Warren Maasdorp	South Africa	Vice President; Chief Financial Officer (up to July 7, 2024)

► FOR THE YEAR ENDED DECEMBER 31, 2023

NAME	COUNTRIES	POSITIONS
Dilma Vana Rousseff	Brazil	President (with effect from March 24, 2023)
Marcos Prado Troyjo	Brazil	President (up to March 23, 2023)
Vladimir Kazbekov	Russia	Vice President; Chief Operating Officer
Anil Kishora	India	Vice President; Chief Risk Officer
Qiangwu Zhou	China	Vice President; Chief Administrative Officer
Leslie Warren Maasdorp	South Africa	Vice President; Chief Financial Officer

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

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
	USD MILLION	USD MILLION
Salary and allowance	4	3
Staff Retirement Plan	—*	—*
Post-Retirement Insurance Plan	—*	—*
Other short-term benefits	—*	—*
Total	4	3

* Less than USD half of a million

34. SEGMENT REPORTING

For the year ended December 31, 2024 and 2023, the Bank has a single reportable segment and evaluates the financial performance of the Bank as a whole.

The following table presents the Bank's loan revenue by borrowers' geographic region for the year ended December 31, 2024 and 2023.

Loan revenue comprises loan interest incomes, front-end fee recognised and commitment fee.

AS AT DECEMBER 31, 2024	SOVEREIGN EXPOSURES	NON-SOVEREIGN EXPOSURES	TOTAL
	USD MILLION	USD MILLION	USD MILLION
Brazil	159	33	192
Russia	68	29	97
India	281	23	304
China	192	–*	192
South Africa	216	41	257
Total	916	126	1,042

AS AT DECEMBER 31, 2023	SOVEREIGN EXPOSURES	NON-SOVEREIGN EXPOSURES	TOTAL
	USD MILLION	USD MILLION	USD MILLION
Brazil	75	26	101
Russia	61	30	91
India	237	22	259
China	161	–	161
South Africa	196	38	234
Total	730	116	846

35. UNCONSOLIDATED STRUCTURED ENTITY

The Board of Governors approved the establishment of the NDB Project Preparation Fund (NDB-PPF) on January 20, 2017. The NDB-PPF, established and administered by the Bank based on Article 3 and Article 23 of the Agreement, is an unconsolidated structured entity for accounting purposes. The objective of the NDB-PPF is to help NDB achieve its purpose of promoting infrastructure and sustainable development by supporting the preparation of bankable projects to facilitate borrowing member countries to raise funds for such projects from NDB and other financial institutions. The Bank is entrusted with the administration of the NDB-PPF to fulfill its purpose. The NDB-PPF does not expose the Bank to any loss, nor does it generate significant variable interest to the extent that consolidation is required. Accordingly, the NDB-PPF is an unconsolidated structured entity for accounting purposes.

Consistent with Article 18c of the Agreement, the ordinary capital resources of the Bank and the resources of the NDB-PPF shall at all times and in all respects be held, used, committed, invested or otherwise disposed of entirely separate from each other. The NDB-PPF will be open to contributions from all its member countries. Non-member countries and international organisations/funds may also contribute to the NDB-PPF with the Board of Director's approval authorised by the Board of Governors.

As at December 31, 2024, the NDB-PPF had received contributions amounting to USD 9 million (December 31, 2023 USD 9 million). The Bank has not earned any income from NDB-PPF for the year ended December 31, 2024 and 2023.

36. SUBSEQUENT EVENTS

On January 29, 2025, the Bank received a paid-in capital installment from one member country, amounting to USD 6 million.

On February 25, 2025, the Bank received a paid-in capital installment from one member country, amounting to USD 17 million.

On March 18, 2025, the Bank received a paid-in capital installment from one member country, amounting to USD 28 million.

On March 20, 2025, the Bank received a paid-in capital installment from one member country, amounting to USD 6 million.

37. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements were approved by the Board of Governors and authorised for issuance on April 17, 2025.

FINANCIAL STATEMENTS

 **SOUTH AFRICA**
RENEWABLE ENERGY SECTOR DEVELOPMENT PROJECT



NDB-PPF ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024
(Prepared in accordance with IFRS Accounting Standards)

Independent Auditor’s Report	136
Statement of Profit or Loss and Other Comprehensive Income	138
Statement of Financial Position	139
Statement of Changes in Equity	140
Statement of Cash Flows	141
Notes to the Annual Financial Statements	142

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF THE NEW DEVELOPMENT BANK (THE BANK)

Opinion

We have audited the financial statements of the New Development Bank Project Preparation Fund (the NDB-PPF), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the NDB-PPF as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the NDB-PPF in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Governors for the Financial Statements

Management of the Bank is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management of the Bank is responsible for assessing the NDB-PPF's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the NDB-PPF or to cease operations, or have no realistic alternative but to do so.

The Board of Governors of the Bank is responsible for overseeing the NDB-PPF's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NDB-PPF's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management of the Bank.
- Conclude on the appropriateness of the Management of the Bank's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NDB-PPF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the NDB-PPF to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Governors of the Bank regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu CPA LLP

Deloitte Touche Tohmatsu
Certified Public Accountants LLP
Shanghai, People's Republic of China

April 17, 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

► FOR THE YEAR ENDED DECEMBER 31, 2024
EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	NOTES	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
Interest income	6	539	455
Impairment losses under expected credit loss model, net of reversal		1	–*
General and administrative expense	7	(25)	(25)
Profit for the year		515	430
Total comprehensive income for the year		515	430

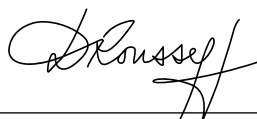
* Less than United States Dollar (USD) half of a thousand

STATEMENT OF FINANCIAL POSITION

► AS AT DECEMBER 31, 2024
EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	NOTES	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
Assets			
Cash and cash equivalents	8	287	373
Due from banks other than cash and cash equivalents	9	10,041	9,440
Other asset		1	1
Total assets		10,329	9,814
Liabilities			
Other liabilities	10	17	17
Total liabilities		17	17
Equity			
Contribution	11	9,000	9,000
Retained earnings		1,312	797
Total equity		10,312	9,797
Total equity and liabilities		10,329	9,814

The financial statements on pages 138 to 151 were approved and authorised for issuance by Board of Governors on April 17, 2025 and signed on their behalf by:



Dilma Vana Rousseff
President



Monale Ratsoma
Chief Financial Officer



Halima Nazeer
Director General, Finance, Budget and Accounting

STATEMENT OF CHANGES IN EQUITY

► FOR THE YEAR ENDED DECEMBER 31, 2024 EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	CONTRIBUTION	RETAINED EARNINGS	TOTAL
As at January 1, 2024	9,000	797	9,797
Profit for the year	-	515	515
Total comprehensive income for the year	-	515	515
As at December 31, 2024	9,000	1,312	10,312

	CONTRIBUTION	RETAINED EARNINGS	TOTAL
As at January 1, 2023	8,000	367	8,367
Profit for the year	-	430	430
Total comprehensive income for the year	-	430	430
Contribution (Note 1 below)	1,000	-	1,000
As at December 31, 2023	9,000	797	9,797

Note 1: In 2023, this contribution was received from South Africa.

STATEMENT OF CASH FLOWS

► FOR THE YEAR ENDED DECEMBER 31, 2024
EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
OPERATING ACTIVITIES		
Profit for the year	515	430
Interest income from due from banks other than cash and cash equivalents	(530)	-
Impairment losses under expected credit loss model, net of reversal	(1)	-*
Operating cash flows before changes in operating asset and liability	(16)	430
Net increase in due from banks other than cash and cash equivalents	-	(1,339)
Net decrease in other asset	-*	4
Net decrease in other liability	-*	-*
NET CASH USED IN OPERATING ACTIVITIES	(16)	(905)
INVESTING ACTIVITIES		
Interest received on due from banks other than cash and cash equivalents	530	-
Placement of deposits in banks	(9,800)	-
Withdrawal of deposits from banks	9,200	-
NET CASH USED IN INVESTING ACTIVITIES	(70)	-
FINANCING ACTIVITY		
Contribution received	-	1,000
CASH FROM FINANCING ACTIVITY	-	1,000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(86)	95
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	373	278
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	287	373
INTEREST RECEIVED IN OPERATING ACTIVITIES	9	317

* Less than USD half of a thousand

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

1. GENERAL INFORMATION

The Board of Governors of the New Development Bank (NDB or the Bank) approved the establishment of the NDB Project Preparation Fund (the NDB-PPF) on January 20, 2017 (the establishment date of the NDB-PPF) in accordance with Article 23a of the Agreement on the New Development Bank (the Agreement).

The NDB-PPF is established as a multi-donor fund which is open to contributions by all the Bank's members (the Contributors). The objective of the NDB-PPF is to help NDB achieve its purpose of promoting infrastructure and sustainable development by supporting the preparation of bankable projects to facilitate borrowing member countries to raise funds for such projects from NDB and other financial institutions. As stipulated in Article 18c of the Agreement, the ordinary capital resources and the NDB-PPF resources of the Bank shall be held, used, committed, invested, or otherwise disposed of entirely separate from each other.

The Bank signed contribution agreements with its Contributors as stated below:

COUNTRIES	DATE OF SIGNING	CONTRIBUTION COMMITTED
		USD'000
People's Republic of China (China)	September 4, 2017	4,000
Russian Federation (Russia)	October 15, 2017	1,500
Republic of India (India)	April 19, 2018	1,500
Republic of South Africa (South Africa)	March 31, 2022	2,000
Total		9,000

As of December 31, 2024 and 2023, all the contribution has been received from China, India, Russia and South Africa.

2. APPLICATION OF IFRS ACCOUNTING STANDARDS

The annual financial statements of the NDB-PPF have been prepared in accordance with IFRS Accounting Standards.

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the NDB-PPF's financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The NDB-PPF has not early adopted the following new and amendments to IFRS Accounting Standards that have been issued and are relevant to the NDB-PPF but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The NDB-PPF is in the process of assessing the detailed impact of IFRS 18 on the financial statements.

The NDB-PPF anticipates that the application of above new and amendments to IFRS Accounting Standards other than IFRS 18 will have no material impact on the financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of financial statements

The annual financial statements have been prepared on the historical cost basis, and in accordance with IFRS Accounting Standards. These policies have been consistently applied throughout the year. For the purpose of preparation of the annual financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users.

The Management of the Bank has, at the time of approving the annual financial statements, a reasonable expectation that the NDB-PPF has adequate resources to continue in operational existence for the foreseeable future. Thus the Management of the Bank continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. As of December 31, 2024, NDB-PPF does not have financial assets and liabilities measured at fair value.

The preparation of the annual financial statements requires the use of certain accounting estimates. This requires Management to exercise its judgement in preparing the annual financial statements.

The material accounting policies adopted are set out below and have been applied consistently to the year presented.

Revenue

Interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial instruments

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The NDB-PPF's financial instruments mainly consist of cash and cash equivalents and due from banks other than cash and cash equivalents.

Financial assets and financial liabilities are recognised in the statement of financial position when the NDB-PPF becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Classification and subsequent measurement of financial instruments

Financial assets

The NDB-PPF classifies its financial assets under IFRS 9 *Financial instruments* depending on the NDB-PPF's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets measured at amortised cost

The NDB-PPF classifies an asset measured at amortised cost when the following conditions have been met:

- The financial asset is held within a business model whose objective to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The NDB-PPF applies the effective interest method to the amortised costs of a financial asset. Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the NDB-PPF are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Impairment

The NDB-PPF performs impairment assessment under expected credit loss (ECL) model on financial assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. ECL of a financial instrument should be measured in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

The NDB-PPF applies a three-stage approach to measuring ECL on financial assets accounted for at amortised cost. Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

i) *Stage 1: 12-month ECL*

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events, occurring within the next 12 months, is recognised.

ii) *Stage 2: Lifetime ECL – not credit impaired*

For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL is recognised.

iii) *Stage 3: Lifetime ECL – credit impaired*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. For financial assets that are credit-impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of impairment allowance) rather than the gross carrying amount. The NDB-PPF identifies financial assets as being credit-impaired when one or more events that could have a detrimental impact on future cash flows of the financial asset have occurred.

More details about credit risk analysis are provided in Note 4.

Measurement of ECL

The measurement of ECL is a function of the probability of default, loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the probability of default and LGD is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to NDB-PPF in accordance with the contract and the cash flows that NDB-PPF expects to receive, discounted at the effective interest rate determined at initial recognition.

Derecognition of financial instruments

The NDB-PPF derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers its rights the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the financial asset derecognised and the consideration received and receivable is recognised in profit or loss.

The NDB-PPF derecognises financial liabilities when, and only when, the NDB-PPF's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

Cash comprises of cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the NDB-PPF's short-term, highly liquid investments that are readily convertible to cash within three months and are subject to an insignificant risk of changes in value.

4. FINANCIAL RISK MANAGEMENT

Overview

All the financial instruments of the NDB-PPF as of December 31, 2024 and 2023 are measured at amortised cost.

The NDB-PPF follows the risk management policies of the Bank. 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 of the Bank. The Management of the Bank and various specialist committees are tasked with integrating the management of risk into the day-to-day activities of NDB-PPF, by monitoring related risk parameters and tolerance through policies and procedures under the strategy approved by designated committees.

The NDB-PPF was mainly exposed to credit risk, interest rate risk and liquidity risk associated with the financial institutions with which it deposited its cash resources for the year ended December 31, 2024. The impact of these risks during the reporting year is not considered significant by Management.

Credit risk

The NDB-PPF takes on exposure to credit risk, which is a risk that one counterparty to a financial instrument will cause financial loss to the other party by failing to discharge an obligation. The NDB-PPF placed its cash equivalents and deposits with highly-rated banks (senior investment grade credit ratings). ECL allowance of due from banks is measured on the base of 12-month ECL up to December 31, 2024 and 2023.

5. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value of the NDB-PPF's financial instruments that are not measured at fair value on a recurring basis

The NDB-PPF considered that the carrying amounts of financial assets and financial liabilities measured at amortised cost, in the NDB-PPF's statement of financial position, approximate their fair values.

6. INTEREST INCOME

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
	USD'000	USD'000
Interest income from banks	539	455
Total	539	455

7. GENERAL AND ADMINISTRATIVE EXPENSE

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
	USD'000	USD'000
Auditor's remuneration	25	25
Total	25	25

8. CASH AND CASH EQUIVALENTS

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD'000	USD'000
Demand deposit	287	373
Total	287	373

9. DUE FROM BANKS OTHER THAN CASH AND CASH EQUIVALENTS

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD'000	USD'000
Commercial banks	10,045	9,445
Less: ECL allowance	(4)	(5)
Total	10,041	9,440

► RECONCILIATION OF PROVISION FOR DUE FROM BANKS:

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD'000	USD'000
ECL allowance of due from banks as at January 1	5	5
Reversal	(1)	–*
ECL allowance of due from banks as at December 31	4	5

* Less than USD half of a thousand

10. OTHER LIABILITY

	AS AT DECEMBER 31, 2024	AS AT DECEMBER 31, 2023
	USD'000	USD'000
Accrued expenses	17	17
Total	17	17

11. CONTRIBUTION

AS AT DECEMBER 31, 2024	CONTRIBUTION COMMITTED	CONTRIBUTION RECEIVED
	USD'000	USD'000
China	4,000	4,000
Russia	1,500	1,500
India	1,500	1,500
South Africa	2,000	2,000
Total	9,000	9,000

AS AT DECEMBER 31, 2023	CONTRIBUTION COMMITTED	CONTRIBUTION RECEIVED
	USD'000	USD'000
China	4,000	4,000
Russia	1,500	1,500
India	1,500	1,500
South Africa	2,000	2,000
Total	9,000	9,000

12. RELATED PARTY DISCLOSURES

The NDB-PPF's related parties are the Bank and the Contributors.

The Bank is entrusted with the administration of the NDB-PPF to fulfill its purpose. The NDB-PPF has not incurred any management fees to the Bank for its administration of the NDB-PPF for the year ended December 31, 2024 and 2023.

13. PROJECT COMMITTED

	COMMITMENTS APPROVED	UNDRAWN COMMITMENTS
	USD'000	USD'000
As at January 1, 2023 and December 31, 2023	-	-
Movement during the year	252	252
As at December 31, 2024	252	252

In July 2024, the NDB-PPF signed a Grant Agreement as the grantor with the Republic of India as the recipient to provide technical assistance.

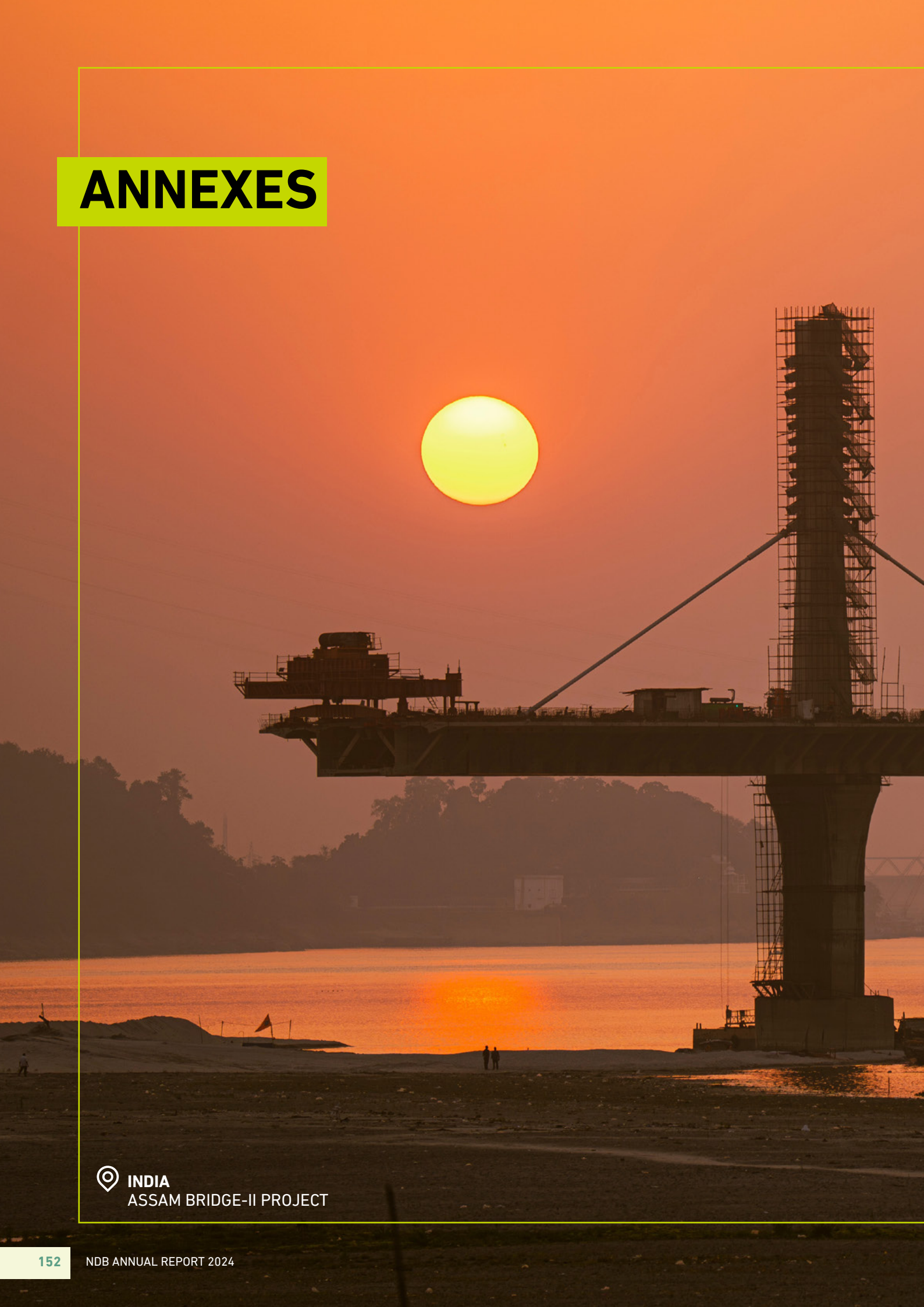
14. SUBSEQUENT EVENTS


Up to the date of the issuance of the financial statements, there has been no material subsequent events since December 31, 2024 that would require additional disclosure or adjustment to the financial statements.

15. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The financial statements were approved by the Board of Governors of the Bank and authorised for issuance on April 17, 2025.

ANNEXES



 **INDIA**
ASSAM BRIDGE-II PROJECT



LIST OF ABBREVIATIONS AND DEFINED TERMS

ABBREVIATION / DEFINED TERM	DEFINITION
2030 Agenda	United Nations 2030 Agenda for Sustainable Development
AI	Artificial Intelligence
AoA or the Agreement	Articles of Agreement
ARC	Audit, Risk and Compliance Committee
AUD	Australian Dollar
BCFL	Bank of Communications Financial Leasing Co., Ltd.
BHRC	Budget, Human Resources and Compensation Committee
BoD	Board of Directors
BoG	Board of Governors
BRICS	A Group formed by Brazil, Russia, India, China, South Africa, and other countries
CHF	Swiss Franc
CMF	Capital Management Framework
CIC	Credit and Investment Committee
CO ₂	Carbon Dioxide
COP29	29th Conference of the Parties of the UNFCCC
CPFL Paulista	Companhia Paulista de Força e Luz
DFI	Development Finance Institution
E&S	Environmental and Social
EAD	Exposure at Default
EC	Executive Committee
ECL	Expected Credit Loss
EMDCs	Emerging Market Economies and Developing Countries
ESF	Environment and Social Framework
ESG	Environmental, Social and Governance
ESSs	Environmental and Social Standards
EUR	Euro
FC	Finance Committee
FVTOCI	Fair Value through other Comprehensive Income
FVTPL	Fair Value through Profit or Loss
G20	Group of Twenty
GHG	Greenhouse Gas
GW	Gigawatt
GWh	Gigawatt Hour
HKD	Hong Kong Dollar

ABBREVIATION / DEFINED TERM	DEFINITION
HUIFL	Haitong Unitrust International Financial Leasing Co., Ltd.
IASs	International Accounting Standards
IASB	International Accounting Standards Board
IEO	Independent Evaluation Office
IFRSs	International Financial Reporting Standards
INR	Indian Rupee
ISAs	International Standards on Auditing
ISDA	International Swaps and Derivatives Association
km	Kilometre
KMP	Key Management Personnel
LGD	Loss Given Default
LNG	Liquified Natural Gas
m ³	Cubic Metre
Management	President and Vice Presidents
MDB	Multilateral Development Bank
MoU	Memorandum of Understanding
MW	Megawatt
NDB or the Bank	New Development Bank
NDB-PPF	NDB Project Preparation Fund
NII	Net Interest Income
Paris Agreement	Paris Agreement on Climate Change
PD	Probability of Default
PIT-PD	Point-in-time Probability of Default
PRP	Post Retirement Plan
RMB	Renminbi
SDGs	Sustainable Development Goals
SOFR	Secured Overnight Financing Rate
SPPI	Solely Payments of Principal and Interest
SRP	Staff Retirement Plan
UAE	United Arab Emirates
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar
WARR	Weighted Average Risk Rating
ZAR	South African Rand

LIST OF PROJECTS APPROVED BY NDB

OPERATIONS APPROVED IN 2016

No.	Project name	Type	Country	Financing currency	Approved financing amount (million)
01	Financing of Renewable Energy Projects and Associated Transmission (BNDES) ³³	Non-sovereign	Brazil	USD	300
02	Canara Renewable Energy Financing Scheme ³⁴	Sovereign	India	USD	250
03	Lingang Distributed Solar Power Project ³⁵	Sovereign	China	RMB	525
04	Project Finance Facility for Eskom	Sovereign	South Africa	USD	180
05	Nord-Hydro Project (On-lending through EDB) ³⁶	Non-sovereign	Russia	USD	50
06	Nord-Hydro Project (On-lending through IIB)	Non-sovereign	Russia	USD	50
07	Madhya Pradesh Major District Roads Project	Sovereign	India	USD	350
08	Putian Pinghai Bay Offshore Wind Power Project	Sovereign	China	RMB	2,000

OPERATIONS APPROVED IN 2017

No.	Project name	Type	Country	Financing currency	Approved financing amount (million)
09	Judicial System Support Project	Sovereign	Russia	USD	460
10	Madhya Pradesh Multi Village Water Supply Project	Sovereign	India	USD	470
11	Hunan Ecological Development Project ³⁷	Sovereign	China	RMB	2,000
12	Jiangxi Industrial Low Carbon Restructuring and Green Development Pilot Project	Sovereign	China	USD	200
13	Ufa Eastern Exit Project ³⁸	Sovereign	Russia	USD	69
14	Rajasthan Water Sector Restructuring Project	Sovereign	India	USD	345

³³ Fully repaid in 2022.

³⁴ Cancelled in 2018.

³⁵ Partially cancelled in 2020. Remaining amount is RMB 242.9 million.

³⁶ Fully repaid in 2021.

³⁷ Cancelled in 2020.

³⁸ Cancelled in 2019.

OPERATIONS APPROVED IN 2018

No.	Project name	Type	Country	Financing currency	Approved financing amount (million)
15	Pará Sustainable Municipalities Project	Sovereign	Brazil	USD	50
16	Maranhão Road Corridor – South North Integration ³⁹	Sovereign	Brazil	USD	71
17	Environmental Protection Project ⁴⁰	Non-sovereign	Brazil	USD	200
18	Development of Water Supply and Sanitation Systems Project	Sovereign	Russia	USD	320
19	Small Historic Cities Development Project	Sovereign	Russia	USD	220
20	Bihar Rural Roads Project	Sovereign	India	USD	350
21	Chongqing Small Cities Sustainable Development Project ⁴¹	Sovereign	China	USD	300
22	Durban Container Terminal Berth Reconstruction Project ⁴²	Non-sovereign	South Africa	USD	200
23	Luoyang Metro Project	Sovereign	China	USD	300
24	Greenhouse Gas Emissions Reduction and Energy Sector Development Project	Non-sovereign	South Africa	USD	300
25	Sustainable infrastructure in relation to “ZapSibNefteKhim” Project ⁴³	Non-sovereign	Russia	USD	300
26	Madhya Pradesh Major District Roads II Project ⁴⁴	Sovereign	India	USD	350
27	Madhya Pradesh Bridges Project	Sovereign	India	USD	175
28	Mumbai Metro Rail Project	Sovereign	India	USD	260
29	Hohhot New Airport Project	Sovereign	China	RMB	4,200
30	Guangdong Yudean Yangjiang Shapa Offshore Wind Power Project	Sovereign	China	RMB	2,000
31	Jiangxi Natural Gas Transmission System Development Project	Sovereign	China	USD	400

³⁹ Cancelled in 2021.

⁴⁰ Fully repaid in 2021.

⁴¹ Cancelled in 2020.

⁴² Changed into a ZAR 3.5 billion loan in 2020.

⁴³ Fully repaid in 2020.

⁴⁴ Partially cancelled in 2023. Remaining amount is USD 320 million.

LIST OF PROJECTS APPROVED BY NDB - CONTINUED

OPERATIONS APPROVED IN 2019					
No.	Project name	Type	Country	Financing currency	Approved financing amount (million)
32	Zhejiang Green Urban Project – Shengzhou Urban and Rural Integrated Water Supply and Sanitation Project Phase II	Sovereign	China	RMB	825
33	Chongzuo Water Resource Rehabilitation and Ecological Conservation Project	Sovereign	China	USD	300
34	Lesotho Highlands Water Project Phase II (Project Loan to TCTA)	Sovereign	South Africa	ZAR	3,200
35	Environmental Protection Project for Medupi Thermal Power Plant ⁴⁵	Sovereign	South Africa	USD	480
36	Renewable Energy Sector Development Project	Non-sovereign	South Africa	ZAR	1,150
37	Ningxia Yinchuan Integrated Green Transport Development Project	Sovereign	China	RMB	2,100
38	Lanzhou New Area Regional Hub Multimodal Logistics and Transport Infrastructure Demonstration Project	Sovereign	China	RMB	2,512
39	Assam Bridge Project	Sovereign	India	USD	300
40	Development of Renewable Energy Sector in Russia Project	Non-sovereign	Russia	USD	300
41	Andhra Pradesh Roads and Bridges Reconstruction Project	Sovereign	India	USD	323
42	Andhra Pradesh Mandal Connectivity and Rural Connectivity Improvement Project	Sovereign	India	USD	323
43	South African National Toll Roads Strengthening and Improvement Programme	Sovereign	South Africa	ZAR	7,000
44	Fundo Clima – Brazil National Climate Fund Project ⁴⁶	Sovereign	Brazil	USD	500
45	REC Renewable Energy Sector Development Project	Non-sovereign	India	USD	300
46	North Region Transportation Infrastructure Improvement Project	Non-sovereign	Brazil	USD ⁴⁷	300
47	Manipur Water Supply Project	Sovereign	India	USD	312
48	Indore Metro Rail Project	Sovereign	India	USD	225
49	Huangshi Modern Tram Project	Sovereign	China	RMB	2,760
50	Patria Infrastructure Fund IV	Non-sovereign	Brazil	USD	100
51	Locomotive Fleet Renewal Programme	Non-sovereign	Russia	CHF	500
52	Battery Energy Storage Project	Sovereign	South Africa	ZAR	6,000
53	Development of Educational Infrastructure for Highly Skilled Workforce ⁴⁸	Sovereign	Russia	EUR	USD 500 equivalent

⁴⁵ Cancelled in 2024.

⁴⁶ Restructured in 2021 into a USD 500 million loan to BNDES with sovereign guarantee for BNDES Clima – Sustainable Financing to Support Global Climate Change Mitigation and Adaptation in Brazil.

⁴⁷ Includes a USD 50 million portion, which could be delivered in RMB.

⁴⁸ Cancelled in 2022.

OPERATIONS APPROVED IN 2020

No.	Project name	Type	Country	Financing currency	Approved financing amount (million)
54	NDB Emergency Assistance Programme in Combating COVID-19	Sovereign	China	RMB	7,000
55	National Investment and Infrastructure Fund: Fund of Funds – I	Non-sovereign	India	INR	USD 100 equivalent
56	Emergency Assistance Programme in Combating COVID-19	Sovereign	India	USD	1,000
57	Teresina Educational Infrastructure Programme	Sovereign	Brazil	USD	50
58	COVID-19 Emergency Programme	Sovereign	South Africa	USD	1,000
59	Small Historic Cities Development Project Phase II	Sovereign	Russia	EUR	205
60	Emergency Assistance Programme in Combating COVID-19	Sovereign	Brazil	USD	1,000
61	Mumbai Metro Rail II (Line 6) Project	Sovereign	India	USD	241
62	Delhi-Ghaziabad-Meerut Regional Rapid Transit System Project ⁴⁹	Sovereign	India	USD	500
63	Russian Maritime Sector Support Programme ⁵⁰	Non-sovereign	Russia	EUR	100
64	Toll Roads Programme in Russia	Non-sovereign	Russia	USD	100
65	Water Supply and Sanitation Programme in Russia	Non-sovereign	Russia	USD	100
66	Brazil Emergency Assistance Programme for Economic Recovery	Sovereign	Brazil	USD	1,000
67	COVID-19 Emergency Programme Loan for Supporting India's Economic Recovery	Sovereign	India	USD	1,000
68	BNDES-NDB Sustainable Infrastructure Project	Sovereign	Brazil	USD	1,200
69	BRDE Urban, Rural and Social Infrastructure Programme to Achieve the SDGs	Sovereign	Brazil	EUR	135
70	Curitiba's Bus Rapid Transit Rideability Improvement Project	Sovereign	Brazil	USD	75
71	Cellular Network and Cloud Services Expansion Project	Non-sovereign	Russia	USD ⁵¹	300
72	National Non-Toll Roads Management Programme	Sovereign	South Africa	USD	1,000

⁴⁹ Partially cancelled in 2023. Remaining amount is USD 418 million.

⁵⁰ Partially cancelled in 2022. Remaining amount is EUR 53.1 million.

⁵¹ Multicurrency facility that could be delivered in USD, EUR or RMB.

LIST OF PROJECTS APPROVED BY NDB - CONTINUED

OPERATIONS APPROVED IN 2021					
No.	Project name	Type	Country	Financing currency	Approved financing amount (million)
73	Emergency Assistance Programme in Supporting China's Economic Recovery from COVID-19	Sovereign	China	RMB	7,000
74	Beijing Gas Tianjin Nangang LNG Emergency Reserve Project	Sovereign	China	EUR	436
75	COVID-19 Emergency Programme Loan for Supporting Russia's Healthcare Response	Sovereign	Russia	EUR	USD 1,000 equivalent
76	Pará II – Transport Infrastructure for Regional Development ⁵²	Sovereign	Brazil	USD	153
77	COVID-19 Emergency Programme Loan for Supporting South Africa's Economic Recovery from COVID-19	Sovereign	South Africa	USD	1,000
78	Anhui Province Roads Development Project	Sovereign	China	EUR	340
79	Sorocaba Mobility and Urban Development Project	Sovereign	Brazil	USD	40
80	Affordable Housing and Urban Development Programme	Non-sovereign	Russia	USD	300
81	Himachal Pradesh Rural Water Supply Project	Sovereign	India	USD	80
82	Qingdao Metro Line Six (Phase I) Project	Sovereign	China	RMB	3,237

⁵² Cancelled in 2022.

OPERATIONS APPROVED IN 2022

No.	Project name	Type	Country	Financing currency	Approved financing amount (million)
83	Desenvolve SP Sustainable Infrastructure Project	Sovereign	Brazil	USD	90
84	FONPLATA Sustainable Infrastructure Project	Non-sovereign	Brazil	USD	50
85	Banco do Brasil Sustainable Finance Project	Non-sovereign	Brazil	USD	200
86	SABESP Investment Programme ⁵³	Sovereign	Brazil	USD	300
87	Lanzhou Zhongchuan International Airport Phase III Expansion Project	Sovereign	China	EUR	265
88	Xi'an Xianyang International Airport Phase III Expansion Project	Sovereign	China	RMB	805
89	Meghalaya Ecotourism Infrastructure Development Project	Sovereign	India	USD	79
90	Lamphelpat Waterbody Rejuvenation Project	Sovereign	India	USD	70
91	Guangxi Trunk Road Network Improvement Programme	Sovereign	China	EUR	465
92	Corridor 4 of Phase II of Chennai Metro Rail Project	Sovereign	India	USD	347
93	Anhui Tongling G3 Road-Rail Bridge Project	Sovereign	China	RMB	2,190
94	Urban and Sustainable Infrastructure Programme – Aracaju City of the Future	Sovereign	Brazil	USD	84
95	Water and Wastewater Services Expansion Project in Manaus ⁵⁴	Non-sovereign	Brazil	USD	80
96	DBSA Sustainable Infrastructure Project ⁵⁵	Non-sovereign	South Africa	USD	200

⁵³ Cancelled in 2024.

⁵⁴ Cancelled in 2023.

⁵⁵ Changed to a USD 100 million loan in 2023.

LIST OF PROJECTS APPROVED BY NDB - CONTINUED

OPERATIONS APPROVED IN 2023					
No.	Project name	Type	Country	Financing currency	Approved financing amount (million)
97	Pernambuco Water and Sanitation Efficiency and Expansion Project	Sovereign	Brazil	USD	202
98	Guizhou Qianxinan Rural Roads Improvement Programme	Sovereign	China	RMB	1,280
99	Aparecida de Goiânia 100 Years' Infrastructure Programme	Sovereign	Brazil	USD	120
100	Network Modernisation and Broadband Connectivity Enhancement Project ⁵⁶	Non-sovereign	South Africa	ZAR	1,350
101	Integrated Sewerage System for City of Imphal (Phase II) Project	Sovereign	India	USD	115
102	Gujarat Rural Road Programme	Sovereign	India	USD	500
103	Bihar Rural Roads Project (Phase 2)	Sovereign	India	USD	638
104	Bank of Huzhou Sustainable Infrastructure Project	Non-Sovereign	China	RMB	USD 50 equivalent
105	BDMG Infrastructure and Sustainable Development Project	Sovereign	Brazil	USD	200

⁵⁶ Cancelled in 2024.

OPERATIONS APPROVED IN 2024 ⁵⁷

No.	Project name	Type	Country	Financing currency	Approved financing amount (million)
106	South Africa Freight Rail Sector Improvement Programme	Sovereign	South Africa	ZAR	18,500
107	Assam Bridge-II Project	Sovereign	India	USD	334
108	Paraiba Water Supply Infrastructure Project	Sovereign	Brazil	USD	61
109	Serra Urban Mobility Improvement Project	Sovereign	Brazil	USD	58
110	South Africa Municipal Water Supply and Sanitation Programme	Sovereign	South Africa	USD	1,000
111	BoCom Financial Leasing LNG Transportation Project	Non-sovereign	China	RMB	USD 150 equivalent
112	Electricity Distribution Infrastructure Modernisation Project	Non-sovereign	Brazil	RMB	1,425
113	Liaoning Industry Upgradation, Infrastructure and Environmentally Sustainable Development Project	Sovereign	China	RMB	1,460
114	Haitong Leasing Environmental Protection Project	Non-sovereign	China	RMB	USD 100 equivalent
115	Middle Reaches of the Yangtze River (Wuhan) Smart Logistics Hub Project	Sovereign	China	RMB	2,415
116	Madhya Pradesh State Highways Improvement Project	Sovereign	India	USD	490
117	Brasilia Capital of Solar Lighting Project	Sovereign	Brazil	EUR	94
118	SAEL 300 MW Renewable Energy Project	Non-sovereign	India	USD	63
119	Shriram Finance Sustainable Transport Project	Non-sovereign	India	USD	125

⁵⁷ In addition to the operations listed in this table, NDB also approved a multi-currency loan in the amount of USD 320 million equivalent in 2024 to a project located in a non-founding member.

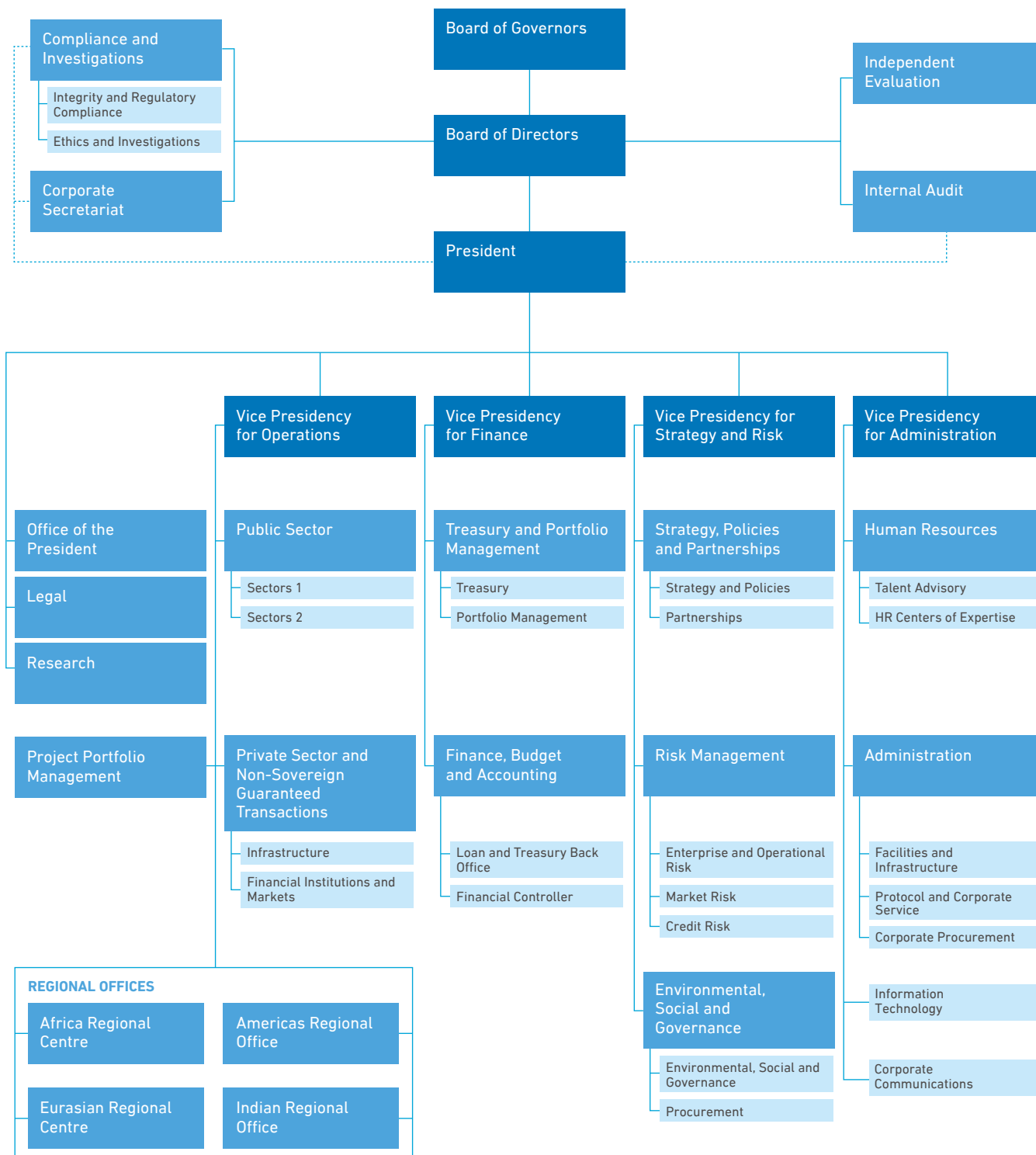
NDB'S ORGANISATIONAL STRUCTURE

ORGANISATIONAL UNIT

- Department
- Division

Note:

1. NDB has 21 Departments that are led by Directors General or equivalent.
2. NDB has 24 Divisions that are led by Chiefs and 4 Chief positions (total 28) under the Corporate Secretariat, Internal Audit, Legal and Office of the President.
3. Corporate Secretariat, Internal Audit, and Compliance and Investigations functionally report to the Board of Directors and administratively/operationally to the President.
4. Independent Evaluation Office reports directly and exclusively to the Board of Directors.



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