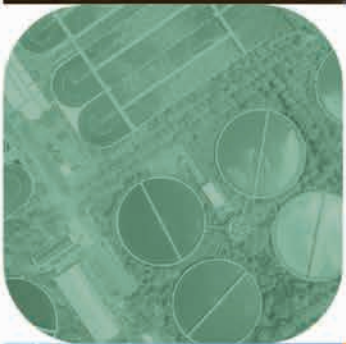
New Development Bank
10 years
INNOVATION • COLLABORATION • IMPACT



REFLECTING ON THE FIRST GOLDEN DECADE: PREPARING FOR THE FUTURE

ANNUAL REPORT 2025

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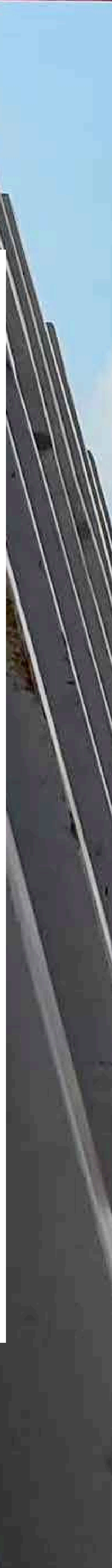
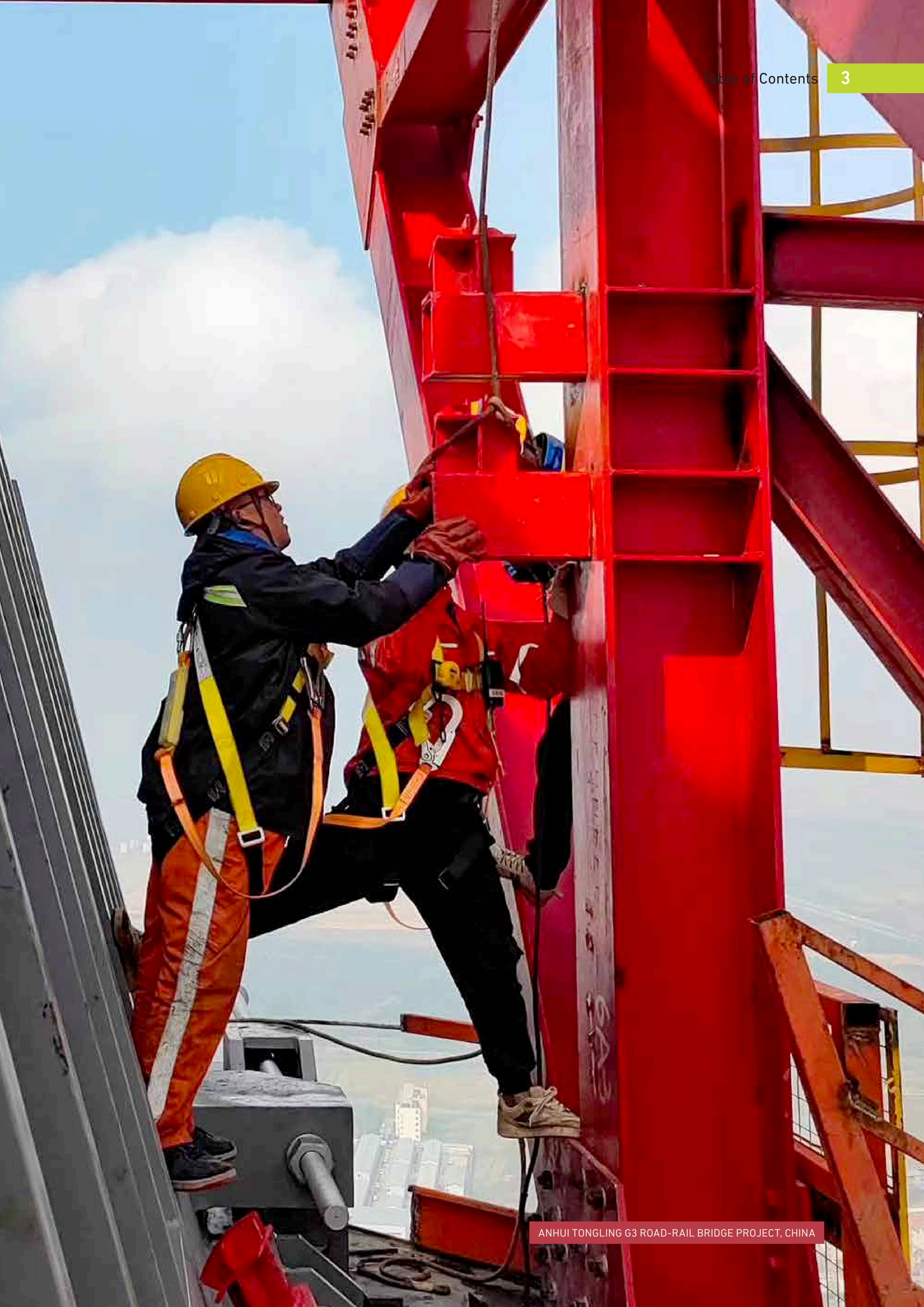




ANHUI TONGLING G3 ROAD-RAIL BRIDGE PROJECT, CHINA

Ten years ago, the Leaders of the BRICS countries took a bold decision: to create a new institution – one that would reflect their values, respond to their priorities, and advance a shared vision of development. That institution is the New Development Bank (NDB or the Bank). NDB was not born out of crisis, but out of conviction – a belief that the Global South has both the right and the capacity to shape its own development trajectory. From the outset, the Bank was built on the premise of collaboration, mutual respect, and national ownership. It was established not as a reaction to existing models, but as an affirmation of a new principle that development must be sovereign, demand-driven, inclusive, and sustainable. It was created to serve as an instrument of a more balanced and representative global financial system that reflects the priorities and perspectives of emerging market economies and developing countries (EMDCs).

A decade later, the vision of NDB's founders continues to guide the Bank's work – delivering tangible results, expanding partnerships, and strengthening the voice of the Global South.

The year 2025 marked a historic milestone for NDB as it completed its first golden decade of operations. This period was defined by continued delivery on the Bank's mandate, an expanded institutional reach, and growing recognition by its members of the Bank's role as a strategic platform for the Global South.

In a highlight of the year, His Excellency President Xi Jinping of the People's Republic of China visited NDB Headquarters in Shanghai. This event, held on April 29, reflected the high importance attached to the Bank across its membership and reinforced its relevance as a key institution within the evolving international financial architecture. It also underscored the shared commitment of the Bank's membership to strong multilateralism rooted in cooperation, solidarity, and a long-term development vision.

NDB is proud to be one of the most tangible and transformative achievements of BRICS cooperation. The Bank reflects the shared belief that EMDCs can build institutions that are aligned with their realities. This achievement is even more significant in today's context, where the multilateral system is under increasing pressure, with rising fragmentation

MESSAGE FROM THE PRESIDENT

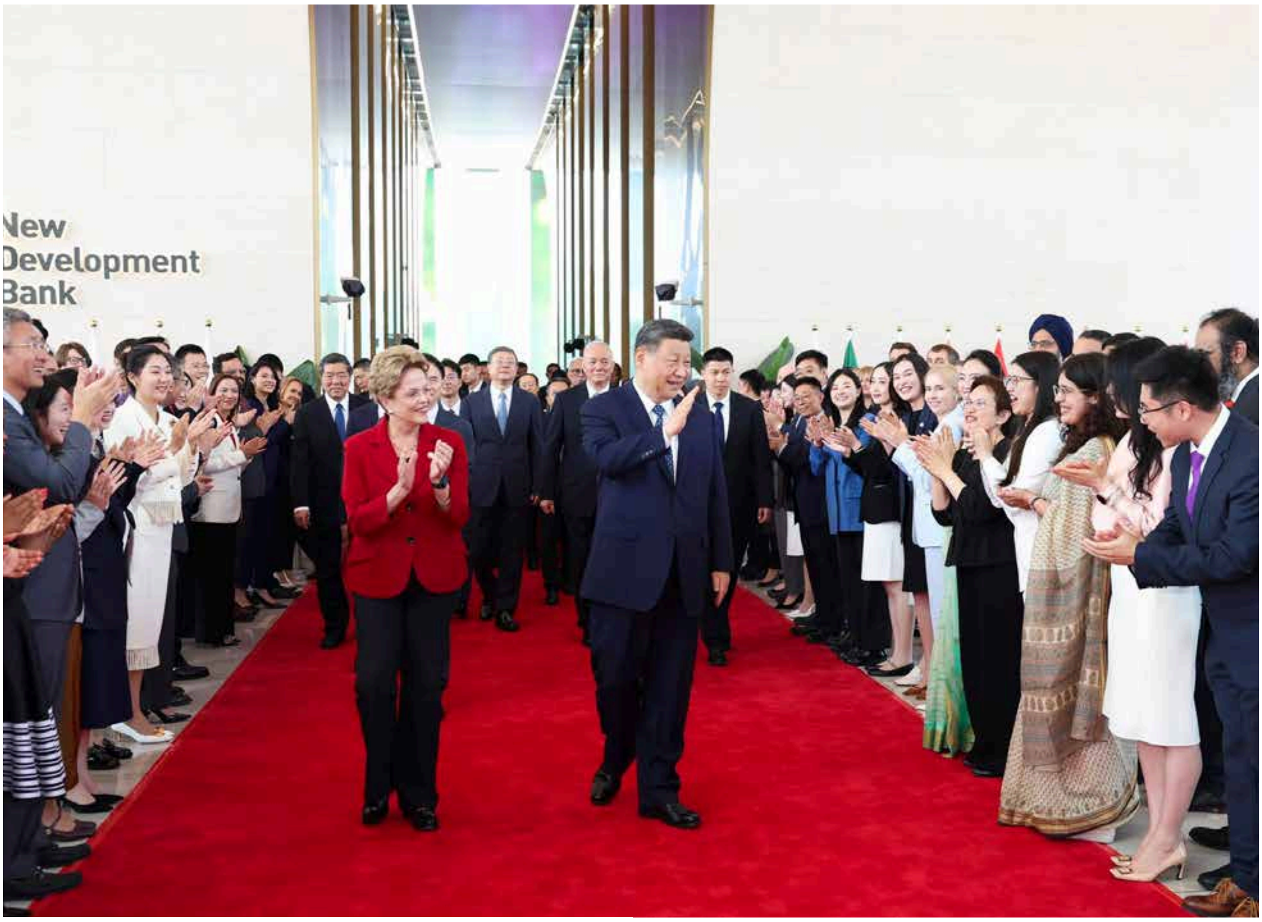
and overlapping crises. Tariffs, sanctions, and financial restrictions have become instruments of political leverage. Supply chains are being restructured around strategic interests rather than shared prosperity. The international financial system remains asymmetrical, often placing the greatest burdens on those with the least resources. In an era when long-term, affordable financing remains scarce – particularly for developing countries – NDB offers a distinct model built on trust, real partnership, and respect for sovereignty.

Against this backdrop, the Bank maintained a clear strategic focus on sustainable development, resilience, and impact. During NDB's Tenth Annual Meeting held in Rio de Janeiro, under the theme "Driving Development: Fostering Innovation, Cooperation, and Impact through a Multilateral Development Bank", the Board of Governors (BoG) reaffirmed the Bank's role in strengthening infrastructure, promoting innovation, and deepening regional and global cooperation.

At the operational level, NDB has cumulatively approved over USD 43 billion since its inception for nearly 140 infrastructure and sustainable development projects in multiple areas that are fully aligned with its member countries' development priorities. The Bank has built a strong balance sheet, established a broad market franchise, developed a diversified funding base, and set up a solid institutional foundation with on-the-ground presence in all founding members.

In 2025, the Bank continued to expand its financing activities while further diversifying its portfolio, with 19 new projects being approved totalling USD 3.2 billion. Local currency financing reached its highest level to date, representing 46% of annual project approvals – 36% in RMB, 8% in INR, and 2% in ZAR. The share of non-sovereign operations also increased significantly, reaching 36.7% of approvals for the year, with USD 1.2 billion allocated – nearly twice the volume recorded in 2024. The use of country systems and the provision of local currency financing have increasingly become core features of NDB's operational model.

Partnerships and collaboration remained central to the Bank's approach. In 2025, eight operations were co-financed with peer multilateral development



CHINA'S PRESIDENT XI JINPING VISITED NDB HEADQUARTERS, APRIL 2025

banks (MDBs), accounting for more than 40% of total projects approved. NDB also continued to explore ways to mobilise capital beyond its balance sheet, playing a catalytic role in unlocking additional sources of financing for sustainable infrastructure and development.

The Bank also made important progress in expanding its membership. Algeria formally deposited its instrument of accession in May, becoming the Bank's ninth effective member. Colombia, Ethiopia, and Uzbekistan were admitted as borrowing members. These developments broadened the Bank's geographic scope, further enhancing its ability to respond to a wide range of national development priorities across the Global South.

On the funding side, the Bank expanded its capital market presence. In 2025, NDB's Euro Medium Term Note (EMTN) Programme was listed on Nasdaq Dubai, increasing funding flexibility and deepening engagement with investors in the Middle East. The Bank sustained its position as the largest panda bond issuer among MDBs, raising RMB 25 billion through five transactions. By the end of the year, the Bank's cumulative panda bond issuances reached RMB 80.5 billion. NDB is in the process of finalising its Indian rupee bond programme to further diversify its funding base and support its INR-denominated lending.

Strong financial fundamentals continued to reinforce the Bank's credibility in international markets. NDB maintained top-tier credit ratings and prudent risk management practices, ensuring continued access to funding in a challenging global environment. Efforts to enhance governance transparency and deepen investor dialogue contributed to this stable performance.

The Bank also advanced its institutional consolidation. Initiatives to strengthen stress testing, align risk appetite with strategic goals, and maintain adequate capital buffers remained central to operations. Talent development, collaboration with national development banks, and knowledge-sharing across member countries were prioritised throughout the year – with an emphasis on digital transformation, climate adaptation, green logistics, and social infrastructure.

The Bank's international engagement reflected its growing voice within the multilateral system. During the 17th BRICS Summit in Rio de Janeiro, the Leaders' Declaration welcomed the Bank's increasing role in mobilising capital, delivering impactful operations, and providing local currency financing. At COP30, held in Belém, Brazil, NDB joined broader collective efforts to highlight the central role of climate resilience in advancing development goals. Discussions centred on strengthening the role of MDBs in supporting economic transformation, livelihoods, and ecosystems amid escalating climate shocks.

The Bank also actively contributed to G20 processes, engaging in discussions on sustainable finance, resilient infrastructure, and the reform of the international financial architecture, while deepening coordinated action with fellow MDBs. Through close collaboration with peers, NDB has supported joint initiatives to scale up climate and development finance, enhance co-financing platforms, harmonise approaches to impact measurement, and strengthen collective capacity to respond to evolving global challenges.

At NDB – a Bank founded by and for emerging economies – the commitment to supporting our members in delivering country-led solutions remains central. Promoting sustained and inclusive economic growth, fostering innovation in science and technology, addressing climate change, and accelerating progress toward the Sustainable Development Goals (SDGs) are understood as inseparable priorities. Every resilient transport corridor built, every digital infrastructure platform deployed, every innovation ecosystem strengthened, every megawatt of clean energy capacity installed, every hectare of land restored, and every community lifted from vulnerability reinforces both sustainable development and human dignity.

Over the past ten years, the Bank has grown in credibility and capacity. It has financed physical and social infrastructure, supported innovation, digital transformation, and energy transition. It has expanded its membership and consolidated itself as an agile, effective, and innovative multilateral institution. Yet its greatest achievement is not numerical – it is the consolidation of a new model of governance: balanced, inclusive, and respectful of national priorities.

Looking ahead, the Bank will pursue an ambitious agenda. This includes scaling local currency financing to reduce exposure to exchange rate volatility and strengthen domestic capital markets; expanding membership in a strategic and representative manner; deepening partnerships with national and multilateral development banks, governments, the private sector, and research institutions; and intensifying support for climate action, energy transition, and urban resilience, fully aligned with the SDGs and global climate frameworks. The Bank will also maintain robust risk and operational metrics to ensure long-term sustainability, while leveraging technology, including artificial intelligence, to enhance internal systems, strengthen institutional efficiency, and increase development impact.

In March 2025, the BoG unanimously re-elected me for a second term. This endorsement provides continuity to the Bank's institutional trajectory and reinforces its long-term vision.

As the Bank enters its second decade, it does so with renewed determination. The mission remains essential. The path ahead will require clarity, resilience, and shared purpose. If the first decade demonstrated that this model is viable and impactful, the next must prove that it can scale, innovate, and serve as a catalyst for a fairer, more balanced, and truly multipolar development architecture. The Bank will continue to uphold its core values of equality, inclusivity, and sustainability, while responding decisively to global challenges. NDB will continue to play a role as a cornerstone institution for EMDCs, contributing to a more just, equitable, and prosperous world. Let this be NDB's second golden decade – one of expansion, innovation, and transformative impact for the Global South.

Dilma Rousseff
PRESIDENT OF THE NEW DEVELOPMENT BANK

NDB IN NUMBERS[1]

» TOTAL PROJECT APPROVALS[2]

19

PROJECTS APPROVED IN 2025

USD 3,171 MILLION

AMOUNT OF FINANCING APPROVED IN 2025

115

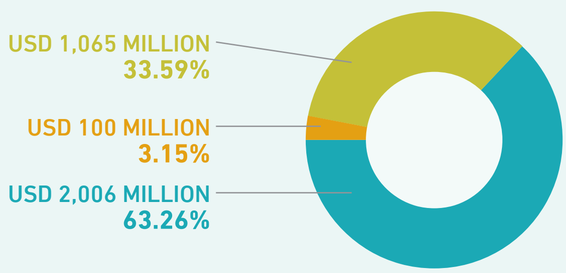
PROJECTS IN THE PORTFOLIO AT THE END OF 2025

USD 35,593 MILLION

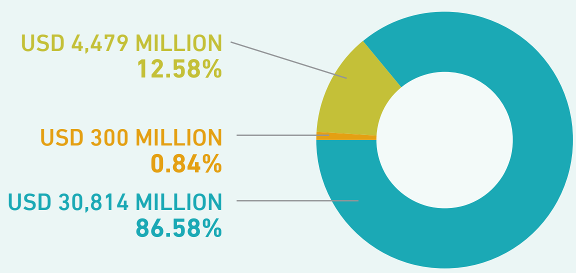
AMOUNT OF FINANCING APPROVED FOR PROJECTS IN THE PORTFOLIO AT THE END OF 2025

» APPROVALS BY TYPE OF OPERATION

Approvals within the year ended December 31, 2025



Approvals for projects in the portfolio as at December 31, 2025



SOVEREIGN LOANS · NON-SOVEREIGN LOANS · EQUITY INVESTMENTS

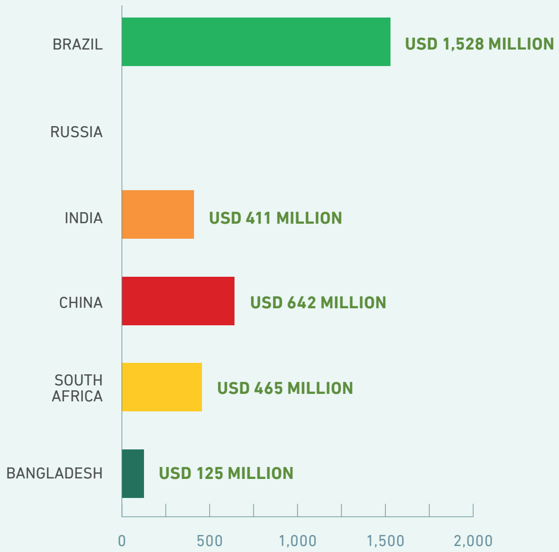
1 Unless otherwise stated, all amounts related to aggregated approvals and disbursements in this report have been translated into USD using exchange rates as at the end of the relevant reporting period. They are expressed in the equivalent amounts in USD.

2 By the end of 2025, NDB had cumulatively approved USD 43 billion for 139 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.

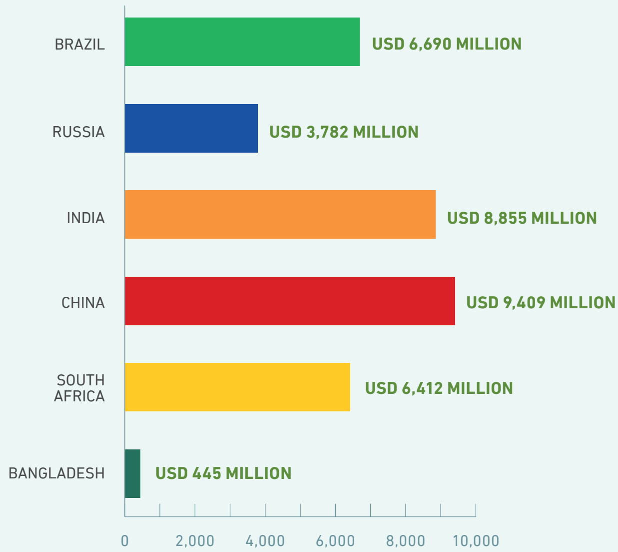
SCAN TO ACCESS DATA FOR **NDB IN NUMBERS**

» APPROVALS BY COUNTRY

Approvals within the year ended December 31, 2025

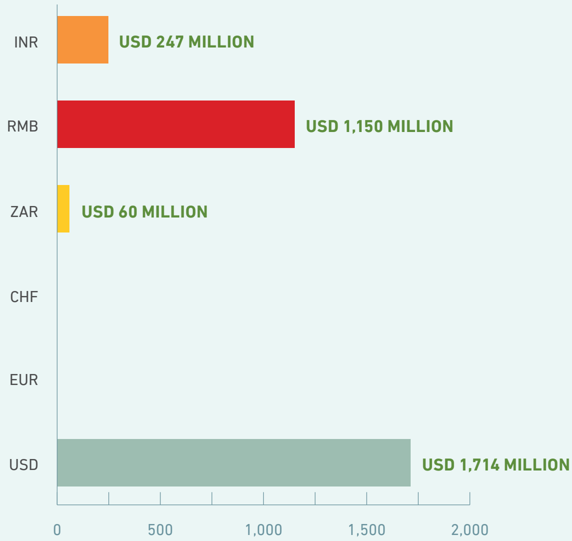


Approvals for projects in the portfolio as at December 31, 2025

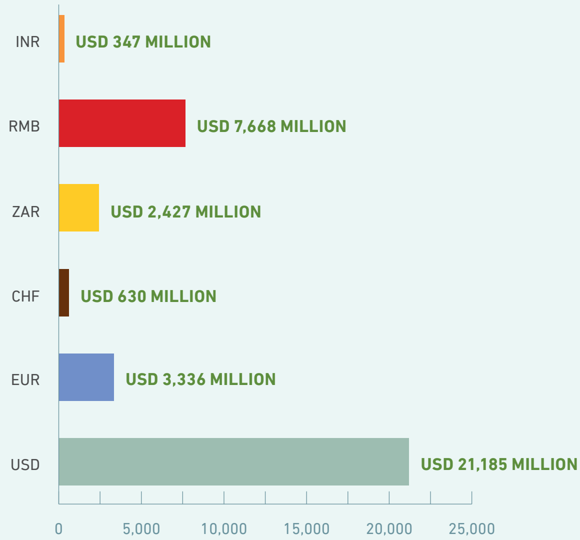


» APPROVALS BY CURRENCY

Approvals within the year ended December 31, 2025



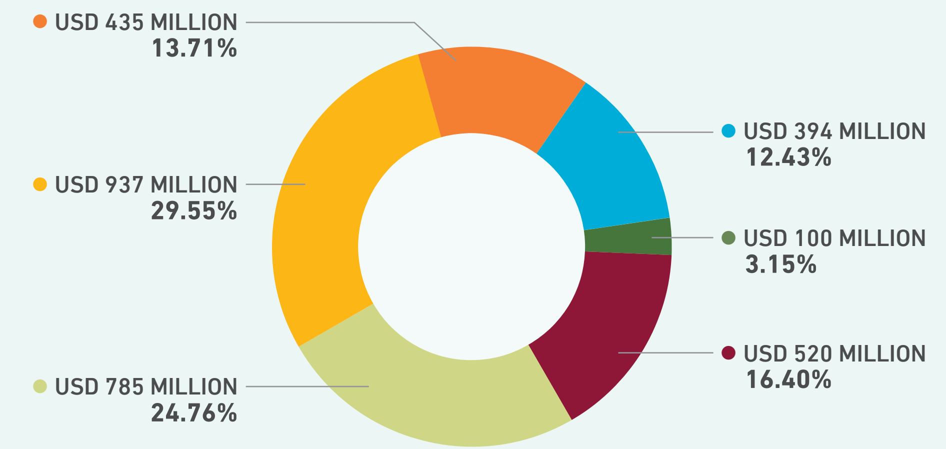
Approvals for projects in the portfolio as at December 31, 2025



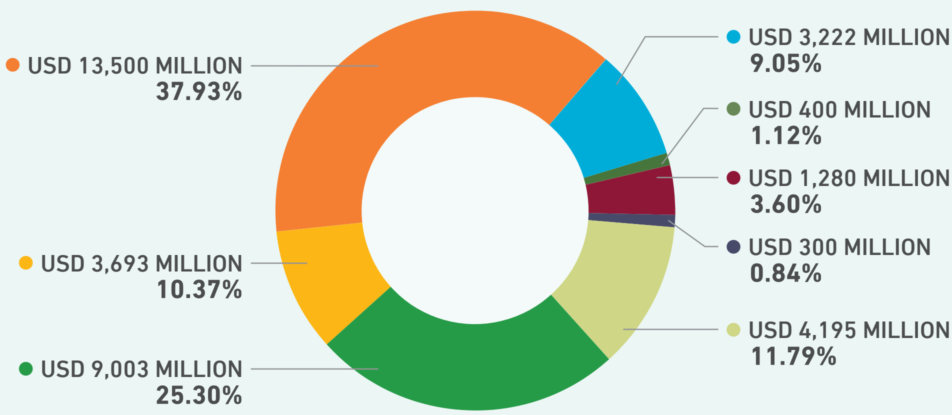
INDIAN RUPEE (INR) · RENMINBI (RMB) · SOUTH AFRICAN RAND (ZAR) · SWISS FRANC (CHF) · EURO (EUR) · UNITED STATES DOLLAR (USD)

APPROVALS BY AREA OF OPERATION

Approvals within the year ended December 31, 2025

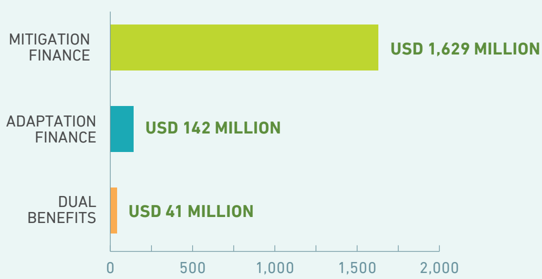


Approvals for projects in the portfolio as at December 31, 2025



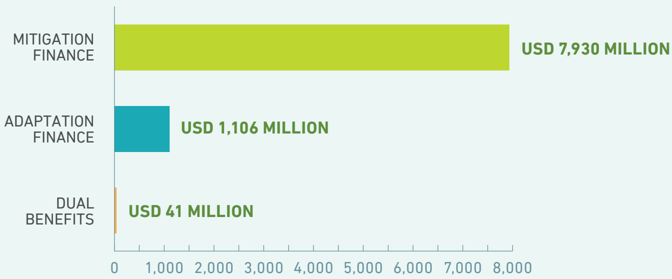
CLIMATE FINANCE

Approvals within the year ended December 31, 2025



TOTAL: USD 1,812 MILLION

Approvals for projects in the portfolio as at December 31, 2025



TOTAL: USD 9,077 MILLION

MITIGATION FINANCE   ADAPTATION FINANCE   DUAL BENEFITS

» HIGHLIGHTS OF EXPECTED DEVELOPMENT RESULTS OF SELECTED PROJECTS FINANCED BY NDB[3]

● From projects approved within the year ended December 31, 2025 ● From projects in the portfolio as at December 31, 2025

Renewable and clean energy generation capacity to be installed

2,200 MW

4,400 MW

CO_2 emissions to be avoided

17.6 million tonnes/year

32.2 million tonnes/year

Roads and bridges to be built or upgraded

150 km

32,400 km

Drinking water supply capacity to be increased

444,000 m^3/day

664,000 m^3/day

Air passenger handling capacity to be increased

104 million/year

Sewage treatment capacity to be increased

143,000 m^3/day

721,000 m^3/day

Air cargo handling capacity to be increased

960,000 tonnes/year

Water tunnel/canal infrastructure to be built or upgraded

1,400 km

Urban rail transit network to be built

293 km

Schools to be built or upgraded

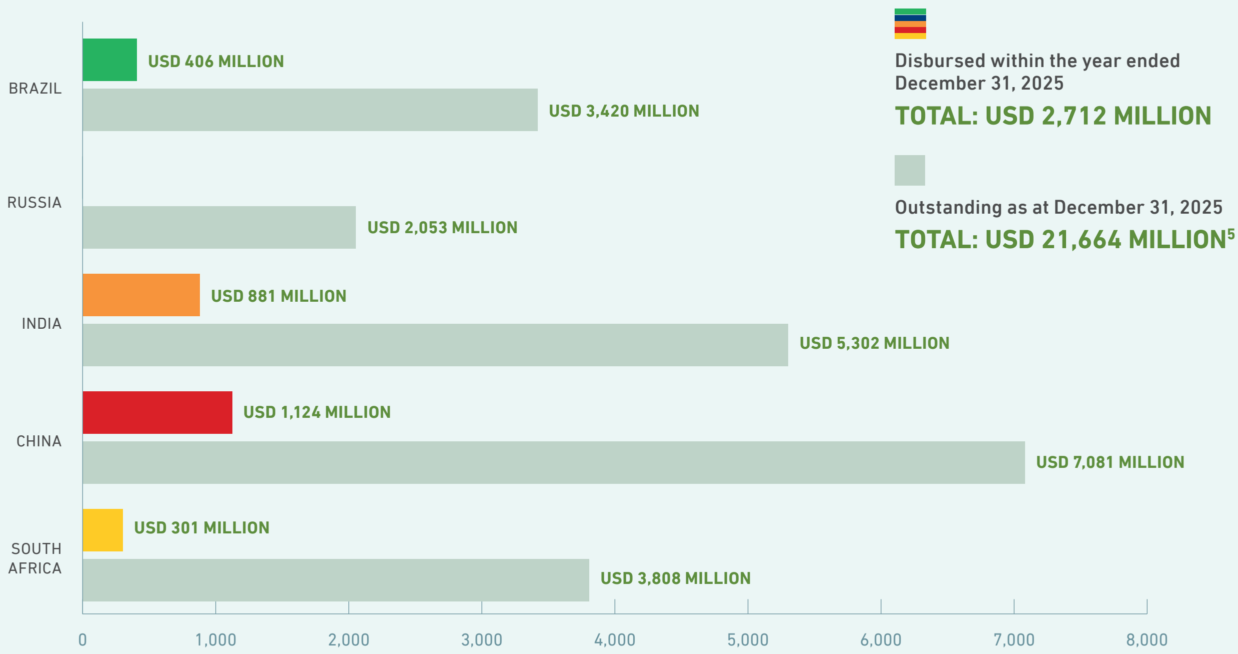
15

Housing units to be constructed

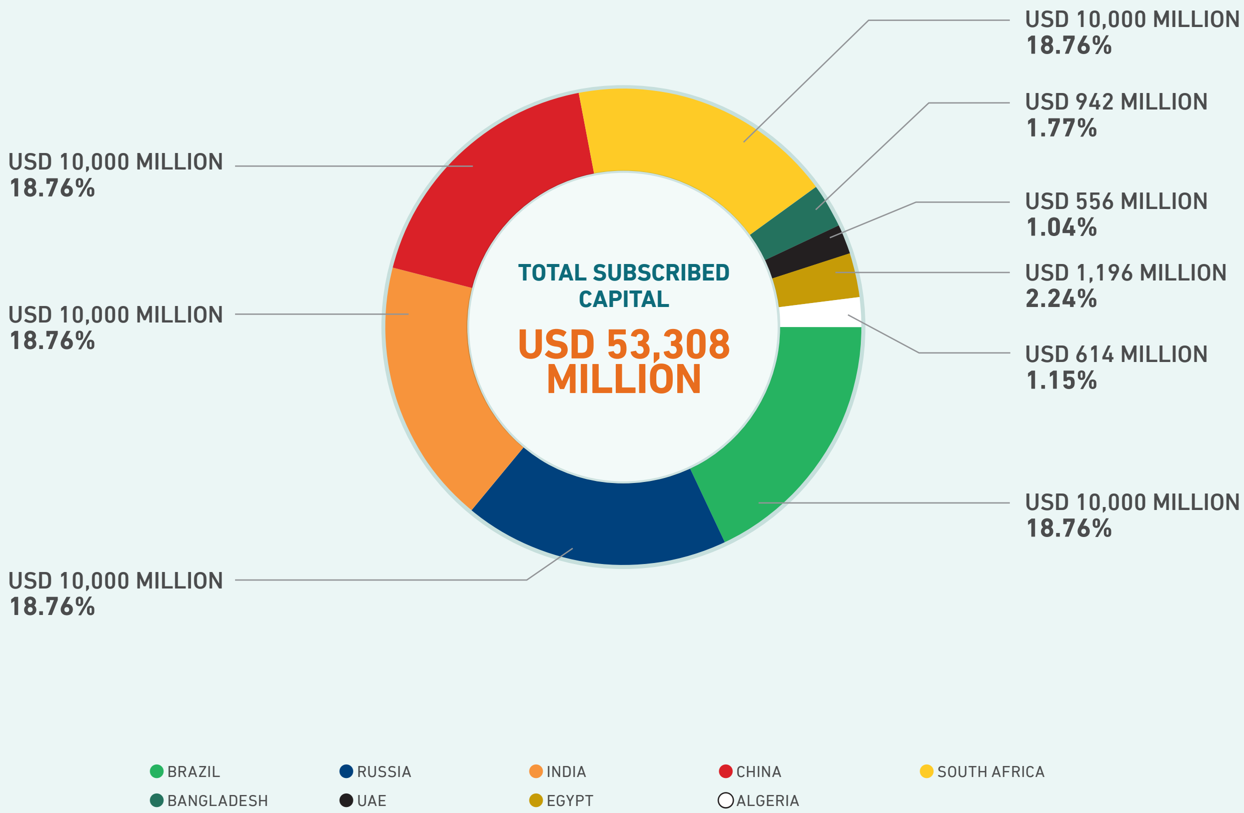
35,000

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 COUNTRY[4]



» SHAREHOLDING STRUCTURE (AS AT DECEMBER 31, 2025)



4 Including disbursements relating to both loan commitments and equity investments.
5 As at December 31, 2025, the Bank's cumulative disbursements and cumulative repayments stood at USD 24.2 billion and USD 2.5 billion, respectively.

» BOND ISSUANCES[6]

	Issued within the year ended December 31, 2025		Outstanding as at December 31, 2025	
	Number	Amount (million)	Number	Amount (million)
RMB bonds	5	RMB 25,000	9	RMB 49,500
ZAR bonds	-	-	6	ZAR 3,831
EUR bonds	1	EUR 150	2	EUR 240
HKD bonds	-	-	4	HKD 2,375
USD bonds	3	USD 1,498	26	USD 7,436

» EMPLOYEES BY GENDER (AS AT DECEMBER 31, 2025)

SOUTH AFRICAN NATIONAL TOLL ROADS STRENGTHENING AND IMPROVEMENT PROGRAMME, SOUTH AFRICA

6 In addition to the bond issuances, NDB executed a USD 1.5 billion club loan facility during 2025. As at December 31, 2025, outstanding amount of loans issued by the Bank stood at USD 6.2 billion.

1

NDB OVERVIEW AND 2025 HIGHLIGHTS

FINANCING OF RENEWABLE ENERGY PROJECTS AND ASSOCIATED TRANSMISSION (BNDES)

BRAZIL

NDB OVERVIEW AND 2025 HIGHLIGHTS

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). As the Bank concluded its first decade of operations in 2025, it is not only successfully complementing the ongoing efforts of other multilateral and regional financial institutions but also contributing to global growth and development by funding the specific needs and aspirations of EMDCs.

To broaden its reach and impact, NDB started to expand its membership in 2021. By the end of 2025, NDB's Board of Governors (BoG) had admitted Algeria, Bangladesh, Colombia, Egypt, Ethiopia, United Arab Emirates (UAE), Uruguay and Uzbekistan 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 countries were admitted as borrowing members. Following the accession of Bangladesh and UAE to NDB in 2021, Egypt in 2023, Algeria deposited its instrument of accession on May 19, 2025, bringing the total number of the Bank's effective members to nine.[7]

As a global MDB, NDB is headquartered in Shanghai, China, and has established an on-the-ground presence in all of its 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.

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. Colombia, Ethiopia, Uruguay, and Uzbekistan's membership to NDB will become effective once their instruments of accession are deposited.

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, Egypt and Algeria also made their respective initial subscriptions, totalling USD 3.3 billion with the same proportion between callable capital and paid-in capital as the founding members. This brought NDB's subscribed capital to USD 53.3 billion, consisting of USD 42.6 billion in callable capital and USD 10.7 billion in paid-in capital. With the paid-in capital contributed by non-founding members over the year, the total paid-in capital received by the Bank amounted to USD 10.2 billion by the end of 2025.

By the end of 2025, the five founding members each held 18.76% of the total subscribed capital of the Bank, while the rest was held by Bangladesh (1.77%), UAE (1.04%), Egypt (2.24%), and Algeria (1.15%). The Bank's shareholding structure and voting rules ensure 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.

USD 42,647 MILLION

Callable capital subscribed as of the end of 2025

USD 10,661 MILLION

Paid-in capital subscribed as of the end of 2025

SHAREHOLDING STRUCTURE AT NDB (AS AT DECEMBER 31, 2025)

	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	-	18.76
Russia	100,000	10,000	8,000	2,000	2,000	-	18.76
India	100,000	10,000	8,000	2,000	2,000	-	18.76
China	100,000	10,000	8,000	2,000	2,000	-	18.76
South Africa	100,000	10,000	8,000	2,000	2,000	-	18.76
Subtotal	**500,000**	**50,000**	**40,000**	**10,000**	**10,000**	**-**	**93.79**
NON-FOUNDING MEMBERS							
Bangladesh	9,420	942	754	188	94	94	1.77
UAE	5,560	556	445	111	56	55	1.04
Egypt	11,960	1,196	957	239	48	191	2.24
Algeria	6,140	614	491	123	9	114	1.15
Subtotal	**33,080**	**3,308**	**2,647**	**661**	**207**	**454**	**6.21**
Total	**533,080**	**53,308**	**42,647**	**10,661**	**10,207**	**454**	**100.00**

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

1.3 2025 HIGHLIGHTS

PRESIDENT ROUSSEFF WITH CHINA'S PRESIDENT XI JINPING DURING HIS VISIT TO NDB HEADQUARTERS TO COMMEMORATE NDB'S FIRST GOLDEN DECADE

In 2025, NDB entered a transformative phase under the leadership of Mrs. Dilma Rousseff, who was unanimously re-elected by the BoG on March 19, 2025, as President of the Bank from July 7, 2025, to July 6, 2030, reinforcing institutional continuity and strategic ambition. On April 29, 2025, His Excellency Mr. Xi Jinping, President of the People's Republic of China, visited NDB headquarters in Shanghai. President Xi Jinping congratulated Mrs. Dilma Rousseff on her re-election as the President of NDB.

In 2025, Algeria submitted its instrument of accession, taking the effective membership in NDB to nine. Further, the BoG officially admitted Colombia, Ethiopia and Uzbekistan as borrowing members of the Bank.

During the year, NDB approved around USD 3.2 billion in financing for 19 projects, supporting clean energy, water and sanitation, environmental protection, resilient infrastructure, and social inclusion, which brought the total to 139 projects and USD 43.0 billion since inception. The Bank also intensified local currency financing to reduce the risk of currency fluctuations to the borrowers. Nearly half of 2025 projects were financed in local currencies, a new record. The Bank doubled its non-sovereign approvals to USD 1.2 billion, exceeding 30% of annual approvals for the first time. In 2025, 10 out of 19 projects approved by NDB were co-financed with MDBs and other development finance institutions (DFIs). In 2025, the Bank acknowledged the importance of nuclear power as an efficient, safe, and low-carbon tool supporting member countries in achieving accelerated development, and the vital diagnostic and therapeutic benefits of nuclear medicine. Accordingly, the Board of Directors (BoD) approved a list of guiding principles for NDB's financing of nuclear power and nuclear medicine.

In 2025, 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 6.6 billion equivalent of medium and long-term funding through public and private placements in the international capital markets, bond issuances in China's domestic market, as well as borrowing in loan markets. It successfully issued a three-year USD 1.25 billion bond in international capital markets. In China's Interbank Bond Market, NDB's status as one of the largest issuers of panda bonds was further consolidated, by raising RMB 25 billion through five additional issuances. The RMB 2 billion

PRESIDENT ROUSSEFF MET WITH RUSSIA'S PRESIDENT VLADIMIR PUTIN

PRESIDENT ROUSSEFF MET WITH INDIA'S PRIME MINISTER NARENDRA MODI bond issued in December was NDB's first-ever 10-year bond issuance and marked the largest-ever 10-year panda bond issuance by a multilateral institution in China. The proceeds from the bond were converted from RMB to ZAR and are earmarked exclusively to fund infrastructure and sustainable development projects in Africa. In November, NDB's

PRESIDENT ROUSSEFF WITH BRAZIL'S PRESIDENT LULA DA SILVA AT THE 17TH BRICS SUMMIT

PRESIDENT ROUSSEFF WITH SOUTH AFRICA'S PRESIDENT CYRIL RAMAPHOSA AT THE G20 SUMMIT

USD 50 billion Euro Medium Term Note (EMTN) Programme was listed on Nasdaq Dubai. This multi-listing, along with earlier listing on the London Stock Exchange, diversifies the Bank's funding sources across markets and investor bases.

1.4 KEY EVENTS IN 2025

THE VISIT OF PRESIDENT XI JINPING OF THE PEOPLE'S REPUBLIC OF CHINA TO NDB

CHINA'S PRESIDENT XI JINPING WITH NDB MANAGEMENT AND SENIOR STAFF MEMBERS AT NDB HEADQUARTERS

DATE:
April 29, 2025

LOCATION:
Shanghai, China

On April 29, 2025, President Xi Jinping of the People's Republic of China visited the NDB Headquarters in Shanghai, China, where he was welcomed by President Rousseff and the Bank's leadership. President Xi congratulated President Rousseff on her re-election and emphasised that NDB is the first multilateral development institution founded and led by emerging markets, calling it a pioneering symbol of South-South cooperation. He highlighted NDB's role in advancing global governance reform and encouraged the Bank to expand high-quality, low-cost, and sustainable financing, strengthen green and technology-driven projects, and help developing countries bridge the digital divide. President Xi urged NDB to amplify the Global South's voice in international financial reform and reaffirmed China's full support for its growth. While commending NDB's growth over the past decade into an emerging force in the international financial system and a symbol of South-South cooperation, he noted that NDB is ready to embark on its second golden decade, as BRICS cooperation enters a phase of high-quality development.

In her remarks, President Rousseff expressed her gratitude to China for its enduring strong support for NDB. She praised China's leadership, multilateral vision, and technological openness. She also emphasised that, in a world marked by turbulence, the Chinese Government protects the interests of the Global South, supports multilateralism, and upholds international fairness and justice, setting an example for the international community. She also commended China's open approach to technology cooperation, offering important opportunities for the Global South. She also highlighted the strong project approvals of NDB, advancements made in local currency financing, and the Bank becoming the largest issuer of panda bonds.

THE TENTH ANNUAL MEETING OF NDB'S BOARD OF GOVERNORS

GROUP PHOTO AT NDB'S TENTH ANNUAL MEETING IN RIO DE JANEIRO

Under the theme "Driving Development: Fostering Innovation, Cooperation, and Impact through a Multilateral Development Bank for the Global South," the Tenth Annual Meeting of NDB's BoG was held during July 4–5, 2025, in Rio de Janeiro, Brazil. During the meeting, Governors reflected on the Bank's evolution and commended NDB for its achievements over the past year, praising its deepening role as an MDB created by and for the Global South. They welcomed the Bank's continued progress in strengthening institutional capacity, expanding membership, and enhancing global

DATE:
July 4–5, 2025

LOCATION:
Rio de Janeiro, Brazil

cooperation. The BoG recognised the ongoing advances in streamlining operations, scaling sustainable development financing, and bolstering NDB's global presence under the leadership of President Rousseff.

BRAZIL'S PRESIDENT LULA DA SILVA AT THE ANNUAL MEETING'S OPENING CEREMONY

A significant outcome of the annual meeting was the admission of Colombia and Uzbekistan as borrowing members of NDB, expanding the Bank's outreach and reinforcing its role as a platform for South-South cooperation. The BoG also discussed and provided guidance on the Bank's General Strategy and its implementation.

Reaffirming their countries' commitment, members of the BoG expressed strong and unwavering support for enlarging NDB's scale, strengthening its financial sustainability, and propelling the institution into its next decade of development impact.

NDB'S PARTICIPATION IN THE 17TH BRICS SUMMIT

DATE:
July 6–7, 2025

LOCATION:
Rio de Janeiro, Brazil

In July 2025, NDB participated in the 17th BRICS Summit in Rio de Janeiro, Brazil, held under the theme of "Strengthening Global South Cooperation for a More Inclusive and Sustainable Governance". This summit marked the first participation of Indonesia as a full member of BRICS. The event offered a great opportunity for NDB to deepen its dialogue and cooperation with BRICS countries and other EMDCs.

PRESIDENT ROUSSEFF REPORTED TO BRICS LEADERS AT THE BRICS SUMMIT

In the plenary session, President Rousseff delivered a comprehensive report on NDB's functioning to the BRICS Leaders. She emphasised that the global economic and geopolitical order built on the Bretton Woods institutions and the United Nations system is under severe strain due to rising protectionism, sanctions, supply chain disruptions, and trade conflicts. Further, she highlighted that despite global upheavals, NDB has demonstrated remarkable resilience and has continued to fulfil its mission of supporting member countries and promoting inclusive and sustainable development.

MAIN PLENARY SESSION OF THE 17TH BRICS SUMMIT

THE RIO DE JANEIRO DECLARATION

In the Rio de Janeiro Declaration adopted at the 17th BRICS Summit, the BRICS Leaders welcomed the re-election of President Rousseff and supported her leadership. They acknowledged the progress made by NDB and its growing role in the development and modernisation in the Global South. They also reaffirmed their support for further expansion of NDB as it enters its second golden decade.

"As the New Development Bank is set to embark on its second golden decade of high-quality development, we recognize and support its growing role as a robust and strategic agent of development and modernization in the Global South. We welcome the Bank's steady expansion of its capacity to mobilize resources, foster innovation, expand local currency financing, diversify funding sources, and support impactful projects that advance sustainable development, reduce inequality, and promote infrastructure investments and economic integration. We also acknowledge and encourage the ongoing expansion of its membership and the strengthening of its governance framework, which enhance the Bank's institutional resilience and operational effectiveness, to continue executing its purpose and functions in a fair and non-discriminatory manner. We strongly support the further expansion of NDB membership and expedited consideration of applications of interested BRICS countries, in line with the NDB General Strategy and related policies. We fully support the leadership of President Dilma Rousseff, whose reappointment received strong backing from all members, and we welcome the Bank's firm progress toward its consolidation as a global institution for development and stability. This trajectory reflects our shared commitment to strengthening financial mechanisms that promote inclusive and sustainable development in the Global South."

GROUP PHOTO AT THE 17TH BRICS SUMMIT

NDB AT COP30

GROUP PHOTO AT THE COP30 LEADERS' SUMMIT HOSTED BY BRAZIL

DATE:
November 6–21, 2025

LOCATION:
Belém, Brazil

NDB actively participated in 30th Conference of the Parties (COP30) of the United Nations Framework Convention on Climate Change (UNFCCC), hosted by Brazil in Belém, Pará, in November 2025. At the COP30 Leaders' Summit, President Rousseff delivered an address, reaffirming the Bank's strong commitment to climate-aligned development and the collective ambition of MDBs to accelerate climate-smart growth that supports country priorities. In her address, President Rousseff highlighted NDB's ongoing commitment under its General Strategy for 2022–2026, dedicating 40% of approved financing to climate mitigation and adaptation and supporting member countries' efforts to align with the Paris Agreement on Climate Change and the SDGs. During a high-level event on climate adaptation, NDB's Vice President and Chief Risk Officer, Dr. Rajiv Ranjan, joined senior representatives of MDBs and climate investment funds in discussions on strengthening resilience and expanding access to climate finance.

NDB also participated in the Joint MDB Statement for COP30, where MDBs reaffirmed their commitment to supporting resilient, economically sound development, including stable institutions, reliable infrastructure, and adaptation to climate shocks. The statement also emphasised accelerated actions on adaptation and resilience, a new framework for nature finance, and a call for all stakeholders to partner with MDBs to deliver climate-smart development. At the Joint MDB Pavilion, NDB hosted three side events focused on:

- Accelerating Adaptation Finance: Innovative Approaches to Scaling Resilience and Impact;
- Financing Transition: How Digital Innovation and Artificial Intelligence (AI) Can Facilitate Climate Investment; and
- Decarbonising Transport: Driving the Energy Transition.

Through its presence at COP30, NDB reinforced its role as a key contributor to global climate action – expanding its climate investments, engaging deeply in multilateral coordination, and promoting transition to low-emission and climate-resilient development pathways across EMDCs.

PRESIDENT ROUSSEFF DELIVERED AN ADDRESS AT THE COP30 LEADERS' SUMMIT

2

GOVERNANCE AND OVERSIGHT

DELHI-GHAZIABAD-MEERUT REGIONAL RAPID TRANSIT SYSTEM PROJECT

INDIA

GOVERNANCE AND OVERSIGHT

2.1 BOARD OF GOVERNORS

GOVERNORS OF NDB (AS AT DECEMBER 31, 2025)

MR. ANTON SILUANOV
Governor for Russia
(Chairperson of the BoG)[9]
Minister of Finance, the Russian Federation

MRS. NIRMALA SITHARAMAN
Governor for India
(Vice Chairperson of the BoG)[10]
Minister of Finance, the Republic of India

MR. FERNANDO HADDAD[11]
Governor for Brazil
Minister of Finance,
the Federative Republic of Brazil

MR. LAN FO'AN
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 AHMED[12]
Governor for Bangladesh
Finance and Commerce 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-MASHAT[13]
Governor for Egypt
Minister of Planning, Economic Development and International Cooperation,
the Arab Republic of Egypt

MR. ABDELKRIM BOUZRED[14]
Governor for Algeria
Minister of Finance,
the People's Democratic Republic of Algeria

9 Until July 5, 2025, Mr. Fernando Haddad was the Chairperson of the BoG.
10 Until July 5, 2025, Mr. Anton Siluanov was the Vice Chairperson of the BoG.
11 On March 19, 2026, Mr. Dario Carnevalli Durigan was appointed as the Governor for Brazil.
12 On March 15, 2026, Mr. Amir Khosru Mahmud Chowdhury was appointed as the Governor for Bangladesh.
13 On February 11, 2026, Dr. Badr Abdelatty was appointed as the Governor for Egypt.
14 On July 9, 2025, Mr. Abdelkrim Bouzred was appointed as the Governor for Algeria.

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. 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 BoD, it retains the full power to make certain strategic decisions, such as 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.

Until the Tenth Annual Meeting of the BoG, Mr. Fernando Haddad, NDB's Governor for Brazil and Minister of Finance of the Federative Republic of Brazil, and Mr. Anton Siluanov, NDB's Governor for Russia and Minister of Finance of the Russian Federation, served as the Chairperson and the Vice Chairperson of the BoG, respectively. During the Tenth Annual Meeting of the BoG, Mr. Anton Siluanov was elected as the Chairperson of the BoG, and Mrs. Nirmala Sitharaman, NDB's Governor for India and Minister of Finance of the Republic of India, was elected as the Vice Chairperson. They were elected to serve in their respective positions until the end of the Eleventh Annual Meeting of the BoG. Following Algeria's accession to the Bank in 2025, Mr. Abdelkrim Bouzred, Minister of Finance of the People's Democratic Republic of Algeria was appointed as the Governor to represent the country on the BoG.

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 governance structure, the BoD functions as a non-resident body and meets at least quarterly.

DIRECTORS OF NDB (AS AT DECEMBER 31, 2025)

MR. IVAN TIAGO MACHADO OLIVEIRA[15]
Director for Brazil
Deputy Secretary for Sustainable Development Finance,
Ministry of Finance,
the Federative Republic of Brazil

MR. IVAN CHEBESKOV[16]
Director for Russia
Deputy Minister of Finance,
Ministry of Finance,
the Russian Federation

MS. ANU P. MATHAI[17]
Director for India
Additional Secretary,
Department of Economic Affairs,
Ministry of Finance,
the Republic of India

MS. JUNHONG CHANG[18]
Director for China
Director General,
Department of International Economic and Financial Cooperation,
Ministry of Finance,
the People's Republic of China

DR. DUNCAN PIETERSE
Director for South Africa
(Chairperson of the BoD)
Director General,
National Treasury,
the Republic of South Africa

DR. EMAN FAKHRY[19]
Additional Director for the Constituency of Bangladesh, UAE, Egypt, and Algeria[20]
Senior Manager, Asian Cooperation Sector,
Ministry of Planning, Economic Development and International Cooperation,
the Arab Republic of Egypt

15 Before February 4, 2025, Ms. Tatiana Rosito was the Director for Brazil.
16 Before January 30, 2025, Mr. Timur Maksimov was the Director for Russia.
17 Before August 29, 2025, Ms. Manisha Sinha was the Director for India.
18 Before January 22, 2025, Mr. Zhijun Cheng was the Director for China.
19 Before July 14, 2025, Ms. Thuraiya Hamid Alhashmi was the Additional Director for the Constituency of Bangladesh, UAE and Egypt.
20 Following its accession to NDB, Algeria joined the constituency on July 22, 2025.

As of end-2025, NDB's member countries were represented on the BoD through six constituencies. In addition to the five founding member country constituencies, each represented by a Director and an Alternate Director appointed by a founding member, the four non-founding member countries comprise a multi-member 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 has no vote, except for a deciding vote in case of an equal division among the Directors.

In 2025, the non-resident BoD held meetings in accordance with the Bank's AoA and also took decisions inter-sessionally. The BoD approved approximately 20 project proposals, two modifications of approved loans, and approved review of four policies, as well as the Internal Audit Charter and General Conditions pertaining to sovereign and sovereign-guaranteed loans. Directors also provided guidance on a number of strategic issues, including those pertaining to NDB's General Strategy, membership expansion, capital plan, loan pricing, funding strategy, and business plan. During the year, the BoD convened three strategic retreats to deliberate on key priorities, including latest global developments, innovative financing instruments, the Bank's General Strategy for 2027–2031, and matters relating to independent evaluation. Also in 2025, the BoD approved the appointment of KPMG Huazhen LLP as the Bank's independent auditor for the years from 2026 to 2030, due to the periodic rotation requirement.

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 committees appointed by the BoD composed of members of the Management team. These committees make decisions through meetings or inter-sessional circulations.

BOARD COMMITTEES (AS AT DECEMBER 31, 2025)

COMMITTEE	COMPOSITION	CHAIRPERSON
Audit, Risk and Compliance Committee (ARC)	Members of the BoD	Ms. Junhong Chang (Director for China)[21]
Budget, Human Resources and Compensation Committee (BHRC)	Members of the BoD	Mr. Ivan Tiago Machado Oliveira (Director for Brazil)[22]

MANAGEMENT COMMITTEES (AS AT DECEMBER 31, 2025)

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)

21 Before July 14, 2025, the Additional Director for the Constituency of Bangladesh, UAE, and Egypt was the Chairperson of the ARC.
22 Until July 20, 2025, the Director for India was the Chairperson of the BHRC.

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 2025, the ARC held four 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 accounting policy and measurement, as well as business continuity management. 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 2025, 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.

In 2025, the BHRC held four meetings. The committee provided oversight of budget utilisation and facilitated the preparation of the budget and business plan for 2026. 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 2025, 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 2025, the CIC considered approximately 80 matters, including approximately 20 new project proposals and 22 proposed changes to the existing loans. 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 2025, the FC considered approximately 70 matters, including more than 10 transaction proposals related to fundraising. 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 Vice Presidents of the Bank.

In 2025, the EC held 14 meetings. The committee satisfied its responsibilities in compliance with its terms of reference.

2.4 MANAGEMENT

Under the direction of the BoD, the President is responsible for conducting the ordinary business of the Bank and is the chief of the Bank's operating staff. The President is elected by the BoG from the 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 March 19, 2025, the BoG unanimously re-elected Mrs. Dilma Rousseff as President of the Bank from July 7, 2025, to July 6, 2030. This gives the Bank continuity in consolidating itself as a global institution for development and stability in the Global South. On July 5, 2025, the BoG appointed Mr. Roman Serov as a Vice President of NDB, starting from September 7, 2025. As NDB's Vice President and Chief Operating Officer, Mr. Serov is responsible for the Bank's operations and its regional offices. On September 24, 2025, the BoG appointed Dr. Rajiv Ranjan as a Vice President of NDB, with immediate effect. As NDB's Vice President and Chief Risk Officer, Dr. Ranjan is responsible for the Bank's risk management, strategy, policies, partnerships and environmental, social and governance (ESG) functions. In 2025, there were no conflicts of interest to report on and no recorded disclosure of financial interests by the Management as applicable under NDB's Code of Business Conduct and Ethics.

THE MANAGEMENT OF NDB (AS AT DECEMBER 31, 2025)

MRS. DILMA ROUSSEFF
President

MR. ROMAN SEROV[23]
Vice President and Chief Operating Officer

DR. RAJIV RANJAN[24]
Vice President and Chief Risk Officer

MR. QIANGWU ZHOU
Vice President and Chief Administrative Officer

MR. MONALE RATSOMA[25]
Vice President and Chief Financial Officer

23 Before September 7, 2025, Mr. Vladimir Kazbekov was NDB's Vice President and Chief Operating Officer.
24 Before September 24, 2025, Mr. Anil Kishora was NDB's Vice President and Chief Risk Officer.
25 Effective April 17, 2025, Mr. Monale Ratsoma was appointed as the Debt Officer of NDB for the ZAR 10 billion Note Programme listed on the Johannesburg Stock Exchange, following the resignation of Mr. Leslie Warren Maasdorp as the Vice President and Chief Financial Officer and the Debt Officer of NDB.

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 its establishment in 2022, the IEO has made steady progress in developing a robust and credible evaluation architecture within the Bank. It has since introduced an Evaluation Policy and an Evaluation Strategy and continues to play an active role in assessing the Bank's impact using methodologies outlined in its Evaluation Manual.

SCAN FOR MORE ABOUT THE **INDEPENDENT EVALUATION OFFICE**

In 2025, the IEO completed a diverse set of evaluations, including one corporate level evaluation, one country portfolio evaluation, one thematic evaluation, two project evaluations, and one project completion report validation. These evaluations captured results of NDB's operations and also identified lessons and good practices for guiding the way forward. Beyond its core evaluation mandate, the IEO also advanced evaluation capacity development across the Bank and its member countries. In 2025, the IEO conducted targeted training sessions on the Evaluation Manual for NDB staff, including regional offices, as well as key country-level partners. These efforts deepened stakeholder engagement at the project, country, and institutional levels, reinforcing a stronger evaluation culture and a more harmonised system for monitoring outcomes and reporting impact. The IEO also hosted evaluation-focused seminars in Bangladesh and South Africa and contributed to events organised by external partners, including the Brazilian Monitoring and Evaluation Network and the Russian Evaluation Society, promoting the exchange of experiences, lessons learned, and good practices.

To strengthen partnerships on evaluation matters, the IEO signed formal cooperation agreements with India's Development Monitoring and Evaluation Office and South Africa's Department of Planning, Monitoring and Evaluation. Reflecting the strength of its evaluation systems and framework, the IEO was admitted in 2025 as a temporary observer in the Evaluation Cooperation Group of MDBs, a significant milestone as the youngest evaluation office in the group and the fastest to attain this recognition.

3

OPERATIONS


SHANXI TAIYUAN WUSU ZERO-CARBON AIRPORT PROJECT
CHINA

OPERATIONS

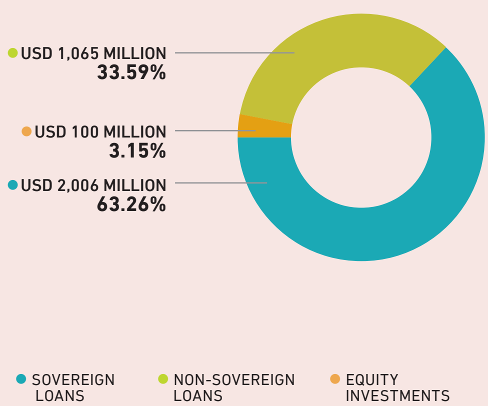
SERRA DA PALMEIRA WIND POWER PROJECT, BRAZIL

3.1 OPERATIONS APPROVED IN 2025

The year 2025 witnessed the approval of 19 projects including one equity investment by NDB, with a total financing of USD 3.2 billion. Clean energy and energy efficiency projects received 29.6% of the total financing approved in 2025, followed by projects engaged in multiple areas at 24.8% and social infrastructure at 16.4%. Climate financing and local currency financing continued to gain prominence, as both reached record highs at 57.1% and 45.9% of the annual approval, respectively. Non-sovereign operations saw a substantial increase from the level recorded in 2024, accounting for 36.7% of the Bank's annual approval in 2025.

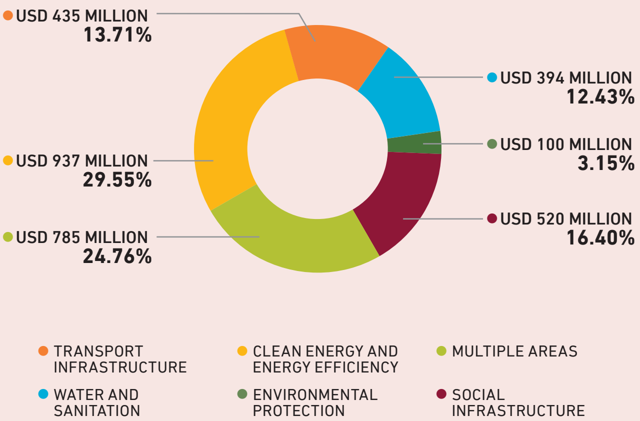
APPROVALS BY TYPE OF OPERATION

Approvals within the year ended December 31, 2025



APPROVALS BY AREA OF OPERATION

Approvals within the year ended December 31, 2025



PARÁ SANITATION DEVELOPMENT PROJECT

Pará, located in northern Brazil, is the country's second-largest state in area and home to the Belém Metropolitan Region (BMR), where economic activity is concentrated around the capital city of Belém. Investment in water and sanitation infrastructure in BMR, however, has not kept pace with the region's rapid urbanisation. As a result, large service gaps persist with a low sewerage coverage ratio, particularly in Belém and Ananindeua – the two largest municipalities of BMR. The discharge of untreated sewage from surrounding neighbourhoods have resulted in the deterioration of the Água Preta and Bolonha Lakes – the primary raw water sources for BMR – leading to increased operational costs and declining water quality while posing significant health risks.

In March 2025, NDB approved a sovereign-guaranteed loan of USD 50 million for the Pará Sanitation Development Project. The project aims to restore the Água Preta and Bolonha water basins by expanding sewage collection and treatment systems in surrounding neighbourhoods and implementing environmental control measures. The project includes the construction of 120 km of sewage networks, a 4.5 km trunk collector, 14 pumping stations, 2.5 km of pressure lines, two sewage treatment modules, and 31,500 new household connections. It will also entail removal of sediments and surface vegetation from the lakes among other environmental rehabilitation actions.

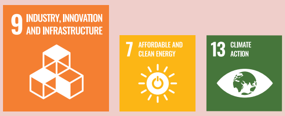
Upon completion, the project is expected to deliver significant improvements in sanitation service coverage and environmental quality. Sewerage coverage ratios in Belém are projected to increase from 23.6% to 27.1%, and in Ananindeua from 33.2% to 49.9%. Operational expenditures for lake cleaning are expected to decline by 30%, while the water quality index of the two lakes is anticipated to improve from "Regular" to "Good". The project directly supports Pará's efforts to achieve the universalisation of sanitation services and rehabilitation of critical water sources for the region.

PARÁ SANITATION DEVELOPMENT PROJECT

Borrower	**The State of Pará**
Loan amount	**USD 50 million**
Loan tenor	**18 years**
Approval date	**March 20, 2025**
Area of operation	**Water and Sanitation**
E&S Category[26]	**Category B**
SDG alignment[27]	6 CLEAN WATER AND SANITATION; 3 GOOD HEALTH AND WELL-BEING

26 See additional information on NDB's environmental and social (E&S) categorisation of projects in the section on "ESG and Project Procurement".
27 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.

CITY BANK SUSTAINABLE INFRASTRUCTURE PROJECT

Borrower	**City Bank PLC (CBL)**
Loan amount	**USD 25 million**
Loan tenor	**5 years**
Approval date	**April 1, 2025**
Area of operation	**Multiple Areas**
E&S Category	**Category FI-A**
SDG alignment	

CITY BANK SUSTAINABLE INFRASTRUCTURE PROJECT

Bangladesh has an ambitious long-term development vision to eliminate extreme poverty by 2031 and achieve high-income status by 2041. Infrastructure has been identified as a critical enabler for promoting and sustaining private sector-led growth, enhancing competitiveness, and supporting the country's transition to a higher growth trajectory. Meanwhile, Bangladesh has also strengthened its climate commitments, targeting a reduction of 26.74 million tonnes of CO_2 equivalent from a business-as-usual baseline by 2035. Given the large infrastructure deficit prevailing in the country and the climate commitments, significant scaling up of climate-aligned infrastructure investment remains one of the most critical development priorities of the country.

In April 2025, NDB approved a non-sovereign loan of USD 25 million to CBL, one of Bangladesh's leading private commercial banks. The facility will support CBL's lending to sustainable infrastructure projects, covering clean energy and energy efficiency initiatives, e-mobility and associated infrastructure, and digital infrastructure.

The project marks NDB's first non-sovereign operation in Bangladesh and strengthens the Bank's strategic engagement in non-founding members. The project is expected to deliver substantial development impact by increasing access to finance for sustainable infrastructure, contributing to national climate action, promoting private sector participation in infrastructure development and enhancing technology adoption through strengthened digital infrastructure.

NORTH DHAKA WASTE-TO-ENERGY PROJECT

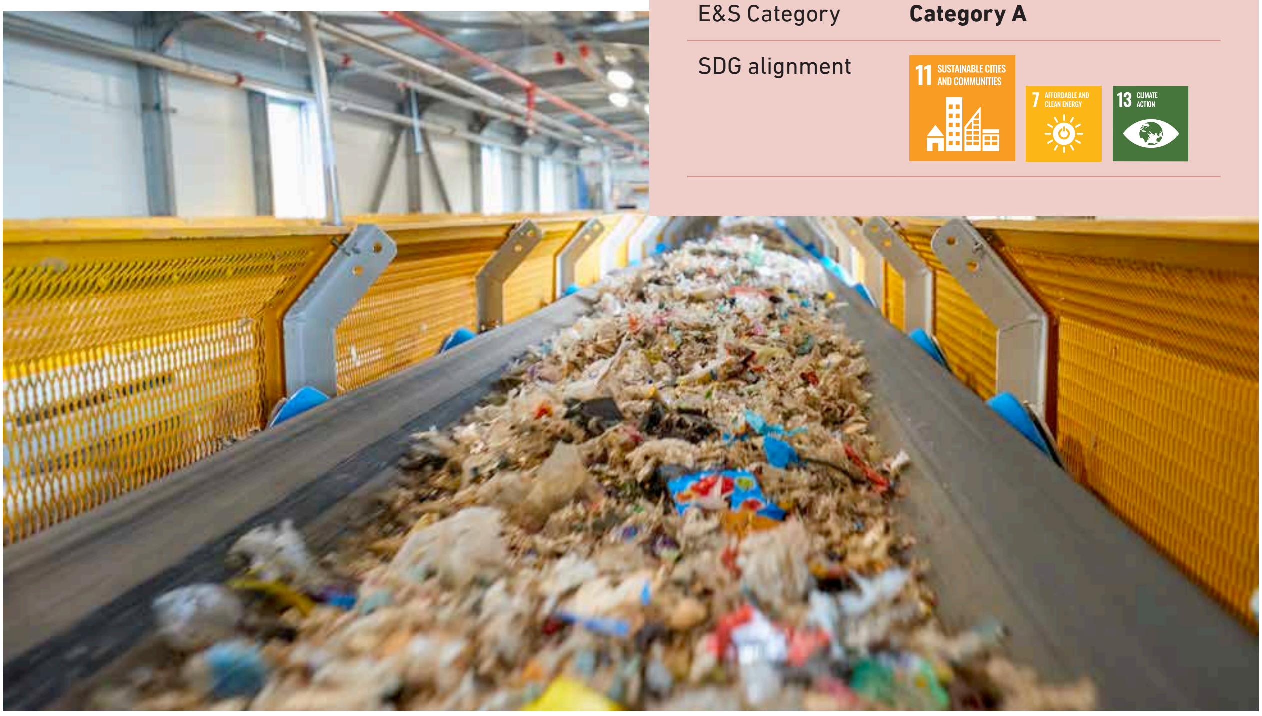
Dhaka, the capital city of Bangladesh, is under severe strain from rapidly increasing volumes of waste. The city generates approximately 6,500 tonnes of waste per day, with only 40%–50% being collected efficiently. At present, waste is managed solely through open-air storage or disposal in landfill. While open storage is leading to significant environmental degradation, existing landfill has limited remaining capacity and land scarcity is preventing the development of new disposal sites. This necessitates prioritisation of waste-to-energy solutions as a sustainable alternative to traditional waste management.

In June 2025, NDB approved a USD 100 million non-sovereign loan to WtE Power Plant North Dhaka Private Limited, a special purpose vehicle, to support the construction and operation of a waste-to-energy power plant in north Dhaka, the first such project in the country. The project includes the construction of a 3,000 tonnes/day incineration facility equipped with four 750 tonnes/day incineration lines and two 35 MW turbo-generator units, as well as the installation of a 6 km transmission line to connect the plant to the national grid.

Once operational, the project is expected to add 42.5 MW of energy capacity and generate approximately 313 GWh of electricity annually. It will process 900,000 tonnes of municipal solid waste per year and is projected to avoid 280,000 tonnes of CO_2 emissions annually through improved waste treatment and displacement of fossil-fuel-based power generation. By integrating sustainable waste management with clean power generation, the project will help address critical urban environmental challenges while contributing to the country's climate change mitigation commitments.

NORTH DHAKA WASTE-TO-ENERGY PROJECT

Borrower	**WtE Power Plant North Dhaka Private Limited**
Loan amount	**USD 100 million**
Loan tenor	**15.5 years**
Approval date	**June 27, 2025**
Area of operation	**Environmental Protection**
E&S Category	**Category A**
SDG alignment	11 SUSTAINABLE CITIES AND COMMUNITIES; 7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION



SHANXI TAIYUAN WUSU ZERO-CARBON AIRPORT PROJECT

Shanxi province, traditionally one of China's largest coal-producing regions, is undertaking a major transformation to align with the national carbon peaking and carbon neutrality goals. Taiyuan Wusu International Airport (TWIA), the province's largest airport, has experienced rapid growth, handling 13 million passengers in 2023, more than double its designed capacity. Ongoing expansion, including a third terminal and second runway, will enable TWIA to serve up to 40 million passengers annually. However, the airport's current energy system remains heavily reliant on fossil fuels, posing risks to Shanxi's near-term carbon-peaking ambitions. To address this challenge, Shanxi has initiated efforts to transform the airport's energy system, making TWIA a zero-carbon airport.

In July 2025, NDB approved a sovereign loan of RMB 1,448 million for the Shanxi Taiyuan Wusu Zero-Carbon Airport Project for establishing an integrated renewable energy-based supply and management system, using solar and geothermal resources to eliminate the airport's operational carbon emissions. The project includes installation of 103 MW of solar photovoltaic (PV) capacity, a geothermal-based system with at least 84 MW of heating capacity and 67 MW of cooling capacity, and an integrated "solar + storage" system with 5 MW of PV and 17 MWh of energy storage. The project will also enhance the airport's energy and carbon management platform.

SHANXI TAIYUAN WUSU ZERO-CARBON AIRPORT PROJECT

Borrower	**The People's Republic of China**
Loan amount	**RMB 1,448 million**
Loan tenor	**27 years**
Approval date	**July 14, 2025**
Area of operation	**Clean Energy and Energy Efficiency**
E&S Category	**Category B**
SDG alignment	

Once completed, the project will reduce the airport's annual net CO_2 emissions to zero, supported by at least 116 GWh of solar power generation, 149 GWh of geothermal heating and cooling supply, and improved energy-efficiency performance. The project is designed to maintain annual net-zero emissions through 2050. By creating one of the country's first zero-carbon airports, the project will serve as a flagship initiative within Shanxi's broader "energy revolution".

SERRA DA PALMEIRA WIND POWER PROJECT

CTG Brasil Group – comprising CTG Brasil and its subsidiaries – is one of Brazil's major renewable energy operators with 8.3 GW of predominantly hydropower capacity. The group is expanding into wind and solar power generation to align with national priorities to diversify the energy mix. Building on its recently completed 340 MW Arinos solar project, the company is developing the Serra da Palmeira Wind Power Project in the state of Paraíba. The project will complement Brazil's hydropower-dominated system, reduce exposure to hydrological variability, and support long-term expansion of clean energy capacity. It is also expected to stimulate economic development in an underdeveloped region of Paraíba through job creation, tax revenues, and local social programmes.

In September 2025, NDB approved a non-sovereign loan of RMB 1.4 billion to CTG Brasil, to finance construction of the 648 MW Serra da Palmeira wind farm. The project includes construction and operation of 108 wind turbine generators, a collection substation, a 75 km 500 kV transmission line connecting the project to grid substation, and a connection bay at the grid substation linking to the national grid.

Upon completion, the project is expected to generate 2,100 GWh of clean electricity annually, contributing directly to Brazil's growing renewable energy requirements. It will avoid approximately 700,000 tonnes of CO_2 emissions per year, reducing reliance on gas-fired thermal plants during periods of low hydropower availability. The project has already created over 1,500 direct jobs, supporting employment and income generation in Paraíba. Through this financing, NDB supports low-carbon energy development in Brazil while contributing to sustainable growth in one of the country's less-developed regions.

SERRA DA PALMEIRA WIND POWER PROJECT

Borrower	**China Three Gorges Brasil Energia S.A. (CTG Brasil)**
Loan amount	**RMB 1.4 billion**
Loan tenor	**3 years**
Approval date	**September 17, 2025**
Area of operation	**Clean Energy and Energy Efficiency**
E&S Category	**Category A**
SDG alignment	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION

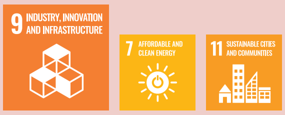
GREENER SHANGHAI PROJECT

Shanghai, a centrally administered municipality in China and a leading national hub for finance, trade, shipping, and technological innovation, is advancing a development agenda centred on building a green, clean, and high-tech city. To support this vision, the municipal government has prioritised improvements in air quality, the implementation of a city-wide "zero waste" initiative, and the development of high-tech infrastructure such as energy-efficient data centres to enable Shanghai's transition toward an innovation-driven economy. Achieving these goals and transitioning to greener Shanghai will require expanded investment in clean energy, environmental protection, and digital infrastructure.

In September 2025, NDB approved a non-sovereign loan of USD 100 million equivalent in RMB to SHRCB,

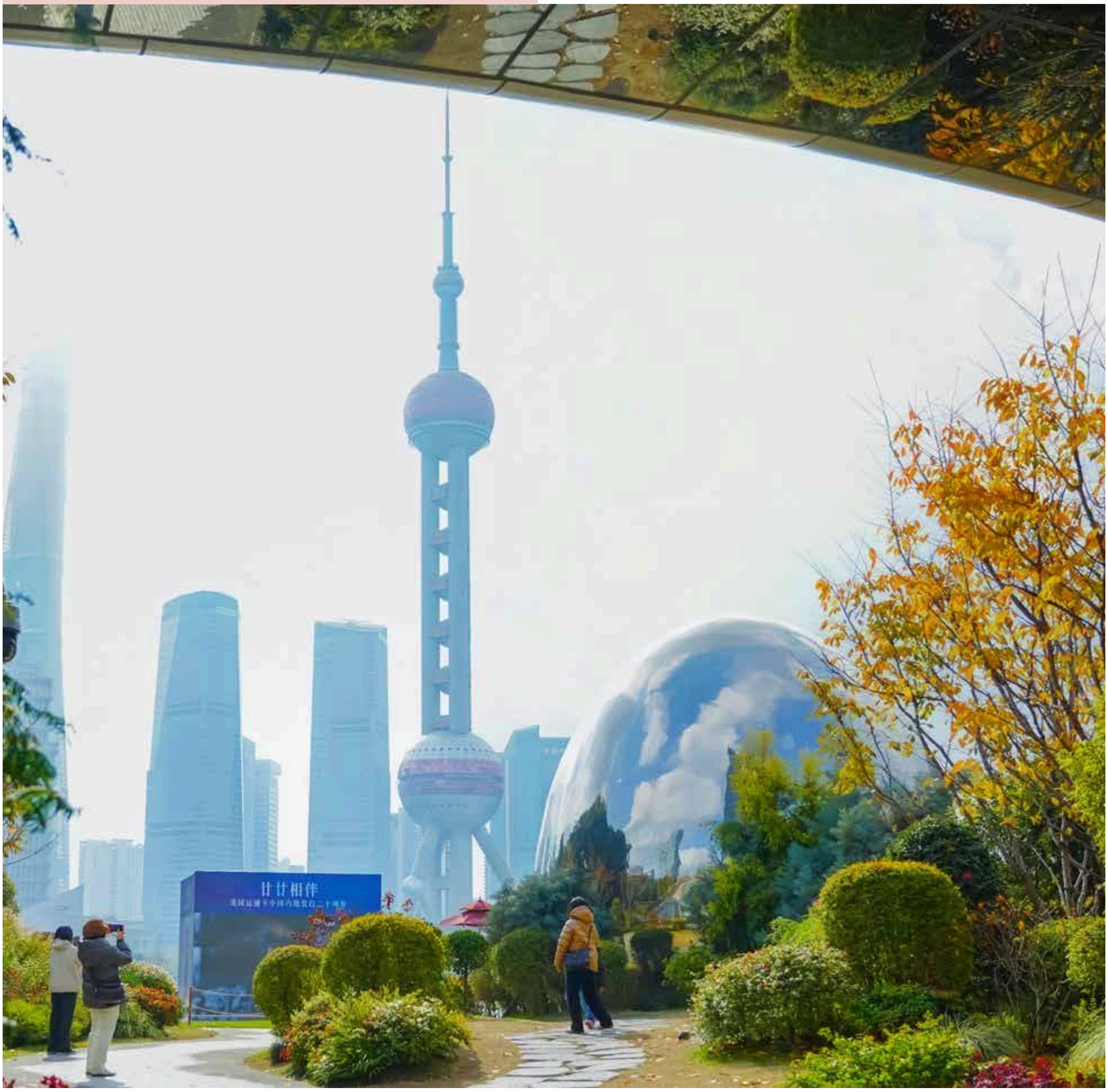
NDB AND SHRCB SIGNED LOAN AGREEMENT FOR THE GREENER SHANGHAI PROJECT

GREENER SHANGHAI PROJECT

Borrower	**Shanghai Rural Commercial Bank Co. Ltd. (SHRCB)**
Loan amount	**USD 100 million equivalent in RMB**
Loan tenor	**5 years**
Approval date	**September 17, 2025**
Area of operation	**Multiple Areas**
E&S Category	**Category FI-B**
SDG alignment	

a commercial bank in Shanghai with a long history, for on-lending to sustainable infrastructure projects in Shanghai. The financing will support investments in clean energy generation, urban environmental management, circular economy initiatives, and digital infrastructure aligned with energy-efficient and low-carbon standards.

The project is expected to advance sustainable infrastructure development and contribute to climate-mitigation efforts in Shanghai by expanding renewable-energy generation capacity to meet the city’s growing clean power demand, by enhancing solid waste treatment and recycling systems to support the “zero-waste city” initiative, and by accelerating digital transformation through the development of energy-efficient, high-tech infrastructure.



GRAÇA ARANHA – SILVÂNIA ENERGY TRANSMISSION PROJECT

Brazil's electricity transmission corridor linking the Northeast, its primary energy generation region, to the Southeast, where energy demand is concentrated, is facing significant congestion. Strengthening long-distance transmission capacity and reducing curtailment is therefore a priority to ensure reliable integration of renewable generation and to support the country's continued energy transition.

In November 2025, NDB approved a non-sovereign loan of RMB 2,150 million to Graça Aranha Silvânia Transmissora de Energia SPV, an entity wholly owned by State Grid Brazil Holding S.A., to finance the construction, operation, and maintenance of new substations and transmission infrastructure. The project comprises construction of two transmission lines – a 1,468 km 800 kV high value direct current transmission line between Graça Aranha located in the Brazil's Northeast and Silvânia in the Southeast and an 18.2 km 500 kV alternating current transmission line between Graça Aranha and Presidente Dutra. The project also includes construction of substations at Graça Aranha and Silvânia, along with synchronous compensation systems and grid connection facilities.

The project is expected to transmit additional 40,000 GWh of electricity per year and avoid approximately 100,000 tonnes of CO_2 emissions annually through more efficient transmission infrastructure. This will strengthen the resilience of Brazil's national grid, enhance renewable energy integration, and address an urgent infrastructure bottleneck in the country's power sector.

GRAÇA ARANHA – SILVÂNIA ENERGY TRANSMISSION PROJECT

Borrower	**Graça Aranha Silvânia Transmissora de Energia SPV**
Loan amount	**RMB 2,150 million**
Loan tenor	**3 years**
Approval date	**November 27, 2025**
Area of operation	**Clean Energy and Energy Efficiency**
E&S Category	**Category A**
SDG alignment	

SOUTHEAST GUWAHATI WATER SUPPLY PROJECT

Guwahati, the largest city and a major economic centre in northeast India, has in recent years experienced rapid urbanisation – a trend that is expected to continue. Development of essential infrastructure, however, has not kept pace with the growing needs of its residents. This is particularly evident in the southeast zone of the city, which currently lacks access to piped water supply. To meet their daily needs, residents rely on untreated groundwater, which poses serious health risks, as well as private water tankers, which impose a significant financial burden. Providing access to safe, reliable, affordable, and sustainable water supply is therefore essential to improving living conditions in the area.

In November 2025, NDB approved a sovereign loan of USD 89 million for the implementation of the Southeast Guwahati Water Supply Project. Under the project, necessary water supply infrastructure and facilities will be built to draw raw water from the Brahmaputra River and supply treated water to residents in southeast Guwahati. Key components of the project will include a water intake system,

SOUTHEAST GUWAHATI WATER SUPPLY PROJECT

Borrower	**The Republic of India**
Loan amount	**USD 89 million**
Loan tenor	**23 years**
Approval date	**November 27, 2025**
Area of operation	**Water and Sanitation**
E&S Category	**Category B**
SDG alignment	

a water treatment plant, water mains, reservoirs, around 553 km of water distribution networks, and approximately 68,000 house service connections.

Upon its completion, the project is expected to deliver 75 million litres of piped drinking water per day, providing uninterrupted supply to more than 95% of residents in southeast Guwahati. Institutional and commercial establishments in the area will also benefit from a secured supply of water. As the area's population continues growing, the project has the potential to benefit around 520,000 residents by 2038. This will play a vital role in advancing India's key objectives of achieving universal coverage of water supply in a sustainable manner while improving the quality of water supply services in all urban areas.

SERENTICA CAPTIVE RENEWABLE ENERGY PROJECT

India is rapidly scaling its renewable energy capacity to meet rising power demand, enhance energy security, and achieve its energy transition objectives. The country has set a target of 500 GW of non-fossil fuel capacity by 2030, alongside reducing the emissions intensity by 45% and reaching net-zero emissions by 2070. Industrial sectors such as aluminium remain highly energy-intensive and reliant on coal-based captive power, highlighting the importance of clean energy procurement to support industrial decarbonisation.

In December 2025, NDB approved a non-sovereign loan of USD 75 million to Serentica Renewables India 1 Private Limited, a special purpose vehicle, for the development of a 393 MW renewable energy project in the state of Karnataka. By combining solar and wind capacity, the project is expected to supply reliable and clean electricity to Bharat Aluminium Company Limited, reducing its dependence on coal-based power and supporting broader industrial decarbonisation efforts. The project is expected to increase installed renewable energy capacity through addition of 189.27 MW of solar capacity, 204 MW of wind capacity, strengthening the overall reliability and flexibility of clean energy supply.

Once operational, the project is expected to supply 1,083 GWh of clean electricity annually and avoid approximately 788,000 tonnes of CO_2 equivalent emissions per year. The project supports India's long-term climate and energy goals by expanding renewable capacity, enabling reliable clean energy for industrial use, and reducing dependence on fossil fuel-based power generation.

SERENTICA CAPTIVE RENEWABLE ENERGY PROJECT

Borrower	**Serentica Renewables India 1 Private Limited**
Loan amount	**USD 75 million**
Loan tenor	**20.5 years**
Approval date	**December 3, 2025**
Area of operation	**Clean Energy and Energy Efficiency**
E&S Category	**Category B**
SDG alignment	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION

WASTEWATER INTEGRATION AND PIPELINE REHABILITATION PROJECT

Ningxiang, the second most populous county-level city in China's Hunan province, is experiencing growing pressure on its wastewater management system due to rapid economic and population growth. The city faces inadequate rainwater drainage infrastructure, resulting in stormwater inflow into the sewage network, and insufficient wastewater treatment capacity to manage rising industrial and residential discharge.

In December 2025, NDB approved a non-sovereign loan of USD 50 million equivalent in RMB to CWA, a leading China-based water services provider, to support the development of the Ningxiang City Wastewater Public-Private-Partnership Project. The project includes the construction of a new wastewater treatment plant, installation of sewage pipelines, and upgrading of related facilities to

WASTEWATER INTEGRATION AND PIPELINE REHABILITATION PROJECT

Borrower	**China Water Affairs Group Limited (CWA)**
Loan amount	**USD 50 million equivalent in RMB**
Loan tenor	**8 years**
Approval date	**December 4, 2025**
Area of operation	**Water and Sanitation**
E&S Category	**Category B**
SDG alignment	6 CLEAN WATER AND SANITATION; 13 CLIMATE ACTION

expand treatment capacity and improve system efficiency. As CWA also provides tap-water services in Ningxiang, the project will contribute to building an integrated and resilient water supply and wastewater management system.

Upon completion, the project will install 100,000 m^3/day of new wastewater treatment capacity, rehabilitate 50,000 m^3/day of existing capacity, add 10.8 km of sewage pipelines, and enable the treatment of 41.97 million m^3 of wastewater annually, with the capacity to connect 40,000 households to the new system. Environmental benefits include the reduction of 3,770 tonnes of biochemical oxygen demand in wastewater effluent per year and the avoidance of approximately 19,044 tonnes of CO_2 equivalent emissions annually through the application of enhanced treatment technologies. The project will strengthen urban environmental management in Ningxiang, improve water resource resilience and contribute to sustainable urban development in Hunan province.

IDC SUSTAINABLE INFRASTRUCTURE PROJECT

IDC SUSTAINABLE INFRASTRUCTURE PROJECT

Borrower	**Industrial Development Corporation of South Africa Limited (IDC)**
Loan amount	**ZAR 1 billion**
Loan tenor	**12 years**
Approval date	**December 4, 2025**
Area of operation	**Multiple Areas**
E&S Category	**Category FI-A**
SDG alignment	

South Africa is among the world's most water-scarce countries, with surface-water resources nearly fully utilised, ageing infrastructure, high municipal water losses, and climate-driven droughts continuing to strain the system. To strengthen long-term water security, the Government of South Africa has identified bulk water supply schemes as priority investments. At the same time, the country's healthcare sector faces structural inequality, with an under-resourced public system serving the majority of the population. The launch of the National Health Insurance in 2024 aims to expand universal access to healthcare, requiring significant investment in medical facilities and digital health infrastructure. Public-private partnerships and private-sector participation are required to play a major role in meeting these needs.

In December 2025, NDB approved a non-sovereign loan of ZAR 1 billion to IDC, a leading national DFI, for lending to public and private borrowers to finance infrastructure projects in South Africa in bulk water supply, particularly in Limpopo province, and healthcare facilities across several provinces to advance universal access.

The water-sector investment will strengthen reliable and sustainable supply for approximately 140,000 residents of the Lephalale municipality in Limpopo province as well as industrial users in the region, improving resilience in an area affected by water scarcity. The healthcare sub-projects are expected to expand service capacity, with each facility adding at least 80 hospital beds and serving more than 100,000 patients within their catchment areas. Overall, the project will enhance water security, strengthen healthcare access, and support local economic growth in the regions where sub-projects are implemented.

NATIONAL INVESTMENT AND INFRASTRUCTURE FUND: PRIVATE MARKETS FUND – II

India is entering a critical decade in which meeting its core development priorities, including expanding access to healthcare, accelerating clean energy deployment, scaling sustainable mobility, and reducing a vast urban housing deficit, will require unprecedented levels of long-term capital. While public expenditure plays an important role, the scale of demand across these sectors necessitates deep participation from institutional investors and private markets. NIIF, a government-sponsored fund manager, has emerged as a credible intermediary capable of mobilising global capital into India's priority sectors.

In December 2025, NDB approved an equity investment of up to USD 100 million equivalent in INR in NIIF's Private Markets Fund II, which will make investments in portfolio funds and portfolio companies focusing on energy transition and climate action, urban and social infrastructure, digital and tech-enabled infrastructure, and other productive sectors. The investment reinforces NDB's catalytic role, following its early-anchor participation in NIIF's Private Markets Fund I, which helped crowd in additional institutional investors.

The operation aligns with NDB's mandate of mobilising private capital toward sustainable infrastructure, while leveraging NIIF's local expertise to reach these high-impact segments. By 2040, the investment is expected to avoid 200 million tonnes of CO_2 equivalent emissions and positively impact 50 million people. Through this investment, NDB strengthens its partnership with NIIF and contributes to shaping India's private-market ecosystem to accelerate inclusive and sustainable growth.

NATIONAL INVESTMENT AND INFRASTRUCTURE FUND: PRIVATE MARKETS FUND – II

Fund manager	**National Investment and Infrastructure Fund Limited (NIIF)**
Equity investment amount	**USD 100 million equivalent in INR**
Fund term	**15 years**
Approval date	**December 4, 2025**
Area of operation	**Multiple Areas**
E&S Category	**Category FI-A**
SDG alignment	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION; 17 PARTNERSHIPS FOR THE GOALS

BRAZIL SMART HOSPITAL PROJECT

Brazil's Unified Health System, one of the world's largest universal healthcare systems, provides comprehensive free care to the entire population. Despite its achievements, the system faces persistent structural constraints, including insufficient hospital bed capacity, long waiting times for specialised care, and fragmented digital systems. The challenges are particularly acute for non-communicable diseases, which are becoming more prevalent as the country's population ages. These system-wide challenges are particularly pronounced in the country's major urban centres. São Paulo, Brazil's largest metropolitan region, has high unmet demand for emergency and neurological services, underscoring the need for modernised, technology-enabled hospital infrastructure.

BRAZIL'S PRESIDENT LULA DA SILVA, MINISTER OF HEALTH ALEXANDRE PADILHA, AND PRESIDENT ROUSSEFF AT THE SIGNING CEREMONY FOR THE BRAZIL SMART HOSPITAL PROJECT

BRAZIL SMART HOSPITAL PROJECT

Borrower	**The Federative Republic of Brazil**
Loan amount	**USD 320 million**
Loan tenor	**30 years**
Approval date	**December 4, 2025**
Area of operation	**Social Infrastructure**
E&S Category	**Category B**
SDG alignment	

In December 2025, NDB approved a sovereign loan of USD 320 million for the Brazil Smart Hospital Project in São Paulo. This will be the country's first smart public hospital – a technologically advanced and integrated facility specialising in emergency medicine, intensive care, and neurology. The project includes construction of a 120,000 m^2 public hospital with 800 beds, 80 emergency care chairs, 25 operating rooms, and 30 outpatient consulting rooms. It will deploy advanced digital technologies including telemedicine, AI-based scheduling, electronic health records, clinical decision-support systems, and a hospital command centre.

By 2031, the project is expected to significantly expand and enhance service delivery. It will increase the annual capacity to treat additional 80,000 emergency and intensive care unit (ICU) patients, 5,000 neurology inpatients, and 30,000 neurology outpatients. It will also reduce the average length of stay and waiting times across emergency, ICU, and ward services. In addition, the project aims to lower operational costs per bed by 8% in real terms compared to 2024 levels. Through this project, NDB is helping Brazil establish a next-generation healthcare facility that will modernise public service delivery, expand access to specialised care, and serve as a national benchmark for digital health transformation.

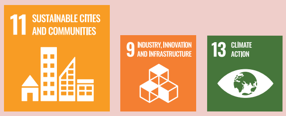
INTEGRATION, SOCIAL AND SUSTAINABLE DEVELOPMENT PROGRAMME OF MACEIÓ

The public transport system in Maceió, the capital and largest city of the state of Alagoas, situated in the northeast region of Brazil, faces chronic congestion and operational inefficiencies, particularly along its busiest transit corridor, Avenida Fernandes Lima. Limited roadway capacity, slow bus speeds, and lengthy waiting times undermine service reliability and constrain mobility for residents. These issues, compounded by overcrowded buses have contributed to significant decline in bus ridership and accelerated adoption of private vehicles, driving up greenhouse gas (GHG) emissions.

In December 2025, NDB approved a sovereign-guaranteed loan of USD 150 million to the municipality of Maceió to support the implementation of a comprehensive bus rapid transit (BRT) system along the Avenida Fernandes Lima transit corridor. The project includes construction of a 14.5 km dedicated BRT lane with 23 stations, rehabilitation of 18.2 km of feeder lanes and installation or repair of 600 feeder-lane shelters, acquisition of a 328-bus fleet, construction or upgrading of four bus terminals and establishment of an intelligent transport system, with selected components integrated into the broader citywide transport network.

By 2031, the project is expected to significantly improve the performance of Maceió's public transport system, with an 8%–10% increase in monthly public bus ridership, a 44% reduction in travel time along Avenida Fernandes Lima, a 53% reduction in average passenger waiting time, and avoidance of around one million tonnes of CO_2 emissions annually. The project will enhance mobility and quality of life for approximately 650,000 residents, nearly 60% of Maceió's population, by improving access to employment, education, and essential services.

INTEGRATION, SOCIAL AND SUSTAINABLE DEVELOPMENT PROGRAMME OF MACEIÓ

Borrower	**Municipality of Maceió**
Loan amount	**USD 150 million**
Loan tenor	**20 years**
Approval date	**December 4, 2025**
Area of operation	**Transport Infrastructure**
E&S Category	**Category B**
SDG alignment	

REGIONAL SUSTAINABLE INFRASTRUCTURE DEVELOPMENT PROGRAMME

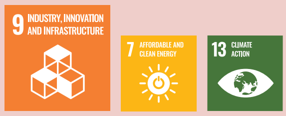
The Northeast, North and Central-West macro-regions of Brazil, accounting for 83% of the country's territory and 44% of its population, have been lagging the South and Southeast macro-regions in overall socioeconomic development. This disparity is reflected in their lower than national average levels in terms of per capita income and Human Development Index indicators. Bridging this gap requires substantial improvements in economic infrastructure across these regions, particularly in key sectors of energy, transport and logistics. However, the persistent lack of long-term financing has significantly limited the infrastructure investments in these areas.

In December 2025, NDB approved a sovereign loan of USD 500 million to support implementation of the Regional Sustainable Infrastructure Development Programme of Brazil. The Government of Brazil will use the loan proceeds as contribution to the resources of its Regional Development Funds, which will use these resources to extend long-term loans to eligible infrastructure projects in the Northeast,

North and Central-West macro-regions of Brazil, with a focus on renewable energy and logistics. By 2031, with the support of additional co-financing, the programme is expected to mobilise investments of USD 1 billion for implementing at least 15 infrastructure projects across the target sectors in the programme regions.

By 2033, the programme is expected to deliver substantial improvements across the three macro-regions. In the North, it will add at least 90 MW of solar and wind power generation capacity. In the Northeast, it will enhance transport connectivity by expanding or improving at least 150 km of railway lines and 100 km of roads. In the Central-West, it will add a minimum of 600,000 tonnes of agricultural storage capacity. Furthermore, the programme will support achievement of Brazil's commitment to reducing GHG emissions and reaching net-zero by 2050.

REGIONAL SUSTAINABLE INFRASTRUCTURE DEVELOPMENT PROGRAMME

Borrower	**The Federative Republic of Brazil**
Loan amount	**USD 500 million**
Loan tenor	**20 years**
Approval date	**December 4, 2025**
Area of operation	**Multiple Areas**
E&S Category	**Category A**
SDG alignment	

RENEW PEAK POWER RENEWABLE ENERGY PROJECT

India is one of the world's largest and fastest-growing energy markets, ranking third globally in energy consumption and fifth in total installed generation capacity, with renewable energy expanding its share in the energy mix on the back of gains in generation from solar and wind. Despite the progress, fossil fuel-based power still represents nearly half of total installed capacity, highlighting the need for accelerated clean energy investments. Moreover, rising renewable energy penetration also brings reliability challenges due to intermittency. Therefore, investments in hybrid renewable energy systems integrated with battery storage is key to enhance grid stability, improve peak power reliability, and support the rapid transition away from fossil fuels.

In December 2025, NDB approved a non-sovereign loan of INR 13.2 billion to ReNew Vyoman Power Private Limited, the second largest independent power producer in India, to fund the development of a wind-solar hybrid renewable energy project with an associated battery energy storage system. The project involves the construction of a wind pooling substation, a solar pooling substation, transmission lines connecting the substations, and the grid substation and associated facilities. The project also includes necessary evacuation and interconnection infrastructure to ensure efficient integration of the generated power into the regional network.

Upon completion, the project will result in augmentation of 250 MW of wind capacity, 435 MW of solar capacity, and 415 MWh of storage capacity. The project is expected to deliver 1,600 GWh of clean electricity annually and avoid 1.2 million tonnes of CO_2 equivalent emissions annually. By enabling combined renewable generation and storage at scale, the project will support India's clean energy transition, strengthen grid resilience, and contribute to long-term emission reduction goals.

RENEW PEAK POWER RENEWABLE ENERGY PROJECT

Borrower	**ReNew Vyoman Power Private Limited**
Loan amount	**INR 13.2 billion**
Loan tenor	**22 years**
Approval date	**December 17, 2025**
Area of operation	**Clean Energy and Energy Efficiency**
E&S Category	**Category B**
SDG alignment	

HUBEI HUANGSHI NEW PORT MODERN LOGISTICS HUB PROJECT

Huangshi, located in the middle reaches of the Yangtze River in China's Hubei province, serves as an important regional transportation hub with a deepwater port, supporting a growing industrial cluster in the hinterland where the Huangshi New Port Industrial Logistics Park is located. The port's operations are expanding rapidly driven by increasing trans-modal forwarding volumes from Shanghai and Ningbo ports and ongoing industrial growth in Huangshi and the broader Hubei region. However, several critical physical and digital infrastructure gaps persist in terms of high reliance on road transport, insufficient warehousing capacity, internal road connectivity issues, and a shortage of augmented facilities.

In December 2025, NDB approved a sovereign loan of RMB 1,990 million to the People's Republic of China for the Hubei Huangshi New Port Modern Logistics Hub Project. By 2030, the project is expected to deliver modern logistics infrastructure, including enhanced railway capacity, two aerial conveyor corridors, expanded warehousing facilities, and improved road networks, alongside upgraded water supply and wastewater systems, and installed rooftop solar PV capacity. It will also establish integrated digital platforms to strengthen logistics coordination, and municipal service management.

Upon completion, the project will reduce logistics costs from RMB 0.50 per tonne-km to RMB 0.37 per tonne-km in constant prices, shorten vessel loading and unloading times from six hours per tonne to two hours per tonne, avoid 45,000 tonnes of CO_2 emissions annually, and reduce electricity consumption of the port due to solar PV installation. The project will contribute to the development of a modern, efficient, and low-carbon multimodal transport hub in the middle reaches of the Yangtze River.

HUBEI HUANGSHI NEW PORT MODERN LOGISTICS HUB PROJECT

Borrower	**The People's Republic of China**
Loan amount	**RMB 1,990 million**
Loan tenor	**24 years**
Approval date	**December 23, 2025**
Area of operation	**Transport Infrastructure**
E&S Category	**Category A**
SDG alignment	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION

LIMPOPO ACADEMIC HOSPITAL PROJECT

South Africa has made rapid strides in improving healthcare over the past decades, with significant expenditure. However, geographical inequities in access to healthcare resources remain. Limpopo province, situated in the northernmost part of South Africa faces a significant shortage of tertiary healthcare capacity, with an estimated deficit of approximately 400 hospital beds, leading to limited access to specialised medical services and high dependence on richer provinces like Gauteng.

In December 2025, NDB approved a sovereign loan of USD 200 million to the Government of South Africa for the implementation of the Limpopo Academic Hospital Project. The project will support the construction of a new 488-bed tertiary hospital in Polokwane, the capital of Limpopo province, along with an academic facility that will be used in training health professionals in South Africa. The project is expected to deliver modern tertiary healthcare infrastructure, including 17 specialised operating theatres and integrated academic facilities aimed at strengthening clinical training.

By 2029, the hospital is projected to substantially expand access to advanced medical care, increasing

LIMPOPO ACADEMIC HOSPITAL PROJECT

Borrower	**The Republic of South Africa**
Loan amount	**USD 200 million**
Loan tenor	**10 years**
Approval date	**December 25, 2025**
Area of operation	**Social Infrastructure**
E&S Category	**Category B**
SDG alignment	3 GOOD HEALTH AND WELL-BEING

annual tertiary patient visits by over 33,000 and enabling the training of an additional 140 healthcare professionals each year. The project will improve access to specialised healthcare services for more than 5.8 million residents and will contribute to the delivery of South Africa's National Development Plan 2030 by enhancing healthcare quality, strengthening the medical workforce, and reducing regional inequalities in service provision.

MAGALIES BULK WATER SUPPLY SCHEME PROJECT

North West and Limpopo provinces, situated in the northern part of South Africa, suffer from severe water interruptions and intermittency issues, with access to piped water in Limpopo being much lower than the national average. The water supply demand mismatch is particularly stark in six neighbouring local municipalities in the North West and Limpopo provinces – Moretele, Bela-Bela, Modimolle-Mookgophong, Mogalakwena, Rustenburg and Moses Kotane – which face severe water shortages affecting approximately two million residents, more than half of whom live below the poverty line. Water demand in these municipalities exceeds available supply by over 1.4 times, resulting in an estimated daily deficit of 117 million litres per day (MLD).

In December 2025, NDB approved a sovereign loan of USD 205 million to the Government of South Africa for the implementation of Magalies Bulk Water Supply Scheme Project, which will bridge the supply gap and cater for future demand growth in these six municipalities. The project aims to extend bulk water supply pipelines, enhance the capacity of existing pipelines, and expand water treatment facilities. The project involves construction of a water treatment plant with capacity of 60 MLD, groundwater development of eight MLD, 321.3 kms of new and upgraded bulk pipelines, and additional storage capacity of 30 megalitres.

By 2029, the project is expected to increase bulk water supply by 141 MLD, improving access to clean and reliable water for 635,000 households. The project will contribute to advancing the goals of South Africa's National Development Plan 2030 and the National Water and Sanitation Master Plan by enhancing water security, improving service delivery in underserved communities and supporting long-term socio-economic development in the North West and Limpopo provinces.

MAGALIES BULK WATER SUPPLY SCHEME PROJECT

Borrower	**The Republic of South Africa**
Loan amount	**USD 205 million**
Loan tenor	**10 years**
Approval date	**December 25, 2025**
Area of operation	**Water and Sanitation**
E&S Category	**Category B**
SDG alignment	

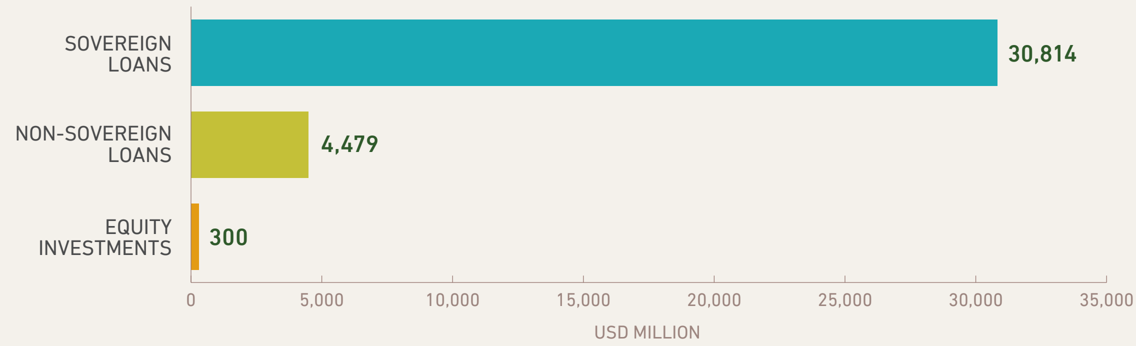
3.2 PROJECT PORTFOLIO AT THE END OF 2025

During its first decade of operations, NDB had cumulatively approved USD 43.0 billion for 139 projects on a gross basis. Excluding financing that was cancelled subsequent to approval and loans that were fully repaid, the Bank's portfolio as of December 31, 2025, included 115 projects with a total financing from NDB amounting to USD 35.6 billion. The portfolio remained predominately concentrated on sovereign and sovereign-guaranteed loans, which accounted for 86.6% of the total financing. Non-sovereign loans and equity investments, including those extended to international and national DFIs, state-owned enterprises, and private sector clients without sovereign guarantee, represented 13.4% 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 18.0% of NDB's portfolio at the end of 2025.

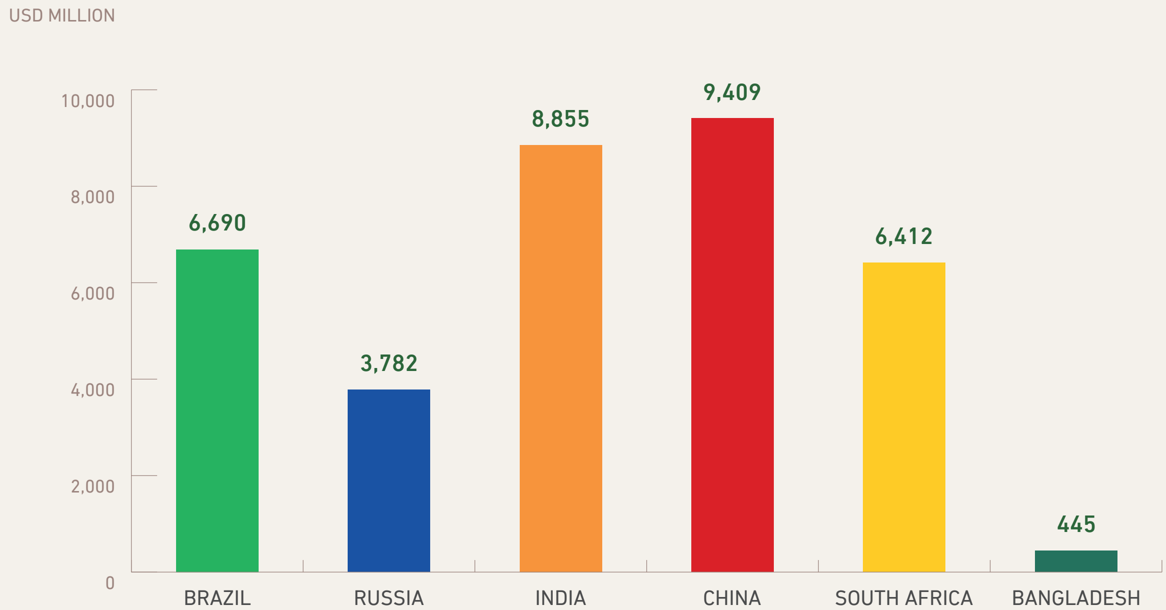
RENEWABLE ENERGY SECTOR DEVELOPMENT PROJECT, SOUTH AFRICA

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

PROJECT PORTFOLIO BY TYPE OF OPERATION (AS AT DECEMBER 31, 2025)

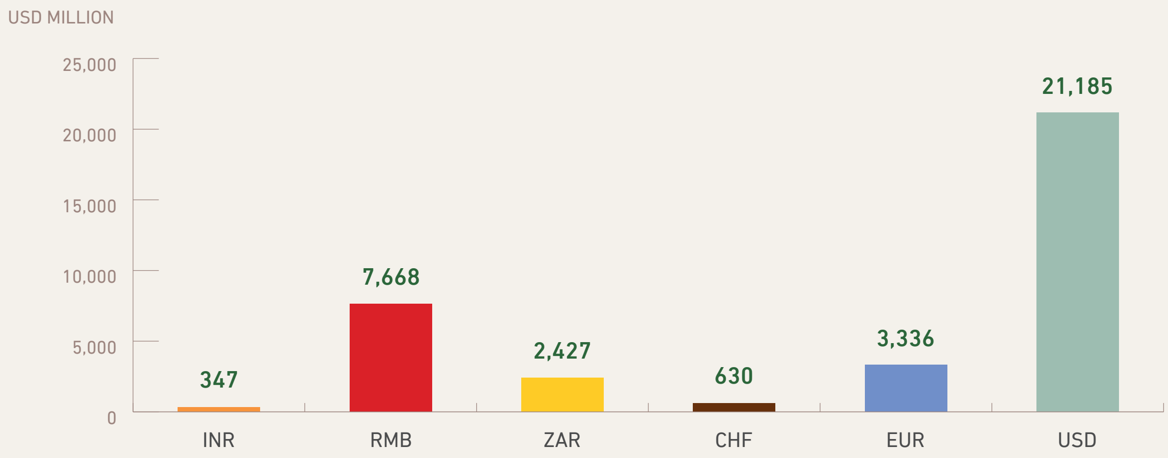


PROJECT PORTFOLIO BY COUNTRY (AS AT DECEMBER 31, 2025)



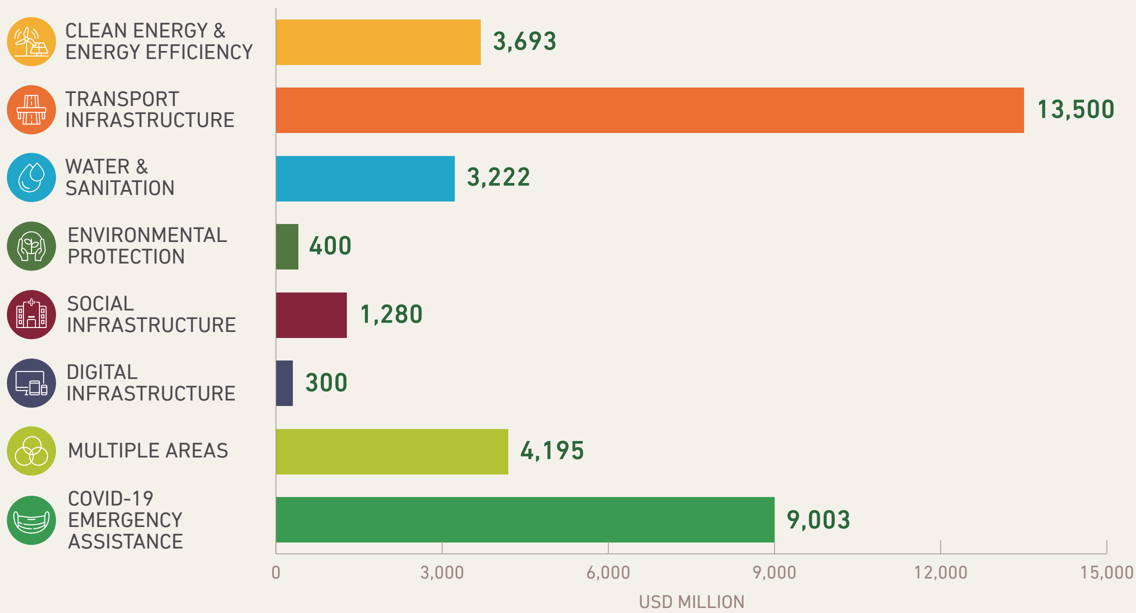
In terms of geographical distribution, projects in China and India received larger shares of NDB financing, representing 26.4% and 24.9% of the Bank's portfolio, respectively. The share of financing to clients in Brazil, South Africa, Russia, and Bangladesh stood at 18.8%, 18.0%, 10.6%, and 1.3% respectively. 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, 2025)



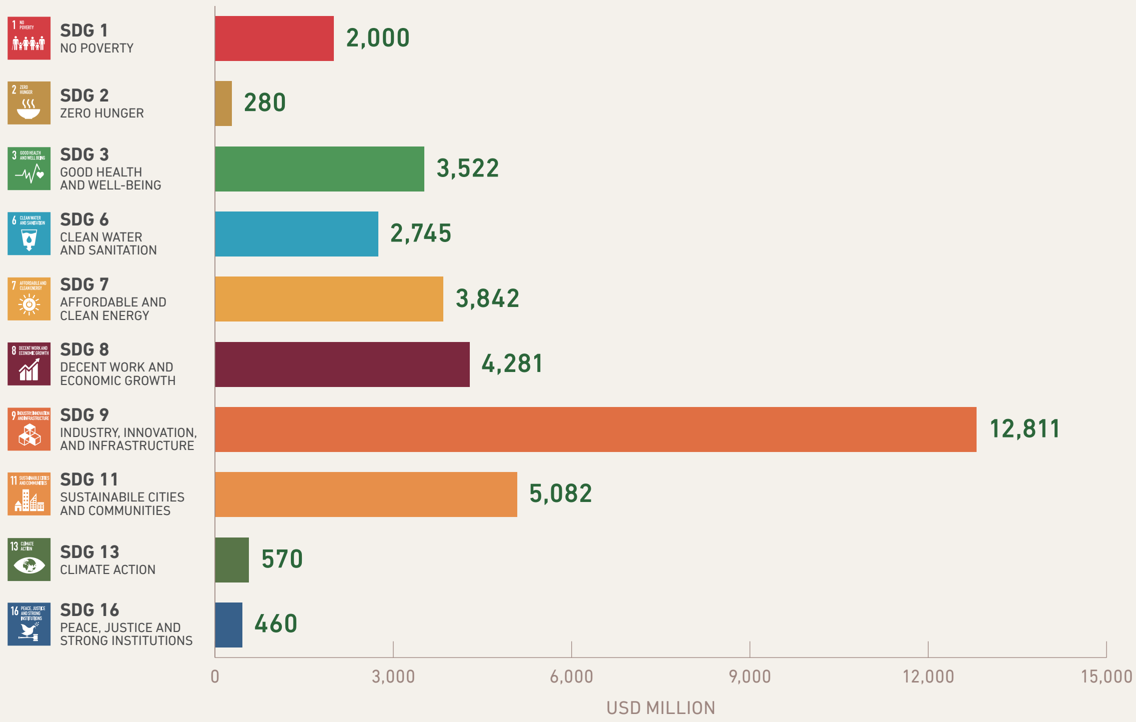
NDB aims to expand its provision of local currency financing, with the dual objectives of mitigating the currency mismatch risks faced by many clients and promoting the development of domestic capital markets in member countries. By the end of 2025, the Bank had provided financing denominated in three national currencies of its borrowing members, namely, RMB, ZAR, and INR, which collectively represented 29.3% of the Bank's portfolio. Notably, nearly three quarters of NDB's financing to projects in China was denominated in RMB, while around 38% 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 continued to offer RMB-denominated financing to projects located outside China, with 10.6% of the Bank's financing to projects in Brazil provided in RMB. It is worth noting that, in 2025, NDB approved its first-ever INR-denominated loan and second INR-denominated equity investment in India. 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, 2025)



In accordance with its General Strategy for 2022–2026, the Bank continued to prioritise support for projects in strategically important operational areas where its financing can drive sustainable development at scale. As of end-2025, financing to transport infrastructure projects accounted for 37.9% of the Bank's portfolio, which was followed by financing to multi-area projects (11.8%), clean energy and energy efficiency projects (10.4%), and water and sanitation projects (9.1%). Financing to projects in areas of environmental protection, social infrastructure, and digital infrastructure jointly accounted for 5.6% 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.

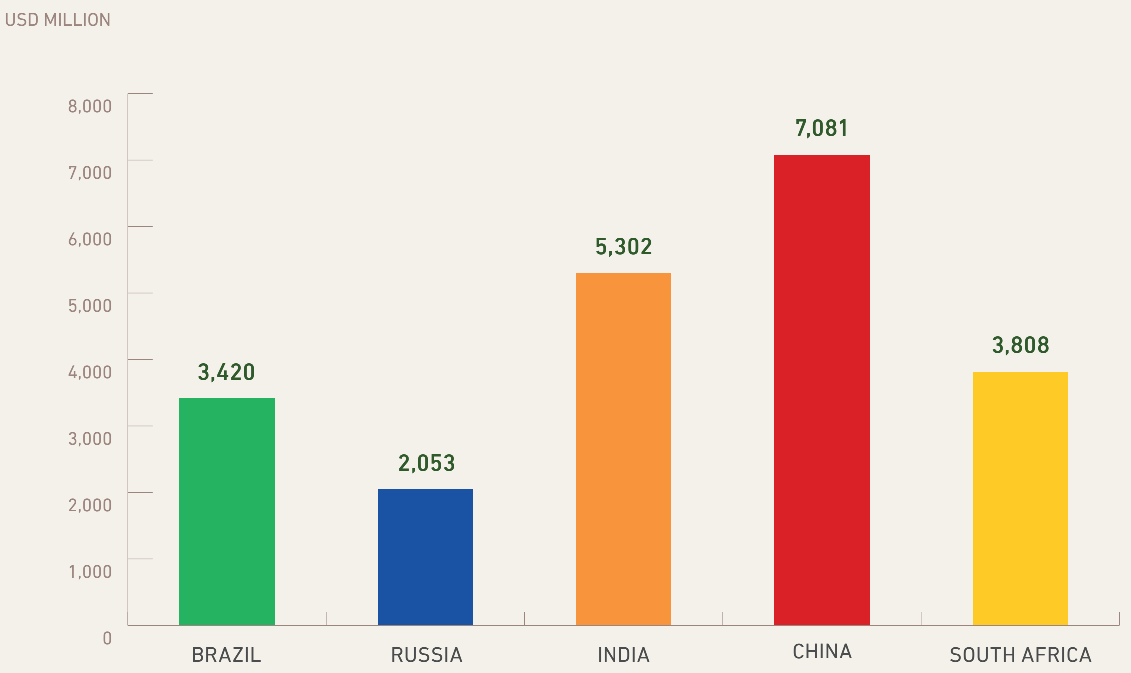
PROJECT PORTFOLIO BY PRIMARY SDG ALIGNMENT (AS AT DECEMBER 31, 2025)



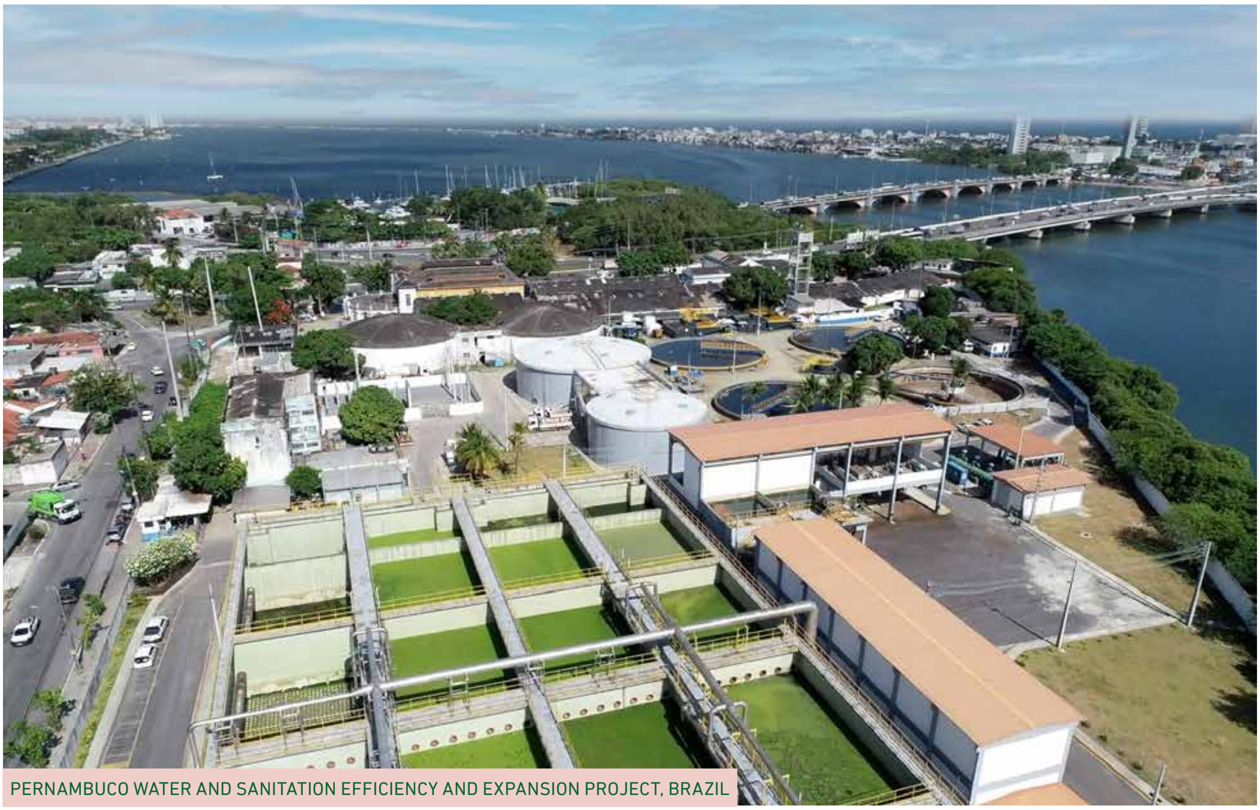
To ensure the alignment of NDB's operations with the United Nations 2030 Agenda for Sustainable Development (2030 Agenda), all projects supported by the Bank are mapped to relevant SDGs, according to an evidence-based methodology with rigorous analysis of intervention logic. Specifically, each project 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 2025, NDB's portfolio included projects that are primarily aligned with 10 out of the 17 SDGs. The largest share (36.0%) 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 (14.3%), SDG 8 on Decent Work and Economic Growth (12.0%), SDG 7 on Affordable and Clean Energy (10.8%), SDG 3 on Good Health and Well-being (9.9%), and SDG 6 on Clean Water and Sanitation (7.7%).

To support NDB member countries' accelerated transition towards low-emission and climate-resilient development paths, the Bank is placing significant emphasis on financing projects that contribute to climate change mitigation and adaptation. In 2025, NDB approved a total of USD 1.8 billion in climate finance, accounting for 57.1% of the Bank's total approval in the year. By the end of the year, climate financing represented 25.5% of the Bank's portfolio, amounting to USD 9.1 billion, of which USD 7.9 billion was mitigation finance, USD 1.1 billion was adaptation finance, and the remainder was dual-benefit finance. If the COVID-19 emergency programme loans are excluded, climate finance would represent 34.1% of the Bank's portfolio.

OUTSTANDING DISBURSEMENTS BY COUNTRY (AS AT DECEMBER 31, 2025)



In 2025, NDB disbursed a total of USD 2.7 billion in financing to its clients, bringing the Bank's outstanding disbursements, defined as financing that had been disbursed but not repaid, to USD 21.7 billion by the end of the year.[28] This steady increase reflected the net positive financing flows channelled through the Bank towards infrastructure and sustainable development in its borrowing members.



PERNAMBUCO WATER AND SANITATION EFFICIENCY AND EXPANSION PROJECT, BRAZIL

28 As at December 31, 2025, the Bank's cumulative disbursements and cumulative repayments stood at USD 24.2 billion and USD 2.5 billion, respectively.

3.3 ESG AND PROJECT PROCUREMENT

ESG

Marking a decade of operations, NDB continues to embed sustainability across its portfolio. In line with its sustainability mandate, the Bank systematically evaluated ESG impacts and risks for all the projects financed, and integrated ESG into every stage of the project life cycle. While continuing to promote the use of robust country and corporate systems within member countries, NDB ensures alignment with the Bank's Environment and Social Framework (ESF) and international best practices. By leveraging risk-based, outcome-focused approach, the Bank successfully manages the ESG performance of its projects.

NDB applies a structured approach to ESG risk management by assigning an environmental and social (E&S) category to each project, based on risk level and financing modality, in accordance with the standards set out in the Bank's ESF. NDB classifies projects into E&S categories ranging from Category A or FI-A, for projects with significant adverse impacts, to Category C or FI-C, for projects with minimal or no negative impacts, and FI denotes projects involving financial intermediaries.[29] The assigned category determines the level of due diligence and monitoring required during project implementation. By the end of 2025, most projects in the Bank's portfolio were classified as Category B or FI-B, about one-third of the projects were classified as Category A or FI-A, and only three projects fell under Category C or FI-C. This categorisation framework enables the Bank to effectively manage diverse E&S risks across its portfolio.

PORTFOLIO BY E&S CATEGORY (AS AT DECEMBER 31, 2025)

E&S Category	Number of projects	Percentage of total projects
Category A	30	26.1
Category FI-A	10	8.7
Category B	58	50.4
Category FI-B	14	12.2
Category C	2	1.7
Category FI-C	1	0.9
Total	**115**	**100.0**

Beyond E&S categorisation, the Bank screens projects' E&S impacts and risks against three key criteria:

- Overall E&S impacts, including impacts on biodiversity, cultural heritage, community, resources, labour, gender, and climate change;
- Potential loss of assets and livelihoods due to involuntary land acquisition; and
- Impacts on indigenous peoples and vulnerable groups.

Mandatory mitigation measures under each criterion are defined in the Bank's Environment and Social Standards (ESSs), including ESS 1: "Environmental and Social Assessment," ESS 2: "Involuntary Resettlement," and ESS 3: "Indigenous Peoples." Projects may trigger multiple ESSs depending on their nature and extent of impact. By the end of 2025, nearly all projects triggered ESS 1, more than half triggered ESS 2, and around 10% triggered ESS 3. To address concerns effectively, project-specific grievance redressal mechanisms have also been established.

29 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.

ESSs TRIGGERED BY PROJECTS IN THE PORTFOLIO (AS AT DECEMBER 31, 2025)

ESS	Number of projects triggered ESS	Percentage of total projects
ESS 1: E&S Assessment	113	98.3
ESS 2: Involuntary Resettlement	59	51.3
ESS 3: Indigenous Peoples	12	10.4

NDB leverages country systems while ensuring alignment with its ESF through compliance checks, gap analysis, and targeted action plans. All Category A and Category B projects undergo E&S assessments, with specific emphasis on biodiversity, climate change, and social impacts. Three compliance modalities are applied: "Country Systems" for Category B/FI-B projects with low risk and Category C/FI-C projects; "Country Systems+" for Category B/FI-B projects with medium-to-high risk and Category A/FI-A projects, requiring additional measures to ensure compliance with the Bank's ESF; and "IFI Safeguards" for co-financed or parallel-financed projects, aligning NDB's E&S management with the safeguards of other IFIs, including MDBs, to ensure a unified and efficient process and harmonised standards.

COMPLIANCE MODALITIES OF PROJECTS IN THE PORTFOLIO (AS AT DECEMBER 31, 2025)

Modality	Number of projects	Percentage of total projects
Country Systems	26	22.6
Country Systems+	69	60.0
IFI Safeguards	20	17.4

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 projects' compliance with country-specific E&S requirements, enhance clients' capacity to effectively manage E&S impacts and risks, and improve operational practices in project management and implementation. Overall, NDB's value-adding engagements contributed to improving the E&S performance of 87.8% of the projects in the Bank's portfolio at the end of 2025.

NDB'S E&S VALUE ADDITION TO PROJECTS IN THE PORTFOLIO (AS AT DECEMBER 31, 2025)

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	96	83.5
Building E&S capacity	72	62.6
Improving operational E&S practices	84	73.0
Total	**101**	**87.8**

To further strengthen the governance dimension of ESG, in 2025, NDB joined the Corporate Governance Development Framework, a joint initiative of DFIs that provides a common approach for evaluating and improving corporate governance practices in investee companies. NDB's active participation in the initiative helps in integrating a proven methodology for evaluating board effectiveness, internal controls, and transparency, reinforcing its own governance risk management framework and peer collaboration. This enhanced approach allows NDB to more rigorously assess corporate governance risks and provide tailored recommendations, ensuring robust practices and effective risk mitigation in all projects. By building clients' governance capacity and contributing unique perspectives from the Global South, the Bank continued to improve the overall ESG performance and sustainability impact of the portfolio.

GUANGXI TRUNK ROAD NETWORK IMPROVEMENT PROGRAMME, CHINA

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 economy, efficiency, value for money, fit for purpose, competition, and transparency in managing project procurement practices.

To promote the timely implementation of projects and the efficient use of resources, NDB continued to dedicate its efforts towards streamlining, simplifying and strengthening the use of country procurement systems. In 2025, the Bank completed the assessments of Bangladesh and Egypt's country procurement systems, with stakeholder consultations concluded in Egypt and planned for Bangladesh. In parallel, targeted guidance notes were developed to strengthen procurement reviews of bidding documents, starting with India and extending to Bangladesh, China, 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. These efforts ensured the Bank's project procurement support throughout the project cycle, from concept to completion.

In August 2025, the Bank successfully hosted the Annual MDB Heads of Procurement Meeting in Shanghai, which provided an important platform to enhance coordination, share cutting-edge knowledge, and align approaches on frontiers of procurement themes. The Use of Country Procurement Systems (UCPS) Working Group, established in response to the Bank's initiative, developed a harmonised UCPS framework that was presented and discussed during the event. Drawing on a decade of experience in implementing UCPS, NDB offered thought leadership and shared key lessons learned, playing a central role in shaping the harmonised framework. The Bank also played an active role in other procurement-related MDB working groups, contributing to discussions on sustainable public procurement and 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. During the year, sustained efforts by the Bank, through close coordination with clients, have resulted in a steady reduction in the number of projects requiring such approvals. In 2025, there was no disbursement request for procurement from non-member countries.

3.4 PROJECT PREPARATION FUND

Providing technical assistance to help prepare high-quality infrastructure and sustainable development projects, especially those capable of attracting private sector financing, is a core component of the Bank's mandate. To support this objective, the NDB-PPF was established as a multi-donor fund offering grant-based resources to the governments of the Bank's borrowing members, including sub-national entities. These resources enable preparation of bankable, well-designed projects that can be considered for financing by NDB and other potential investors.

NDB was entrusted with the administration of NDB-PPF to fulfil its purpose. By the end of 2025, 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, 2025)

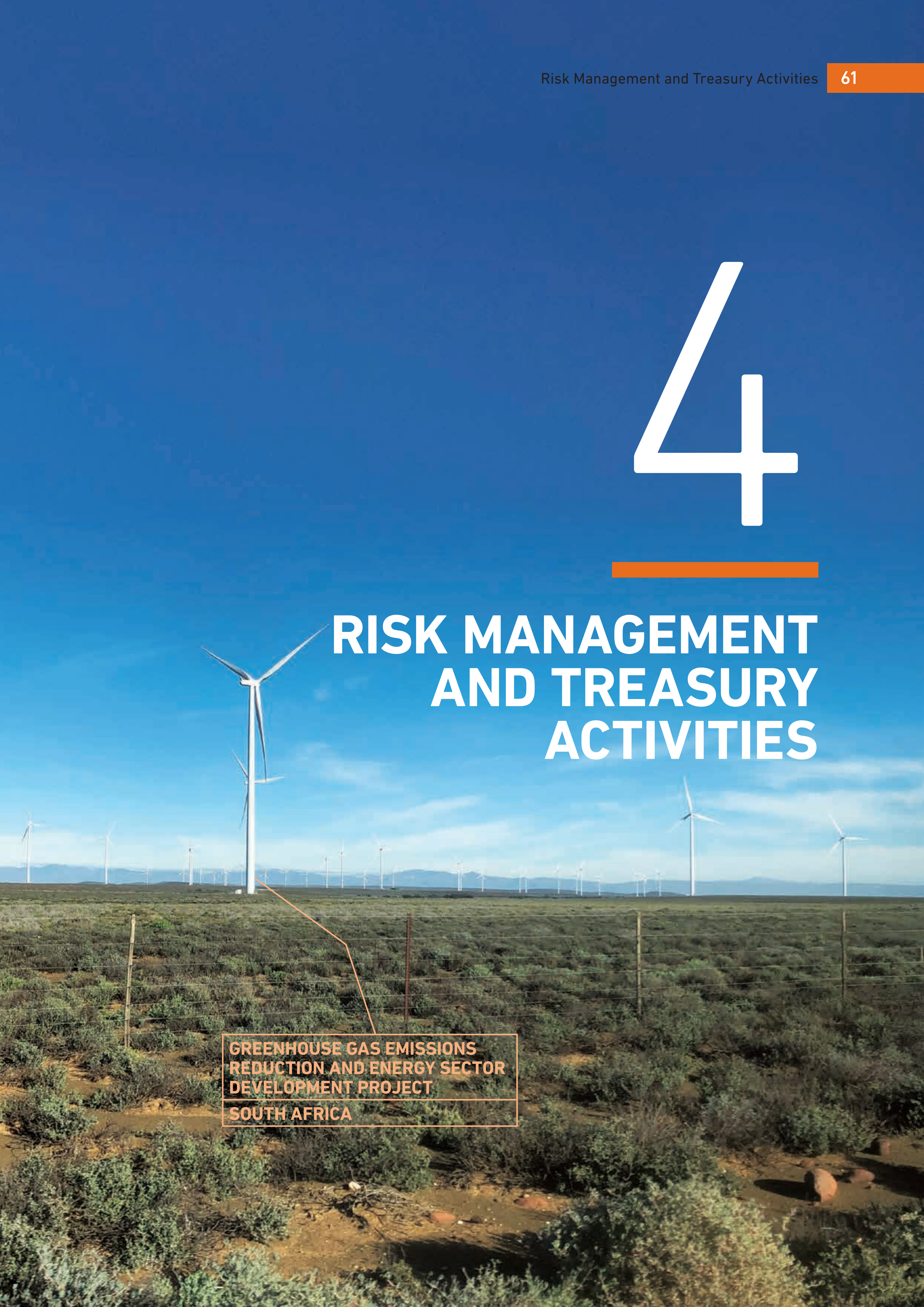
Contributor	Contribution committed (USD million)	Contribution paid (USD million)
Russia	1.5	1.5
India	1.5	1.5
China	4.0	4.0
South Africa	2.0	2.0
Total	**9.0**	**9.0**

A significant milestone was achieved in 2025 with the full disbursement of the NDB-PPF's first-ever grant, a USD 252,300 technical assistance facility for the preparation of the Kohima Town Water Supply Augmentation Project. The facility was utilised to fund the development of a detailed report for the project, which will enable potential financiers to assess the project's feasibility and to consider investing in it. The project is expected to entail upgradation and expansion of the water supply infrastructure and associated facilities in Kohima town, capital of India's mountainous state of Nagaland, improving the access of residents to safe drinking water.

KOHIMA TOWN WATER SUPPLY AUGMENTATION PROJECT, INDIA

4

RISK MANAGEMENT AND TREASURY ACTIVITIES



GREENHOUSE GAS EMISSIONS REDUCTION AND ENERGY SECTOR DEVELOPMENT PROJECT

SOUTH AFRICA

RISK MANAGEMENT AND TREASURY ACTIVITIES

4.1 RISK MANAGEMENT

In keeping with its Enterprise Risk Management and Risk Appetite Framework, NDB adopts a conservative and holistic approach to risk management, ensuring that both financial and non-financial risks are appropriately controlled and that its decision-making processes remain effective, consistent, transparent, and accountable. Built around the "three lines of defence" model, NDB's risk management framework covers all key stages of the risk lifecycle – including governance and appetite, risk assessment and measurement, monitoring and reporting, as well as risk culture and awareness.

To protect its robust capital base and fulfil its mandate effectively, NDB follows international standards and best practices in actively managing the key risks inherent in its operations, such as credit, market, liquidity, and operational risks. Throughout 2025, the Bank remained within its defined risk appetite, maintained adequate capitalisation, and held sufficient liquidity to meet its financial obligations, while continuing to strengthen and refine its risk management infrastructure.

CREDIT RISK

The Bank's approach to credit risk is guided by its Credit Risk Management Policy and Provisioning and Write-off Policy, which set out the core principles for assessing, mitigating, measuring, and monitoring credit risk. In line with these principles, NDB carries out its internal credit risk assessment and monitoring while using credit risk data from external rating agencies.

As of year-end 2025, the credit quality of the Bank's approved loan portfolio, measured by the weighted average risk rating (WARR), remained at BBB-, unchanged from the previous year and still within the investment-grade category. Expected credit loss (ECL) provisions under IFRS 9 for loan and treasury portfolios, as a share of total credit exposure, rose marginally to 0.64%. Only one loan was classified as "Stage Three," representing 0.23% of the outstanding loan portfolio at the close of 2025.

To promote a balanced and diversified portfolio, NDB enforces concentration limits on exposures to individual borrowers, sectors, and countries. The loan portfolio continued to reflect reasonable diversification across borrowing countries and economic sectors.

MARKET AND LIQUIDITY RISKS

NDB maintains a limited appetite for market risk and actively seeks to reduce potential losses arising from fluctuations in interest and exchange rates. In 2025, the Bank's exposure to these risks remained minimal, with all relevant indicators comfortably within established thresholds.

The Bank also follows a conservative liquidity risk management strategy, having a strong liquidity position composed of high-quality assets. Throughout 2025, its primary liquidity ratio (measuring the adequacy of liquidity at the Bank in adverse market and economic conditions) remained consistently above the 110% trigger level.

OPERATIONAL RISK

In accordance with its Operational Risk Policy, NDB addresses non-financial risks by identifying, measuring, monitoring, controlling, and mitigating potential losses due to system or control failures, human error, fraud, or external events. NDB's Business Continuity Management Policy provides the framework and tools to reduce the impact of significant operational or financial disruptions. In 2025, the Bank recorded no major operational risk losses or business interruptions and advanced the implementation of key risk tools, including risk and control self-assessments, information security assessments, and business continuity reviews across all units.

CAPITAL ADEQUACY

NDB adopts a prudent approach to capital management, aiming to sustain strong capital adequacy ratios. Regular macroeconomic and climate stress tests, along with sensitivity analyses, support the assessment of capital resilience under severe conditions. At the end of 2025, the Bank remained well-capitalised, with a capital utilisation ratio of 17% which is well below the 90% ceiling and an equity-to-asset ratio of 35%, well above the 25% minimum threshold.

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 2025, NDB continued relying on its prudent risk appetite and strong enterprise risk management to maintain its high international credit ratings.

In 2025, S&P Global Ratings, Fitch Ratings, and the Japan Credit Rating Agency reaffirmed NDB's ratings and maintained stable outlooks, reflecting the Bank's strong financial fundamentals. The rating agencies highlighted NDB's robust liquidity, solid capital position, high-quality assets, extraordinary shareholder support, and firmly established preferred creditor status as key factors underpinning their affirmations.

NDB'S CREDIT RATINGS (AS AT DECEMBER 31, 2025)[30]

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	August 2025
Fitch Ratings	AA (Long-term issuer default rating) F1+ (Short-term issuer default rating)	Stable	June 2025[31]
Japan Credit Rating Agency	AAA (Long-term issuer rating)	Stable	March 2025[32]

30 In April 2026, China Chengxin International Credit Rating assigned a national scale long-term credit rating of AAA with a stable outlook.
31 In May 2026, Fitch Ratings has revised NDB's outlook to positive from stable, while affirming its long-term issuer default rating at AA.
32 In May 2026, Japan Credit Rating Agency affirmed NDB's long-term issuer rating at AAA with a stable outlook.

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 2025, 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 6.6 billion equivalent of medium and long-term funding through public and private placements in the international capital markets, bond issuances in China's domestic market, as well as borrowing in loan markets.

Notably, under its EMTN Programme, NDB successfully issued another three-year USD 1.25 billion bond in international capital markets. In China's Interbank Bond Market, NDB's status as one of the largest issuers of panda bonds was further consolidated, with the Bank raising RMB 25 billion through five additional issuances. The RMB 2 billion bond issued in December was NDB's first-ever 10-year bond issuance and marked the largest-ever 10-year panda bond issuance by a multilateral institution in China. Notably, the net proceeds from this bond have been converted to ZAR and are exclusively dedicated to financing infrastructure and sustainable development projects across the African continent. Furthermore, NDB executed a USD 1.5 billion club loan facility during the year, in addition to private placements in USD and EUR.

NDB'S EMTN PROGRAMME WAS OFFICIALLY LISTED ON THE NASDAQ DUBAI EXCHANGE, UNITED ARAB EMIRATES, NOVEMBER 2025

BENCHMARK BONDS ISSUED IN 2025

Bond	Amount	Issue date	Maturity date	Annual coupon rate
2025 RMB Bond (Series 1)	RMB 6,000 million	January 16, 2025	January 16, 2030	1.7%
2025 USD Bond	USD 1,250 million	March 31, 2025	March 31, 2028	4.375%
2025 RMB Bond (Series 2)	RMB 7,000 million	April 10, 2025	April 10, 2028	1.82%
2025 RMB Bond (Series 3)	RMB 7,000 million	August 27, 2025	August 27, 2028	1.88%
2025 RMB Bond (Series 4)	RMB 3,000 million	December 4, 2025	December 4, 2028	1.88%
2025 RMB Bond (Series 5)	RMB 2,000 million	December 11, 2025	December 11, 2035	2.26%

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 2025, NDB made treasury investments in USD, RMB (both onshore and offshore), ZAR, HKD, and EUR. 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 2025, the Bank's treasury investment portfolio stood at USD 13.05 billion and continued to have a robust credit rating profile.

4.5 JIBAR TRANSITION

The Johannesburg Interbank Average Rate (JIBAR), a widely used interest rate benchmark in South African financial markets, is scheduled to be discontinued on December 31, 2026. It will be replaced by the South African Rand Overnight Index Average (ZARONIA), a near risk-free reference rate that reflects the rate at which commercial banks secure ZAR-denominated overnight wholesale funding. NDB is exposed to JIBAR through bond issuances, loans and derivatives used for hedging. NDB's transition to ZARONIA is being managed by the previously established LIBOR Transition Working Group, under the supervision of the FC. NDB expects to complete its JIBAR transition process in line with the timeline set by the South African Reserve Bank.

5

INSTITUTIONAL DEVELOPMENT

TOLL ROADS PROGRAMME IN RUSSIA

RUSSIA

INSTITUTIONAL DEVELOPMENT

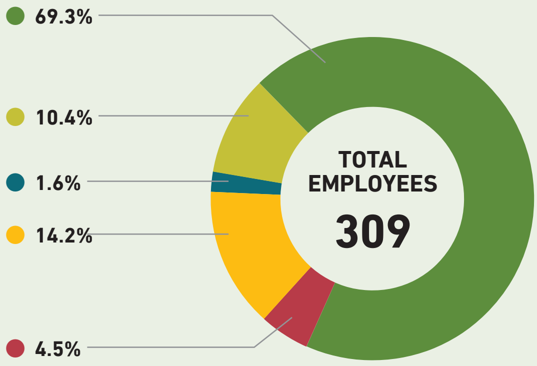
5.1 TALENT MANAGEMENT

The effectiveness of NDB as an institution is highly dependent on its human capital. 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, and be a model employer.

TALENT ACQUISITION

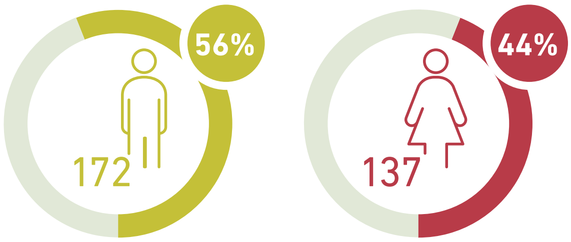
NDB aims to be a talent-intensive institution, and its staff are the Bank's most important asset. Therefore, the Bank places high importance on recruiting and nurturing talent. In 2025, NDB continued to enhance its human capital by attracting high-calibre talent. Due emphasis was also placed on fostering diversity across professional backgrounds, experience levels, gender, nationality, and other key dimensions. As of the end of 2025, NDB's workforce comprised 309 employees, representing a net increase of 11% compared to the previous year.

EMPLOYEES BY CATEGORY (AS AT DECEMBER 31, 2025)



Category	Number
President and Vice Presidents	5
Professional staff (managerial)	32
Professional staff (non-managerial)	214
Support staff	14
Short-term consultants, secondees, and outsourced staff	44

With a strong emphasis on gender balance, NDB pursued greater female representation throughout its organisational hierarchy. At the end of 2025, the share of women in NDB's entire workforce inched up to 44%, while female representation in the Bank's professional staff, including both managerial and non-managerial positions, increased to 40% over the year, reaching the strategic target set by the Bank for the end of its 2022–2026 strategy cycle.



NDB ORGANISED WORKSHOPS IN MEMBER COUNTRIES TO ATTRACT HIGH-CALIBRE TALENT

TALENT DEVELOPMENT

Helping staff develop their professional and personal skills remained an important priority for NDB as it worked to build a strong and capable organisation. In 2025, the Bank collaborated with international training providers and online learning platforms to offer focused training courses and staff development programmes. These programmes covered both technical areas, such as project management and investment skills, as well as soft skills, including communication and career development.

In addition, staff were encouraged to take part in internal knowledge-sharing and capacity-building sessions organised by different NDB teams throughout the year. These sessions covered various areas of the Bank's work and helped improve teamwork across departments, supporting a more open and collaborative organisational culture.

WORKSHOP ON ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT AT NDB HEADQUARTERS, NOVEMBER 2025

STAFF ENGAGEMENT

To co-create solutions that can enhance employee experience and workplace satisfaction, NDB implemented a range of engagement initiatives to better understand the needs and expectations of its staff. In 2025, the Bank launched its second staff engagement survey to further inform and guide its people-centric initiatives. The Bank continued 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.

2025 INTERNATIONAL WOMEN'S DAY CELEBRATION AT NDB HEADQUARTERS, MARCH 2025

5.2 DIGITAL TRANSFORMATION

In 2025, NDB made significant strides in its digital transformation – such as enhancing data-driven decision-making, expanding business applications, reinforcing the critical technology infrastructure, and applying strategic AI scenarios. The continuous journey of digital transformation enabled the Bank to increasingly enhance work efficiency, strengthen cybersecurity, build operational resilience, and promote technology-driven innovation.

Seeking to elevate NDB to a higher level of digital modernisation, the Bank continued pursuing systematic enhancements in its core systems. In 2025, the Bank launched its client service portal, extended transaction reporting, integrated payment messaging across multiple financial systems, and automated loan disbursement processing. To boost staff productivity, a new generation of mobile applications and communication collaboration system were rolled out with embedded AI features. The Bank upgraded its technology infrastructure with extended connectivity and resilience across distributed regions along with the successful onboarding of a network operations centre with around-the-clock monitoring and facilitation.

Recognising the immense potential of data management and AI application, the Bank has taken concrete steps in applying data-centric solutions based on its specific business needs and ensuring that AI becomes an integral component of its innovation ecosystem to drive long-term impact. The Bank analysed critical initiatives across all key areas of the institution, setting the targets to prioritise data management and institutionalise AI as a transformative force benefitting various functions and workflows across the Bank. Business use cases such as data management platform, AI-embedded business workflows, advanced financial analytics, domain-specific document and data processing have proved to be vital applications both operationally and technologically. Complementary governance framework is being developed to ensure responsive use of the technology.

NDB has consistently strengthened its cyber defence capabilities and system resilience amid an increasingly complex threat landscape. This includes close alignment with proven industry frameworks, proactive threat detection and vulnerability assessment, comprehensive security operations monitoring, ongoing enhancement of identity and privileged access management, and the promotion of a cybersecurity culture throughout the Bank. The Bank's information security maturity reached a higher level, as confirmed by an independent assessment conducted by a reputable third-party consultancy, which benchmarked NDB's controls against established industry frameworks and leading financial-sector peers. Business continuity and the resilience of NDB's information technology (IT) systems were reinforced through planning and exercises involving all critical systems. Additionally, the Bank systematically reviewed technology contingency options in response to the evolving global environment.

5.3 PARTNERSHIPS AND STRATEGIC ENGAGEMENTS

NDB seeks to enhance its international standing and strategic positioning as an MDB created by and for EMDCs, by building and fostering strong partnerships and actively engaging with the international development community. Leveraging the expertise of development partners and integrating insights from key engagement groups, the Bank continuously strengthens its capacity to deliver on its mandate and achieve its strategic goals, while championing the aspirations and experiences of the Global South.

In 2025, NDB signed a memorandum of understanding (MoU) with India's National Bank for Financing Infrastructure and Development, establishing a strategic framework for cooperation in areas of mutual interest. Similarly, an MoU was signed with the Islamic Development Bank Group formalising a strategic partnership to advance infrastructure and sustainable development in countries of mutual interest. These agreements underscore NDB's commitment to leveraging partnerships to deliver impactful development outcomes and promote South-South cooperation. By the end of 2025, the Bank had entered into a total of 42 MoUs for general cooperation, of which 38 were in effect. These MoUs have been instrumental in strengthening NDB's international standing, building capacity, and establishing a foundation for deeper engagements.

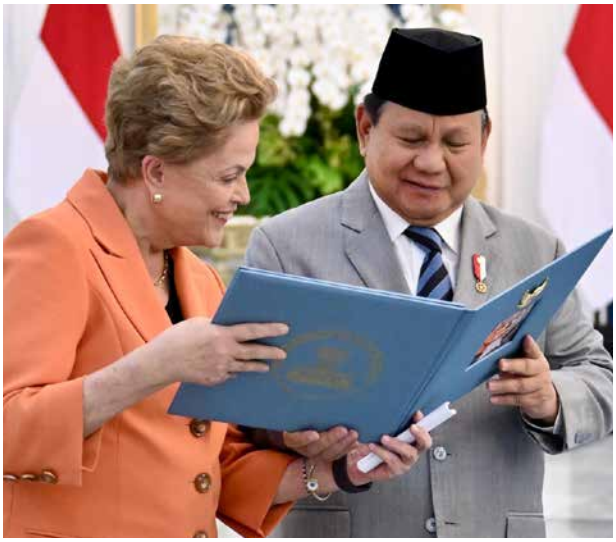
Beyond its bilateral partnerships, NDB actively participated in multilateral platforms and international forums, including the G20, BRICS, UNFCCC, the Heads of MDBs Group, and various MDB-led working groups, with a view to contributing to global development agendas. The Heads of MDBs Group released a joint statement in 2025 reaffirming their commitment to coordinated action on key development priorities and strategies to support job creation and economic prosperity. Further, NDB worked closely with other MDBs to prepare a comprehensive joint report on the implementation of the G20 Roadmap towards Better, Bigger, and More Effective MDBs. In addition, joint reports were published on financing for water security, social infrastructure, and comparative assessments of MDBs' financial positions. Through these engagements, NDB has established itself as a contributor to the international development discourse.

FAMILY PHOTO OF THE G20 SUMMIT HOSTED BY SOUTH AFRICA IN JOHANNESBURG, NOVEMBER 2025

PRESIDENT ROUSSEFF WITH CHINA'S PRESIDENT XI JINPING AND WORLD LEADERS AT THE GLOBAL LEADERS' MEETING ON WOMEN, BEIJING, CHINA, OCTOBER 2025

PRESIDENT ROUSSEFF AT THE "1+10" DIALOGUE HOSTED BY CHINA'S PREMIER LI QIANG IN BEIJING, CHINA, DECEMBER 2025

PRESIDENT ROUSSEFF AT THE CHINA DEVELOPMENT FORUM 2025 WITH CHINA'S PREMIER LI QIANG, AND HEADS OF OTHER MDBs, BEIJING, CHINA, MARCH 2025

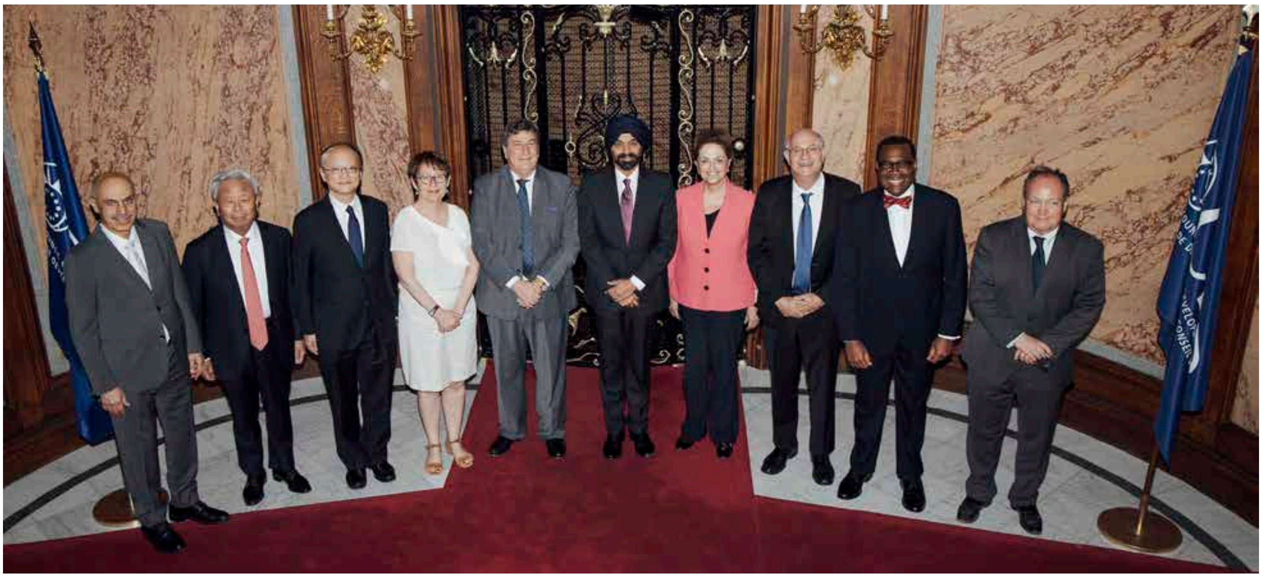


PRESIDENT ROUSSEFF MET WITH INDONESIA'S PRESIDENT PRABOWO SUBIANTO AT THE PRESIDENTIAL PALACE IN JAKARTA, INDONESIA, MARCH 2025

PRESIDENT ROUSSEFF MET WITH COLOMBIA'S PRESIDENT GUSTAVO PETRO URREGO AT NDB HEADQUARTERS, MAY 2025

PRESIDENT ROUSSEFF MET UZBEKISTAN'S PRESIDENT SHAVKAT MIRZIYOYEV ON THE SIDELINES OF THE TASHKENT INTERNATIONAL INVESTMENT FORUM, UZBEKISTAN, JUNE 2025

PRESIDENT ROUSSEFF MET WITH ANGOLA'S VICE PRESIDENT ESPERANÇA MARIA EDUARDO FRANCISCO DA COSTA AT NDB HEADQUARTERS, NOVEMBER 2025



PRESIDENT ROUSSEFF WITH THE HEADS OF MDBs IN PARIS, FRANCE, JUNE 2025

6

NDB'S FIRST GOLDEN DECADE

ANHUI TONGLING G3 ROAD-RAIL BRIDGE PROJECT
CHINA

NDB'S FIRST GOLDEN DECADE

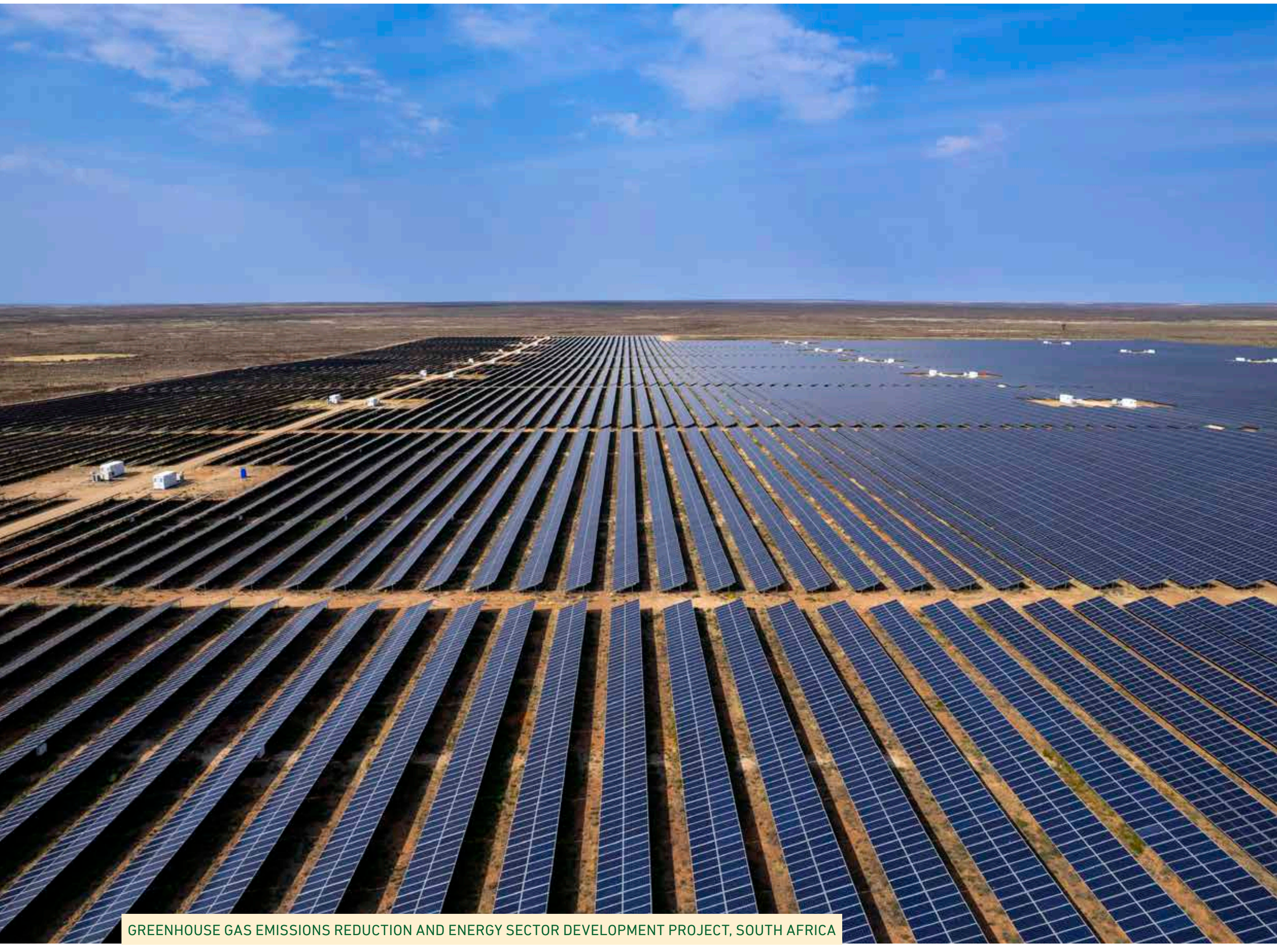
NDB was established in 2015 by Brazil, Russia, India, China and South Africa, as an MDB owned by and dedicated to EMDCs. The Bank was created to complement existing DFIs by expanding financing for infrastructure and sustainable development projects. It also aims to address the specific needs of EMDCs by providing long-term resources without imposing policy conditionalities that could impinge on member countries' sovereignty. NDB was envisioned not only as an additional source of long-term development finance but also as an institution tailored to the unique needs and perspectives of EMDCs. While ten years may seem brief in the lifespan of a development institution such as NDB, it nonetheless marks an important milestone and provides a valuable opportunity to reflect on the Bank's achievements, assess its institutional evolution, and prepare for the future.

6.1 OPERATIONS

Over its first decade of operation, the Bank has cumulatively approved approximately USD 43 billion for 139 projects spanning six member countries. Among these approvals, 84.7% comprised sovereign loans. However, the development needs and aspirations of NDB's member countries are vast and require active participation of the private sector. The rising proportion of non-sovereign operations in NDB's portfolio in recent years demonstrates the Bank's commitment to catalysing private sector participation and supporting sustainable and inclusive development across its member countries.

The Bank has also advanced the use of local currency financing to shield borrowers from foreign exchange risks and potential geoeconomic pressures associated with the dependence on hard currency funding. As of end-2025, more than one-fourth of NDB's approved financing was in local currencies. Additionally, NDB has worked on providing diversification options to its borrowers, and more than 10% of approved financing was in hard currencies other than USD.

Since its inception, NDB has pioneered several measures to reinforce its identity as a member-led and demand-driven MDB. These include the application of country systems approach to ESG and procurement management, under which the Bank respects national sovereignty and promotes the use of domestic institutional frameworks and policies, wherever applicable.



GREENHOUSE GAS EMISSIONS REDUCTION AND ENERGY SECTOR DEVELOPMENT PROJECT, SOUTH AFRICA

TRAVERSING THE COVID-19 PANDEMIC

NDB mounted a rapid and large-scale COVID-19 response through its USD 10 billion Emergency Assistance Response Facility, designed to help member countries mitigate the health and economic shocks of the pandemic. In 2020 and 2021, the Bank approved multiple sovereign emergency programme loans, including RMB 14 billion to China and USD 2 billion each to India, Brazil, and South Africa and USD 1 billion equivalent to Russia for strengthening health systems, protecting vulnerable populations, and supporting economic stabilisation. NDB issued a series of COVID-19-related bonds in both international capital markets and China's Interbank Bond Market. These financing streams supported critical areas such as medical preparedness, income protection for informal and low-income workers, emergency social transfers, liquidity support to small and medium enterprises, and economic restart initiatives. NDB's COVID-19 response ultimately benefited approximately 400 million people across its member countries.

6.2 DEVELOPMENT IMPACT

As a DFI, NDB supports operations in the areas of clean energy and energy efficiency, transport infrastructure, water and sanitation, environmental protection, social infrastructure, and digital infrastructure. The Bank closely monitors the development results of its operations through project-level indicators. The expected direct development results from NDB-supported projects[33] highlight the Bank's strong and diversified contribution to infrastructure and sustainable development across member countries. The overall addition of 5,400 MW of renewable and clean energy capacity and the avoidance of 32.5 million tonnes of CO_2 emissions annually underscore NDB's role in accelerating the low-emission transition. Large scale transport investments – including 32,400 km of upgraded roads and bridges and 293 km of new urban rail transit networks – demonstrate significant support for connectivity, mobility, and reduced congestion. The expansion of air passenger and cargo capacity enhances regional integration and trade competitiveness. Water-related interventions, such as 1,400 km of tunnel and canal upgrades and substantial increases in drinking water (664,000 m^3/day) and sewage treatment capacity (721,000 m^3/day), strengthen climate resilience and public health. Social infrastructure is also emphasised, with 15 schools to be upgraded and 35,000 housing units to be constructed, reflecting inclusive development priorities.

As climate change continues to accelerate, NDB increasingly recognises the need to be at the forefront of this challenge. Under its General Strategy for 2022–2026, the Bank has committed to direct 40% of its funding to climate mitigation and adaptation and is well on track to achieve or even exceed this target.

PUTIAN PINGHAI BAY OFFSHORE WIND POWER PROJECT, CHINA

33 Including projects that are fully repaid.

6.3 FINANCIAL PERFORMANCE

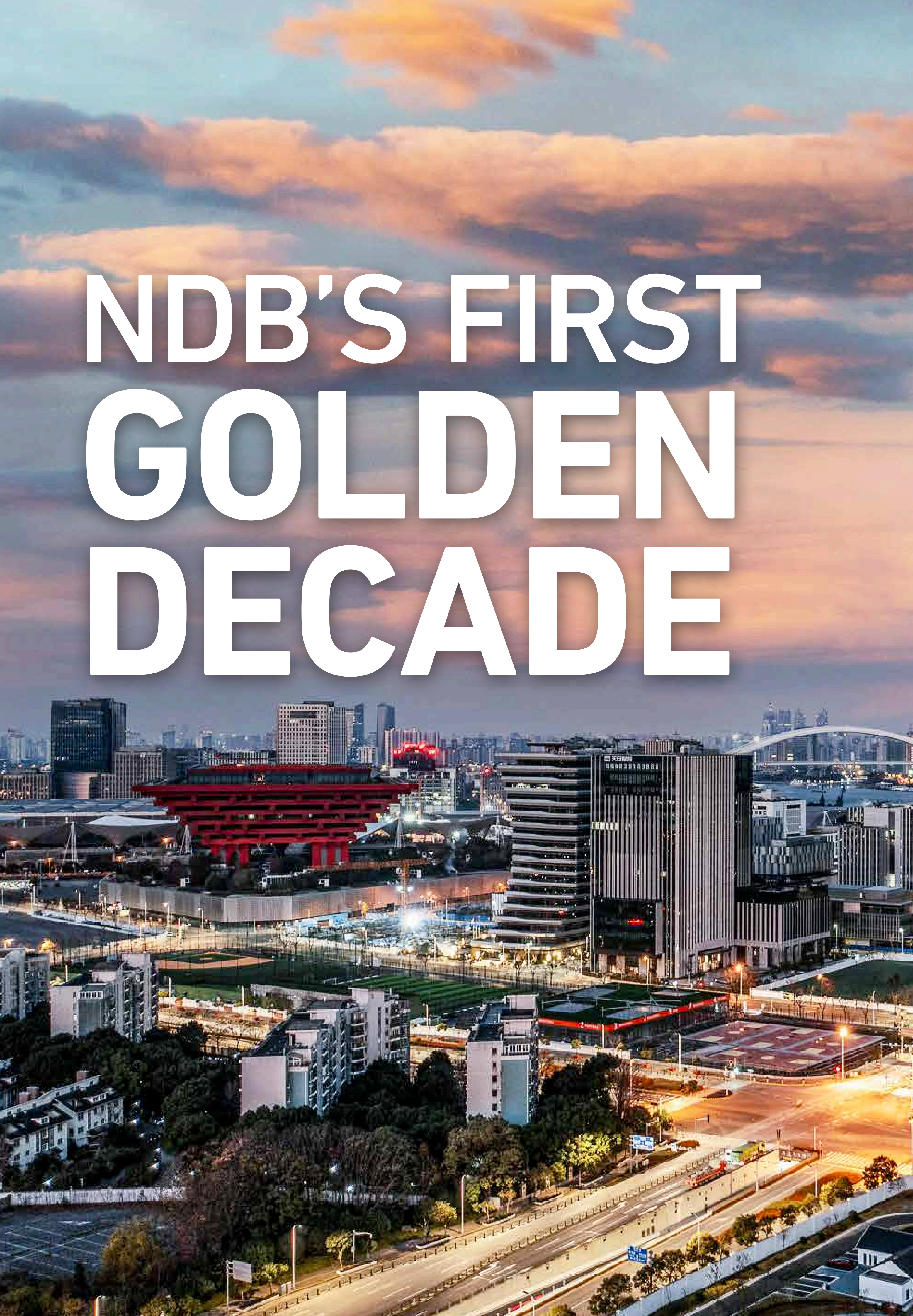
Over its first decade, the Bank has undergone a marked structural transformation, most visibly reflected in the evolution of its balance sheet. From 2016 to 2025, the Bank concentrated on establishing robust operational systems and steadily expanding its lending capacity. This period of institution building and scaling up translated into significant balance sheet growth, with total assets reaching USD 35.6 billion by the end of 2025. Loans and advances rose to USD 21.6 billion, constituting 60.6% of total assets as of end-2025, while approximately 22% of assets were held as cash and bank balances, an indicator of the Bank's strong liquidity position. This rapid expansion, coupled with the shift in asset composition toward a more mature lending profile, underscores the Bank's transition from a startup financial institution to a fully-fledged MDB, equipped with the financial scale and institutional resilience to respond to the needs of its member countries.

The Bank's liability structure has also evolved significantly. By the end of 2025, equity accounted for 36.3% of total balance sheet, while debt instruments represented 63.7%, reflecting a profile increasingly similar to that of a mature financial institution. NDB strengthened its funding strategy by diversifying across markets, instruments, currencies, and tenors, while maintaining a stable presence in major funding hubs. NDB has progressively built a multi-currency funding platform aimed at expanding market access and mitigating refinancing risks. Along with the launch of its EMTN Programme in 2019, the Bank has simultaneously increased local currency mobilisation, notably through recurring issuances of RMB-denominated bonds in China and ZAR-denominated bonds in South Africa. Over time, NDB has issued RMB bonds of increasing scale, including the RMB 8.5 billion panda bond in May 2023, the largest panda bond issuance ever made by an MDB. By the end of 2025, NDB's cumulative panda bond issuances had reached RMB 80.5 billion, cementing its position as the largest issuer and contributing to the development of China Interbank Bond Market. In parallel, the Bank broadened its thematic offerings through green and SDG bonds, ensuring funding activities remained aligned with its strategic priorities.

6.4 EXPANDING MEMBERSHIP

NDB's significance is rising, especially considering heightened geoeconomic tensions, as well as the retreat of some advanced economies from international multilateral cooperation. The Bank is currently in the process of evolving from a bank of its founding members to a bank of the Global South, and has in the past five years, added four new members – Bangladesh, UAE, Egypt and Algeria. Further, the Bank has admitted Uruguay, Colombia, Uzbekistan, and Ethiopia as prospective members. This ongoing expansion will buttress the Bank's standing as a major player in global development finance, and reinforce its necessity for the developing world, as it embarks on its second golden decade, after ten years of existence.

NDB'S FIRST GOLDEN DECADE




NDB

KEY MILESTONES OF NDB

2014

JULY

The Agreement on the New Development Bank was signed at the Sixth BRICS Summit in Fortaleza, Brazil.

2015

JULY

NDB was established pursuant to the Agreement on the New Development Bank, with headquarters in Shanghai, China. Mr. K.V. Kamath was appointed as the first President.

2016

JANUARY

The first instalment of paid-in capital was received from all founding members.

APRIL

The BoD approved the first set of loans, to Brazil, China, South Africa, and India.

JULY

The Bank issued its first-ever bond, a green bond, in the China's Interbank Bond Market.

2017

JUNE

The BoG approved NDB's General Strategy for 2017–2021.

AUGUST

The Bank's first regional office, the Africa Regional Centre, opened in Johannesburg, South Africa.

2018

AUGUST

NDB received AA+ credit ratings from Fitch Ratings and S&P Global Ratings, cementing its access to international capital markets.

DECEMBER

NDB was granted observer status at the United Nations General Assembly.

2019

JULY

Americas Regional Office opened in São Paulo, with a sub-office in Brasília, Brazil.

2020

MARCH

NDB approved its first COVID-19 emergency assistance loan to China, becoming the first MDB to extend COVID-19 response support to its members.

This was followed by the establishment of an Emergency Assistance Response Facility and subsequent support to India, South Africa, Brazil and Russia.

APRIL

The Bank issued its first COVID Response Bond.

JULY

Eurasian Regional Centre opened in Moscow, Russia.

2021

MARCH

NDB issued a RMB 5 billion SDG bond, the first bond aligned with the UNDP SDG Impact Standards for Bonds and the China SDG Finance Taxonomy.

SEPTEMBER

Bangladesh joined as a member.

NDB started operating from its permanent headquarters building in Shanghai.

OCTOBER

UAE joined NDB as a member.

2022

MAY

The BoG approved NDB's General Strategy for 2022–2026.

JUNE

NDB's fourth regional office was opened in Gujarat International Finance Tec-City (GIFT City), India.

2023

FEBRUARY

Egypt joined NDB as a member.

MARCH

The BoG elected Mrs. Dilma Rousseff as the President of NDB.

APRIL

President Luiz Inácio Lula Da Silva of the Federative Republic of Brazil, visited NDB headquarters in Shanghai, first visit by a head of state to the Bank.

2024

OCTOBER

NDB approved its first RMB-denominated loan to a non-Chinese borrower.

DECEMBER

The BoD approved first loan to a non-founding member country, Bangladesh.

2025

MARCH

The BoG re-elected Mrs. Dilma Rousseff as the President of NDB.

APRIL

President Xi Jinping of the People's Republic of China visited NDB headquarters in Shanghai and met with the Bank's Management.

MAY

Algeria joined NDB as a member.

7

THE YEAR AHEAD

NORTH REGION TRANSPORTATION INFRASTRUCTURE IMPROVEMENT PROJECT
BRAZIL

THE YEAR AHEAD

WASTEWATER INTEGRATION AND PIPELINE REHABILITATION PROJECT, CHINA

The year 2026 marks a pivotal milestone for the Bank as it enters its second golden decade of operation – a defining moment that leverages the insights and experience gained over its first ten years. It is also a strategically significant year, serving as the culmination of the General Strategy for 2022–2026 and the launchpad for shaping the next five-year roadmap, the General Strategy for 2027–2031. The Bank will continue to work towards maximising its development impact, enhancing its operational effectiveness and safeguarding its financial sustainability by pursuing organisational efficiencies, portfolio diversifications, and balance sheet optimisation, ensuring it is fully equipped for the opportunities and challenges of the decade ahead.

In 2026, the Bank will continue to pursue its agenda of "Scaling Up Development Finance for a Sustainable Future". To achieve its operational priorities, the Bank will mobilise resources at scale through a diversified suite of instruments with a strong presence across international and local capital markets. The Bank will continue pursuing greater provision of local currency financing, which will help mitigate foreign exchange risks while contributing to the development of domestic capital markets in member countries. In 2026, the Bank plans to expand into new markets, including the issuance of INR-denominated maharaja bonds in India.

The Bank will work vigorously to sustain its 30% local currency financing goal. The Bank will also double down on the expansion of its non-sovereign operations to catalyse investment and crowd in private capital. It will work closely with peer MDBs through co-financing to fund tangible development. Further, the Bank will strive to expand operations in new member countries, introduce new financing instruments, and maintain high efficiency of project processing.

The Bank will continue to strengthen its governance, risk management, IT, and workforce. It will follow the strategy of building a talent-intensive institution and enhance its capacity by attracting, nurturing, and retaining best-in-class talent from member countries. Further, it will continue to make calibrated membership expansion efforts and strengthen on-the-ground presence to better align operations with member countries' needs while safeguarding portfolio quality.

FINANCIAL STATEMENTS

DURBAN CONTAINER TERMINAL BERTH RECONSTRUCTION PROJECT
SOUTH AFRICA

NDB ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025
(Prepared in accordance with IFRS Accounting Standards)

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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 2025, 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 2025, 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), as applicable to audits of the financial statements of public interest entities. We have also 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	How our audit addressed the 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 or become credit-impaired, 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 2025, the Bank held loans and advances to customers of USD 21,769 million, less impairment allowance of USD 192 million as disclosed in Note 19 to the financial statements.	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.

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 RESPONSIBILITIES 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

May 15, 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025
EXPRESSED IN MILLIONS OF U.S. DOLLARS

	NOTES	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
Interest income	7	1,485	1,591
Interest expense	7	(738)	(663)
Net interest income	7	747	928
Net fee income	8	11	7
Net losses on financial instruments at fair value through profit or loss (FVTPL) and foreign exchange	9	(54)	(180)
Staff costs	10	(73)	(66)
Other operating expenses	11	(35)	(33)
Impairment losses under expected credit loss (ECL) model, net of reversal	12	(48)	(65)
Other expense		(8)	(6)
Operating profit for the year		540	585
Unwinding of interest on paid-in capital receivables		11	10
Profit for the year		551	595
Other comprehensive income Items that may be reclassified subsequently to profit or loss:			
Fair value gains on debt instruments at fair value through other comprehensive income (FVTOCI)		12	3
Impairment loss for debt instruments at FVTOCI included in profit or loss, net of reversal		-*	(1)
Other comprehensive income for the year		12	2
Total comprehensive income for the year		**563**	**597**

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

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025
EXPRESSED IN MILLIONS OF U.S. DOLLARS

	NOTES	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
Assets			
Cash and cash equivalents	13	1,547	609
Due from banks other than cash and cash equivalents	14	6,315	5,282
Derivative financial assets	15	266	315
Financial assets at FVTPL	16	148	623
Debt instruments at FVTOCI	17	1,028	702
Debt instruments measured at amortised cost	18	4,163	4,091
Loans and advances	19	21,577	19,518
Paid-in capital receivables	20	426	386
Right-of-use assets		1	1
Property and equipment		1	1
Intangible assets		-*	-*
Other assets	21	126	8
Total assets		**35,598**	**31,536**
Liabilities			
Derivative financial liabilities	15	294	210
Financial liabilities designated at FVTPL	22	13,807	12,557
Bank borrowings	23	6,256	4,756
Note payables	24	348	-
Bond payables	25	1,788	1,560
Lease liabilities		-*	-*
Contract liabilities	26	62	57
Other liabilities	27	134	157
Total liabilities		**22,689**	**19,297**
Equity			
Paid-in capital	28	10,661	10,538
Reserves	29	(16)	(23)
Retained earnings		2,264	1,724
Total equity		**12,909**	**12,239**
Total equity and liabilities		**35,598**	**31,536**

* Less than USD half of a million

The annual financial statements on pages 95 to 157 were approved and authorised for issue by the Board of Governors on May 15, 2026 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, 2025
EXPRESSED IN MILLIONS OF U.S. DOLLARS

	PAID-IN CAPITAL	CAPITAL RESERVE	REVALUATION RESERVE	OTHER RESERVES	RETAINED EARNINGS	TOTAL
As at January 1, 2025	10,538	-*	-*	(23)	1,724	12,239
Operating profit for the year	-	-	-	-	540	540
Other comprehensive income for the year	-	-	12	-	-	12
Unwinding of interest on paid-in capital receivables for the year	-	-	-	-	11	11
Total comprehensive income for the year	-	-	12	-	551	563
Capital subscriptions	123	-	-	-	-	123
Impact on discounting of paid-in capital receivables	-	-	-	(16)	-	(16)
Impact of early payment on paid-in capital receivables	-	-	-	-*	-	-*
Reclassification of unwinding of interest arising from paid-in capital receivables	-	-	-	11	(11)	-
As at December 31, 2025	**10,661**	**-***	**12**	**(28)**	**2,264**	**12,909**

	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	-	-	-	-*	-	-*
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**

* Less than USD half of a million

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025
EXPRESSED IN MILLIONS OF U.S. DOLLARS

	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
OPERATING ACTIVITIES		
Profit for the year	551	595
Adjustments for:		
Interest expense	738	663
Interest income from debt instruments measured at amortised cost	(159)	(134)
Interest income from debt instruments at FVTOCI	(39)	(83)
Depreciation and amortisation	1	1
Losses on disposal of property and equipment	-*	-*
Unrealised losses/(gains) on financial instruments	661	(226)
Realised losses on derivatives	127	246
Realised gains from financial liabilities designated at FVTPL	(125)	(84)
Realised gains from private equity funds included in financial assets at FVTPL	(1)	-
Unwinding of interest on paid-in capital receivables	(11)	(10)
Impairment losses under ECL model, net of reversal	48	65
Unwinding of discount on the ECL included in interest income	3	2
Exchange (gains)/losses on debt instruments measured at amortised cost	(4)	6
Exchange losses/(gains) on bond payables	30	(4)
Exchange gains on note payables	-*	(1)
Exchange gains on lease liabilities	-*	-*
Other exchange losses	8	5
Debt issuance cost	8	6
Fee expense	-*	2
Operating cash flows before changes in operating assets and liabilities	1,836	1,049
Net (increase)/decrease in due from banks	(1,033)	1,053
Net increase in loans and advances	(2,098)	(1,800)
Net decrease/(increase) in money market funds included in financial assets at FVTPL	500	(500)
Net (increase)/decrease in other assets	(118)	20
Net (decrease)/increase in other liabilities and contract liabilities	(34)	100
Cash used in operations	(947)	(78)
Proceeds from settlement on derivatives	1,735	1,383
Payment of settlement on derivatives	(1,683)	(1,313)
NET CASH USED IN OPERATING ACTIVITIES	**(895)**	**(8)**

* Less than USD half of a million

FOR THE YEAR ENDED DECEMBER 31, 2025
EXPRESSED IN MILLIONS OF U.S. DOLLARS

	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
INVESTING ACTIVITIES		
Interest received on debt instruments measured at amortised cost	51	31
Interest received on debt instruments at FVTOCI	33	21
Dividends from private equity funds included in financial assets at FVTPL	1	-
Purchase of debt instruments measured at amortised cost	(4,810)	(5,542)
Proceeds from redemption of debt instruments measured at amortised cost	4,850	2,753
Purchase of debt instruments at FVTOCI	(404)	(722)
Proceeds from redemption of debt instruments at FVTOCI	96	2,085
Purchase of financial assets at FVTPL	(21)	(42)
Proceeds from settlement on derivatives	131	1,138
Payment of settlement on derivatives	(124)	(1,133)
Purchase of property and equipment and intangible assets	-*	(1)
NET CASH USED IN INVESTING ACTIVITIES	(197)	(1,412)
FINANCING ACTIVITIES		
Interest paid on bonds	(435)	(409)
Interest paid on bank borrowings	(253)	(134)
Interest paid on note payables	-*	(106)
Interest paid on lease liabilities	-*	-*
Paid-in capital received	78	51
Proceeds from issuance of bonds	5,128	3,988
Repayment from bonds	(4,133)	(4,278)
Proceeds from withdrawal of bank borrowings	1,500	4,700
Proceeds from issuance of note payables	424	929
Repayments from note payables	(77)	(3,140)
Payment of issuance cost of bond and note payables	(8)	(6)
Payment of fee expense of bank borrowings	-*	(2)
Proceeds from settlement on derivatives	355	54
Payment of settlement on derivatives	(549)	(380)
Repayments of lease liabilities	-*	-*
NET CASH FROM FINANCING ACTIVITIES	2,030	1,267
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	938	(153)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	609	762
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,547	609
Interest received in operating activities	**1,311**	**1,356**
Interest paid in operating activities	**3**	**2**

* Less than USD half of a million

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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, February 20, 2023 and May 19, 2025, the People's Republic of Bangladesh (Bangladesh), the United Arab Emirates (UAE), the Arab Republic of Egypt (Egypt) and the People's Democratic Republic of Algeria (Algeria), 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, 2025, the Bank had nine member countries. More details of member countries' paid-in capital are disclosed in Note 28. Additionally, the Bank's Board of Governors admitted four 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 an IFRS Accounting Standard that are mandatorily effective for the current year

The application of the following amendments to an IFRS Accounting Standard 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.

Amendments to IAS 21	Lack of Exchangeability

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 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7 *Financial Instruments: Disclosures*. 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.

Revenue

Interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments at FVTOCI.

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 received or receivable relating to services provided under contracts with borrowers are recognised in the "Contract liabilities" until the services have been provided to borrowers. 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.

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

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, except for a derivative that is 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 losses on financial instruments at FVTPL and foreign exchange" 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.

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, except for a derivative that is 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 2025 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 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.

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

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 through a loss allowance account. 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.

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 gains/(losses)";
- 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 losses on financial instruments at FVTPL and foreign exchange".

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 enforcement 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 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.

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

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 or become credit-impaired.

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 and SOFR 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.

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 years ended December 31, 2025 and 2024.

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:

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

5. FINANCIAL RISK MANAGEMENT - CONTINUED

- 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

(i) Three macro scenarios: baseline, optimistic and pessimistic. Each scenario is forecasted for five years.
(ii) Based on each member country's development and conditions, a range of forward-looking macro-economic information is considered.
(iii) 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).

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, 2025 RECALCULATED ECL	AS AT DECEMBER 31, 2025 CHANGE IN ECL
	USD MILLION	USD MILLION
Rating		
All upgraded 1 notch	193	(43)
All downgraded 1 notch	250	14
Staging		
All in Stage 1	115	(121)
All in Stage 2	294	58
LGD		
All increased by 10 percentage points	329	93
Weights of the scenarios		
The baseline, optimistic and pessimistic scenarios were given weightings of 45%, 25% and 30% respectively	240	4

	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

5. FINANCIAL RISK MANAGEMENT - CONTINUED

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, 2025		
	GROSS CARRYING AMOUNT OF LOANS/BONDS	UNUTILISED LOAN COMMITMENTS	ECL
	USD MILLION	USD MILLION	USD MILLION
Loans and Loan commitments:			
- Sovereign operations	19,614	6,657	(62)
- Non-sovereign operations	2,155	669	(174)
Subtotal	21,769	7,326	(236)
Treasury:			
- Debt instruments measured at amortised cost	4,165	N/A	(2)
- Debt instruments at FVTOCI	1,028	N/A	-*
Subtotal	5,193	N/A	(2)
Total	**26,962**	**7,326**	**(238)**

	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)**

* Less than USD half of a million

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, 2025	EFFECTIVE FACILITY	UTILISED	UNUTILISED LOAN COMMITMENTS
	USD MILLION	USD MILLION	USD MILLION
Senior investment grade	8,285	6,982	1,303
Investment grade	7,393	5,172	2,221
Sub-investment grade	13,172	9,370	3,802
Total	**28,850**	**21,524**	**7,326**
Interest receivable		245	
Less: ECL allowance		(192)	
Net carrying amount as at December 31, 2025		**21,577**	

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**	

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.

5. FINANCIAL RISK MANAGEMENT - CONTINUED

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, 2025	EFFECTIVE FACILITY	UTILISED	UNUTILISED LOAN COMMITMENTS
	USD MILLION	USD MILLION	USD MILLION
Brazil	4,783	3,343	1,440
Russia	3,257	2,053	1,204
India	7,420	5,240	2,180
China	8,477	7,081	1,396
South Africa	4,568	3,807	761
Bangladesh	345	-	345
Total	**28,850**	**21,524**	**7,326**
Interest receivable		245	
Less: ECL allowance		(192)	
Net carrying amount as at December 31, 2025		**21,577**	

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**	

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, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Cash and cash equivalents		
Senior investment grade	1,294	609
Investment grade	252	-*
Sub-investment grade	1	-*
Due from banks other than cash and cash equivalents		
Senior investment grade	5,754	4,776
Investment grade	564	509
Total	**7,865**	**5,894**
Less: ECL allowance	(3)	(3)
Net carrying amount	**7,862**	**5,891**

* Less than USD half of a million

Credit exposure on debt instruments measured at amortised cost

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Senior investment grade	4,079	3,955
Investment grade	86	138
Total	**4,165**	**4,093**
Less: ECL allowance	(2)	(2)
Net carrying amount	**4,163**	**4,091**

5. FINANCIAL RISK MANAGEMENT - CONTINUED

Credit exposure on debt instruments at FVTOCI

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Senior investment grade	1,028	702
Total	**1,028**	**702**

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, 2025 and 2024. 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.

AS AT DECEMBER 31, 2025	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	178	472	904	-	-	-	-	1,554
Due from banks other than cash and cash equivalents	-	924	1,207	4,291	-	-	-	6,422
Financial assets at FVTPL	-	-	-	-	-	-	148	148
Debt instruments measured at FVTOCI	-	7	61	231	798	-	-	1,097
Debt instruments measured at amortised cost	-	411	1,018	1,592	1,337	-	-	4,358
Loans and advances	24	4	646	1,186	8,891	22,174	-	32,925
Paid-in capital receivables	36	-	28	67	302	21	-	454
Other financial assets	-*	-	1	-	-	-	123	124
Financial liabilities designated at FVTPL	-	(14)	(78)	(5,116)	(8,942)	(319)	-	(14,469)
Bank borrowings	-	(48)	(14)	(234)	(6,528)	-	-	(6,824)
Note payables	-	-	-	(360)	-	-	-	(360)
Bond payables	-	(2)	(18)	(853)	(1,055)	-	-	(1,928)
Lease liabilities	-	-*	-*	-*	-*	-	-	-*
Other financial liabilities	(5)	-	-	-	-	-	(79)	(84)
Sub-total	233	1,754	3,755	804	(5,197)	21,876	192	23,417
Derivatives								
Net settled derivatives								
Interest rate swap - cash inflow	-	2	54	146	262	-	-	464
Interest rate swap - cash outflow	-	(12)	(28)	(102)	(161)	-	-	(303)
Gross settled derivatives								
Cross currency swap - cash inflow	-	14	61	1,615	2,950	837	-	5,477
Cross currency swap - cash outflow	-	(21)	(43)	(1,690)	(3,113)	(801)	-	(5,668)
Foreign exchange forward - cash inflow	-	57	5	201	-	-	-	263
Foreign exchange forward - cash outflow	-	(57)	(5)	(202)	-	-	-	(264)
Sub-total	-	(17)	44	(32)	(62)	36	-	(31)
Net	**233**	**1,737**	**3,799**	**772**	**(5,259)**	**21,912**	**192**	**23,386**

* Less than USD half of a million

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								
Net settled derivatives								
Interest rate swap - cash inflow	-	10	20	98	254	-	-	382
Interest rate swap - cash outflow	-	(8)	(31)	(171)	(133)	-	-	(343)
Gross settled derivatives								
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

Market risk

Market risk is the risk that market rates and prices on assets, liabilities and off-balance sheet positions change which result in fluctuation in fair value or future cash flows of financial instruments. 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 macroeconomic environment have a significant impact on the movement of interest rate curves for different currencies.

The Bank has limited tolerance towards interest rate risk. 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 mismatches of structure and maturities (repricing) 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 duration within 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, while remaining adequately responsive to general market trends. An adequate match-funding refers to the principles of funding that have 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 repricing profile which is used to analyse the impact of interest rate changes on the economic value of its equity and net interest income due to the repricing mismatch between assets, liabilities and off-balance sheet positions over a range of repricing buckets. Interest-bearing assets and liabilities including off-balance sheet positions are slotted into their respective repricing time bands according to their earliest interest repricing 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, 2025	YEAR ENDED DECEMBER 31, 2024
	USD MILLION	USD MILLION
+ 100 basis points	127	101
- 100 basis points	(127)	(101)

5. FINANCIAL RISK MANAGEMENT - CONTINUED

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) for the year ended December 31, 2025 (December 31, 2024: RMB and European Monetary Unit (EUR)). The main 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 liabilities to its assets.

Exchange rate sensitivity analysis

The following table shows the impact of the appreciation or depreciation of USD against foreign currencies as at December 31, 2025 and 2024, assuming all other variables remain constant. The sensitivity analysis includes outstanding foreign currency denominated monetary items in their net carrying amounts as at December 31, 2025 and 2024.

	IMPACT ON PROFIT	
	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
	USD MILLION	USD MILLION
10% appreciation	29	19
10% depreciation	(29)	(19)

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 ongoing basis. Once any of the early warning indicators are reached, contingency actions are 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. However, no member 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, 2025.

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 (December 31, 2024: 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, 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, such as discounted cash flow model.	Net asset value	The higher the net asset value, the higher the fair value.

6. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES - CONTINUED

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	USD MILLION	USD MILLION	USD MILLION	USD MILLION
As at December 31, 2025				
Financial assets				
Financial assets at FVTPL	-	-	148	148
Debt instruments at FVTOCI	1,028	-	-	1,028
Derivative financial assets	-	266	-	266
Total financial assets measured at fair value	1,028	266	148	1,442
Financial liabilities				
Derivative financial liabilities	-	294	-	294
Financial liabilities designated at FVTPL	-	13,807	-	13,807
Total financial liabilities measured at fair value	-	14,101	-	14,101

	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

There were no transfers between Level 1 and Level 2 for the year ended December 31, 2025 and 2024.

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

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
As at beginning of the year	123	84
Purchased	21	42
Unrealised changes in fair value recognised in profit or loss	4	(3)
As at end of the year	**148**	**123**

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 the debt instruments measured at amortised cost is obtained from active market quotes, pricing service quotes or using the discounted cash flow methodology. 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, 2025		AS AT DECEMBER 31, 2024	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Financial assets				
Debt instruments measured at amortised cost	4,163	4,158	4,091	4,047
Loans and advances	21,577	23,105	19,518	21,238

AS AT DECEMBER 31, 2025

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Financial assets				
Debt instruments measured at amortised cost	1,804	2,058	296	4,158
Loans and advances	-	-	23,105	23,105

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

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, 2025	YEAR ENDED DECEMBER 31, 2024
	USD MILLION	USD MILLION
Interest income calculated using the effective interest rate method		
- Banks	322	340
- Loans and advances	962	1,033
- Debt instruments measured at amortised cost	159	134
- Financial assets held under resale agreements	1	-*
- Swap related collateral	2	1
- Debt instruments at FVTOCI	39	83
Total interest income	1,485	1,591
Interest expense calculated using the effective interest rate method		
- Note payables	(1)	(70)
- Bond payables	(94)	(115)
- Bank borrowings	(253)	(190)
- Interest expense on financial liabilities designated at FVTPL	(387)	(286)
- Financial assets sold under repurchase agreements	-*	-
- Swap related collateral	(3)	(2)
Interest expense on lease liabilities	-*	-*
Total interest expense	(738)	(663)
Net interest income	**747**	**928**

* Less than USD half of a million

8. NET FEE INCOME

	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
	USD MILLION	USD MILLION
Front-end fee recognised	5	3
Commitment fee	6	6
Co-financing service fee	-*	-
Total fee income	11	9
Upfront fee expense	-	(1)
Commitment fee expense	-*	(1)
Agency fee	-*	-*
Total fee expense	-*	(2)
Net fee income	**11**	**7**

* Less than USD half of a million

9. NET LOSSES ON FINANCIAL INSTRUMENTS AT FVTPL AND FOREIGN EXCHANGE

	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
	USD MILLION	USD MILLION
Derivatives	(260)	163
Bonds issued	(407)	(96)
Money market funds	4	2
Others (Note 1 below)	5	(3)
Net (losses)/gains on financial instruments at FVTPL	(658)	66
Foreign exchange gains/(losses)	604	(246)
Net Losses on Financial Instruments at FVTPL and Foreign Exchange (Note 2 below)	(54)	(180)

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

Note 2: The Bank uses certain derivative instruments to hedge its net foreign currency exposures. Net foreign exchange gains or losses arising from non-USD monetary items are partially offset by corresponding gains or losses derived from these derivative instruments. Accordingly, the presentation of "Net (losses)/gains on financial instruments at FVTPL" and "Foreign exchange gains/(losses)" have been combined in the Statement of Profit or Loss and Other Comprehensive Income to reflect the net impact of these activities and the comparative information has been reclassified to conform with current year's presentation.

10. STAFF COSTS

	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
	USD MILLION	USD MILLION
Salaries and allowances	56	50
Other benefits	17	16
Total	**73**	**66**

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, 2025 for the SRP and PRP was USD 11 million (year ended December 31, 2024: USD 10 million) and USD 1 million (year ended December 31, 2024: 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, 2025 and 2024. 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, 2025	YEAR ENDED DECEMBER 31, 2024
	USD MILLION	USD MILLION
Office expenses	9	9
IT expenses	11	10
Professional fees	7	6
Travel expenses	6	6
Auditor's remuneration	1	1
Hospitality expenses	-*	-*
Depreciation and amortisation	1	1
Others	-*	-*
Total	**35**	**33**

* Less than USD half of a million

12. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
	USD MILLION	USD MILLION
Impairment losses recognised on:		
- Due from banks other than cash and cash equivalents	-*	-*
- Debt instruments at FVTOCI	-*	(1)
- Debt instruments measured at amortised cost	-*	1
- Loans and advances	42	51
- Loan commitments	6	14
Total	**48**	**65**

* Less than USD half of a million

13. CASH AND CASH EQUIVALENTS

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Cash on hand	-*	-*
Demand deposits	178	95
Time deposits with original maturity within three months	1,369	514
Total	**1,547**	**609**

* Less than USD half of a million

14. DUE FROM BANKS OTHER THAN CASH AND CASH EQUIVALENTS

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Commercial banks	7,687	5,799
Less: ECL allowance	(3)	(3)
	7,684	5,796
Less: Time deposits with original maturity within three months	(1,369)	(514)
Total	**6,315**	**5,282**

RECONCILIATION OF PROVISION FOR DUE FROM BANKS:

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
ECL allowance of due from banks as at beginning of the year	3	3
Additions	3	3
Derecognition	(3)	(3)
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, 2025, the additions to the ECL allowance of USD 3 million (December 31, 2024: USD 3 million) was due to increase or origination of due from banks with gross carrying amount of USD 7,681 million (December 31, 2024: USD 5,799 million).

For the year ended December 31, 2025, the derecognition to the ECL allowance of USD 3 million (December 31, 2024: USD 3 million) was due to decrease of due from banks with gross carrying amount of USD 5,793 million (December 31, 2024: USD 6,467 million).

15. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

During the year ended December 31, 2025, the Bank entered into derivative contracts in relation to the USD denominated notes and the RMB bond and EUR denominated notes, that were paired with swaps 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, 2025. The Bank has mainly entered into forward contracts for loans and advances 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, 2025 and 2024.

AS AT DECEMBER 31, 2025	NOTIONAL USD	FAIR VALUE ASSET	FAIR VALUE LIABILITY
	USD MILLION	USD MILLION	USD MILLION
Interest Rate Swap	11,861	173	21
Cross Currency Swap	4,761	92	272
Forward Contract	263	1	1
Total	**16,885**	**266**	**294**

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**

* Less than USD half of a million

MAJOR TERMS OF THE INTEREST RATE SWAP ARE AS FOLLOWS:

AS AT DECEMBER 31, 2025	NOTIONAL USD	RECEIVED RATE	PAID RATE
	USD MILLION		
Receive fixed pay floating	11,796	0.9789% to 5.7%	3-month SHIBOR, Fallback Rate (6-month USD LIBOR), SOFR or EURIBOR
Pay fixed receive floating	65	Fallback Rate (3-month USD LIBOR) or SOFR	0.857% to 5%
Total	**11,861**		

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**		

MAJOR TERMS OF THE CROSS CURRENCY SWAP ARE AS FOLLOWS:

AS AT DECEMBER 31, 2025	NOTIONAL USD	RECEIVED RATE	PAID RATE
	USD MILLION		
Floating to floating	3,052	Fallback Rate (6-month USD LIBOR) or SOFR	3-month ZAR JIBAR 6-month EUR Euribor 3-month SHIBOR or SARON
Receive fixed pay floating	1,709	1.00% to 4.904%	3-month ZAR JIBAR Fallback Rate (6-month USD LIBOR) or SOFR
Total	**4,761**		

AS AT DECEMBER 31, 2024	NOTIONAL USD	RECEIVED RATE	PAID RATE
	USD MILLION		
Floating to floating	2,613	Fallback Rate (6-month USD LIBOR), Fallback Rate (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**		

MAJOR TERMS OF THE FORWARD CONTRACT ARE AS FOLLOWS:

AS AT DECEMBER 31, 2025	NOTIONAL USD	DEAL RATE
	USD MILLION	
Exchange of RMB to USD	57	USD 1: RMB 7.0545
Exchange of HKD to USD	154	USD 1: HKD 7.7293
Exchange of EUR to USD	52	USD 1.11014: EUR 1 to USD 1.184858: EUR 1
Total	**263**	

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 1.04442: EUR 1 to USD 1.12607: EUR 1
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, 2025, the Bank has cash collateral of USD 123 million (Note 21) (December 31, 2024: USD 5 million) paid to the counterparties, and has cash collateral of USD 79 million (Note 27) (December 31, 2024: USD 109 million) received from the counterparties.

16. FINANCIAL ASSETS AT FVTPL

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Mandatorily measured at FVTPL:		
- Private equity fund	148	123
- Money Market Fund	-	500
Total	**148**	**623**

17. DEBT INSTRUMENTS AT FVTOCI

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Government bonds	200	97
Bank bonds	803	581
Corporate bonds	25	24
Total	**1,028**	**702**

RECONCILIATION OF PROVISION FOR DEBT INSTRUMENTS AT FVTOCI:

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
ECL allowance of debt instruments at FVTOCI as at beginning of the year	-*	1
Additions	-*	-*
Derecognition	-*	(1)
Change in risk parameters	-*	-*
ECL allowance of debt instruments at FVTOCI as at end of the year	**-***	**-***

* Less than USD half of a million

For the year ended December 31, 2025, the additions to the ECL allowance of USD less than half of a million (December 31, 2024: USD less than half of a million) was due to increase or purchase of debt instruments at FVTOCI with gross carrying amount of USD 411 million (December 31, 2024: USD 627 million).

For the year ended December 31, 2025, the derecognition to the ECL allowance of USD less than half of a million (December 31, 2024: USD 1 million) was due to redemption of debt instruments at FVTOCI with gross carrying amount of USD 97 million (December 31, 2024: USD 1,929 million).

18. DEBT INSTRUMENTS MEASURED AT AMORTISED COST

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Government bonds	246	394
Bank bonds	3,844	3,624
Corporate bonds	75	75
Less: ECL allowance	(2)	(2)
Net carrying amount	**4,163**	**4,091**

RECONCILIATION OF PROVISION FOR DEBT INSTRUMENTS MEASURED AT AMORTISED COST:

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
ECL allowance of debt instruments measured at amortised cost as at beginning of the year	2	1
Additions	1	1
Derecognition	(1)	-*
Change in risk parameters	-*	-*
ECL allowance of debt instruments measured at amortised cost as at end of the year	**2**	**2**

* Less than USD half of a million

For the year ended December 31, 2025, the additions to the ECL allowance of USD 1 million (December 31, 2024: USD 1 million) was due to increase or purchase of debt instruments measured at amortised cost with gross carrying amount of USD 3,010 million (December 31, 2024: USD 3,481 million).

For the year ended December 31, 2025, the derecognition to the ECL allowance of USD 1 million (December 31, 2024: USD less than half a million) was due to redemption of debt instruments measured at amortised cost with gross carrying amount of USD 2,938 million (December 31, 2024: USD 620 million).

19. LOANS AND ADVANCES

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Principal	21,524	19,401
Interest receivable	245	264
Gross carrying amount	21,769	19,665
Less: ECL allowance	(192)	(147)
Net carrying amount	**21,577**	**19,518**

As at December 31, 2025, the net carrying amount of loans and advances denominated in RMB, Swiss Franc (CHF), ZAR or EUR amounted to USD 8,905 million (December 31, 2024: USD 7,052 million).

As at December 31, 2025, 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, 2024: 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, 2025	17	86	44	147
Additions	4	1	3	8
Derecognition	(2)	(1)	-	(3)
Change in risk parameters	-*	40	-	40
ECL allowance of loans as at December 31, 2025	**19**	**126**	**47**	**192**

	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**

* Less than USD half of a million

For the year ended December 31, 2025, the additions to the ECL allowance of USD 8 million (December 31, 2024: USD 6 million) was due to increase or origination of loans and advances with gross carrying amount of USD 2,931 million (December 31, 2024: USD 2,576 million).

For the year ended December 31, 2025, the derecognition to the ECL allowance of USD 3 million (December 31, 2024: 2 million) was due to repayment of loans and advances with gross carrying amount of USD 1,356 million (December 31, 2024: USD 536 million).

For the year ended December 31, 2025, the change in risk parameters led to the recognition of ECL of USD 40 million (for the year ended December 31, 2024: recognition of ECL of USD 49 million) was mainly due to change in the PD.

AS AT DECEMBER 31, 2025	12 MONTH ECL	LIFETIME ECL - NOT CREDIT-IMPAIRED	LIFETIME ECL - CREDIT-IMPAIRED	TOTAL
	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Gross carrying amount	**19,557**	**2,163**	**49**	**21,769**

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**

20. PAID-IN CAPITAL RECEIVABLES

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Balance as at the beginning of year (Note 1 below)	409	460
Add: Paid-in capital receivables originated during the year (Note 2 below)	123	-
Less: Installment received during the year	(78)	(51)
Total nominal amounts of receivable at the end of the year (Note 4 below)	454	409
Less: Interest on paid-in capital receivables to be unwound in the future year (Note 3 below)	(28)	(23)
Balance as at the end of the year	**426**	**386**

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, third and fourth installments of paid-in capital were paid by each member within 6 months and 18 months, 30 months and 42 months respectively from the dates of depositing the instruments of accession. The remaining three 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. As of December 31, 2025, both the first and second installments of the paid-in capital for Egypt have been fully paid. The third installment of paid-in capital of Egypt shall become due 30 months from the date of depositing the instrument of accession. The remaining four installments shall each become due successively one year from the date on which the preceding installment becomes due.

Note 2: The Bank established the rights to receive the initial subscribed paid-in capital of Algeria of 1,228 shares amounted to USD 123 million upon the date on which Algeria's instruments of accession are deposited. The payment of the amount of Algeria initially subscribed to the paid-in capital stock of the Bank shall be made in seven installments. The first installment of paid-in capital was paid within 6 months from the date of depositing the instruments of accession. The remaining six installments shall each become due successively one year from the date on which the preceding installment becomes due.

Note 3: The discounting method is applied to derive the interest to be unwound over the installment period. The balance includes an initial discount of USD 683 million (December 31, 2024: USD 667 million) less USD 619 million of accumulated unwinding interest already unwound on the paid-in capital receivables (December 31, 2024: USD 608 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, 2025 (December 31, 2024: USD 36 million).

Note 4: As at December 31, 2025, the total paid-in capital receivables that will be due within one-year amounted to an undiscounted value of USD 131 million (December 31, 2024: USD 105 million), and that will be due after one-year amounted to an undiscounted value of USD 323 million (December 31, 2024: USD 304 million).

21. OTHER ASSETS

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Swap related collateral	123	5
Others (Note 1 below)	2	2
Commitment fee receivables	1	1
Other receivables	-*	-*
Total	**126**	**8**

* Less than USD half of a million

Note 1: Others mainly include prepayment.

22. FINANCIAL LIABILITIES DESIGNATED AT FVTPL

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Bond		
- Principal	13,367	12,695
- Interest payable	212	166
- Fair value adjustment	228	(304)
Total	**13,807**	**12,557**

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%. The bond has been fully repaid on July 7, 2025.

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%. The note has been fully repaid on September 29, 2025.

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 a five-year note with par value of HKD 500 million (USD 64 million equivalent) under the Euro Medium Term Note Programme with the maturity date on July 2, 2026. The interest is paid by the Bank annually with fixed coupon rate of 1%.

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%. The bond has been fully repaid on January 27, 2025.

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%. The bond has been fully repaid on May 20, 2025.

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%. The bond has been fully repaid on October 26, 2025.

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 27, 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, 2029. The interest is paid by the Bank annually with fixed coupon rate of 4.677%.

In January 2025, the Bank issued a five-year RMB bond with par value of RMB 6 billion (USD 818 million equivalent) with the maturity date on January 16, 2030. The interest is paid by the Bank annually with fixed coupon rate of 1.7%.

In March 2025, the Bank issued a three-year USD note with par value of USD 1.25 billion at a discount with the maturity date on March 31, 2028. The interest is paid by the Bank annually with fixed coupon rate of 4.375%.

In April 2025, the Bank issued a three-year RMB bond with par value of RMB 7 billion (USD 952 million equivalent) with the maturity date on April 10, 2028. The interest is paid by the Bank annually with fixed coupon rate of 1.82%.

In July 2025, the Bank issued a four-year EUR note with par value of EUR 150 million (USD 175 million equivalent) with the maturity date on July 15, 2029. The interest is paid by the Bank annually with fixed coupon rate of 2.31%.

In August 2025, the Bank issued a three-year RMB bond with par value of RMB 7 billion (USD 978 million equivalent) with the maturity date on August 27, 2028. The interest is paid by the Bank annually with fixed coupon rate of 1.88%.

In December 2025, the Bank issued a three-year RMB bond with par value of RMB 3 billion (USD 425 million equivalent) with the maturity date on December 4, 2028. The interest is paid by the Bank annually with fixed coupon rate of 1.88%.

In December 2025, the Bank issued a ten-year RMB bond with par value of RMB 2 billion (USD 283 million equivalent) with the maturity date on December 11, 2035. The interest is paid by the Bank annually with fixed coupon rate of 2.26%.

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, 2025 and 2024. The contractual principal amount to be paid at maturity in original currency are RMB 49.5 billion (December 31, 2024: RMB 39.5 billion) for RMB denominated bonds, USD 5.89 billion, HKD 2.38 billion and EUR 240 million (December 31, 2024: USD 6.64 billion, HKD 2.38 billion and EUR 90 million) for USD, HKD and EUR denominated notes respectively.

23. BANK BORROWINGS

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Bank borrowings	6,256	4,756
Total	**6,256**	**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.

On December 3, 2025, the Bank utilised the bank borrowing facility and withdrew an amount of USD 1.5 billion with maturity of December 1, 2028. The interest is paid by the Bank semi-annually with the rate of SOFR plus 0.58% margin.

All bank borrowings are unsecured and unsubordinated.

24. NOTE PAYABLES

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Note payables	348	-
Total	**348**	**-**

As at December 31, 2025, notes payables include various zero-coupon note issuances with maturity within 1 year (2024: Nil).

25. BOND PAYABLES

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Bond payables	1,788	1,560
Total	**1,788**	**1,560**

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. The note has been fully repaid on October 18, 2025.

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.

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.

In July 2025, the Bank issued a three-year note with par value of USD 148 million under the Euro Medium Term Note Programme with the maturity date on July 28, 2028. The interest is paid by the Bank quarterly with a floating rate of SOFR compound index plus 60 basis points.

In August 2025, 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 4, 2028. The interest is paid by the Bank quarterly with a floating rate of SOFR compound index plus 60 basis points.

The Bank presents its issued floating-rate debt securities within the line item “Bond Payables”.

26. CONTRACT LIABILITIES

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Deferred income (Note 1 below)	62	57
Total	**62**	**57**

Note 1: As at 1 January 2024, contract liabilities amounted to USD 51 million.

The deferred income disclosed above relates to the unsatisfied performance obligations of front end fees as at December 31, 2025 and 2024. Revenue recognised for the year ended December 31, 2025 that was included in the contract liabilities balance at beginning of the year is USD 5 million (year ended December 31, 2024: 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, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Impairment provision of loan commitments	44	38
Swap related collateral	79	109
Annual leave provision	5	4
Accrued expenses	5	5
Employee benefits payable	1	1
Others	-*	-*
Total	**134**	**157**

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, 2025	3	35	38
Additions	1	-	1
Derecognition	-*	-	-*
Change in risk parameters	(1)	6	5
Transfer to lifetime ECL - not credit-impaired	-*	-*	-
ECL allowance of loan commitments as at December 31, 2025	**3**	**41**	**44**

	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**

* Less than USD half of a million

For the year ended December 31, 2025, the additions to the ECL allowance of USD 1 million (December 31, 2024: USD 1 million) was due to origination of loan commitments that is expected to be drawn down within 12 months from December 31, 2025 and/or over the remaining loan contract period of USD 520 million (December 31, 2024: USD 1,456 million).

For the year ended December 31, 2025, the derecognition to the ECL allowance of less than USD half a million (December 31, 2024: less than USD half a million) was due to expiry, cancellation or full utilisation of loan commitments of USD 410 million (December 31, 2024: USD 398 million).

For the year ended December 31, 2025, the change in risk parameters led to the recognition of ECL of USD 5 million (for the year ended December 31, 2024: recognition of ECL of USD 13 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, 2025.

	AS AT DECEMBER 31, 2025		AS AT DECEMBER 31, 2024	
	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	(466,920)	(46,692)	(473,060)	(47,306)
Total subscribed capital	533,080	53,308	526,940	52,694
Less: callable capital	(426,464)	(42,647)	(421,552)	(42,156)
Total paid in capital	**106,616**	**10,661**	**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, 2025	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	94	94
UAE	5,560	556	445	111	56	55
Egypt	11,960	1,196	957	239	48	191
Algeria	6,140	614	491	123	9	114
Total	**533,080**	**53,308**	**42,647**	**10,661**	**10,207**	**454**

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**

[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 for newly admitted members shall be received in seven installments according to annexure of the respective Board Resolutions.
[2] As at December 31, 2025, the paid-in capital due relating to the third installment of USD 35.88 million of a member country was overdue (December 31, 2024: USD 23.9 million).

29. RESERVES

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Capital reserve (Note 1 below)	-*	-*
Revaluation reserve	12	-*
Other reserves (Note 2 below)	(28)	(23)
Total	**(16)**	**(23)**

* Less than USD half of a million

Note 1: As at December 31, 2025, the Bank has received cash contributions amounting to USD 0.30 million (December 31, 2024: 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, 2025, the Government of India, on behalf of the Bank has paid the rent plus taxes amounting to USD 0.13 million (December 31, 2024: USD 0.13 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.

			NON-CASH MOVEMENTS				
	AS AT JANUARY 1, 2025	NET FINANCING CASH OUTFLOWS/ (INFLOWS)	UNWINDING OF INTEREST	IMPACT OF EARLY PAYMENT	CAPITAL SUBSCRIPTION	FAIR VALUE CHANGES AND OTHERS[1]	AS AT DECEMBER 31, 2025
	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Derivative financial assets	169	44	-	-	-	35	248
Paid-in capital receivables	386	(78)	11	-	107	-	426
Total assets from financing activities	**555**	**(34)**	**11**	**-**	**107**	**35**	**674**

			NON-CASH MOVEMENTS				
	AS AT JANUARY 1, 2025	NET FINANCING CASH (OUTFLOWS)/ INFLOWS	INTEREST ACCRUED MOVEMENTS	FAIR VALUE CHANGES AND OTHERS[1]	FOREIGN EXCHANGE MOVEMENTS	DEBT ISSUANCE COSTS	AS AT DECEMBER 31, 2025
	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION	USD MILLION
Derivative financial liabilities	178	(150)	-	24	-	-	52
Financial liabilities designated at FVTPL	12,557	456	387	407	-	-	13,807
Bank Borrowings	4,756	1,247	253	-	-	-	6,256
Bond payables	1,560	104	94	-	30	-	1,788
Note payables	-	347	1	-	-*	-	348
Lease liabilities	-*	-*	-*	-*	-*	-	-*
Other liabilities	-	(8)	-	-	-	8	-
Total liabilities from financing activities	**19,051**	**1,996**	**735**	**431**	**30**	**8**	**22,251**

* Less than USD half of a million

[1] USD 35 million represents fair value changes and realised losses of derivative financial assets hedging transactions which are financing in nature economically. USD 24 million represents fair value changes and realised losses of derivative financial liabilities hedging transactions which are financing in nature economically.

	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[2]	
	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 assets 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[2]	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
[2] 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.

31. FINANCIAL INSTRUMENTS

CATEGORIES OF FINANCIAL INSTRUMENTS

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Financial assets		
Financial assets at FVTPL	414	938
Debt instruments at FVTOCI	1,028	702
Financial assets measured at amortised cost	34,152	29,892
Total	**35,594**	**31,532**
Financial liabilities		
Financial liabilities at FVTPL	14,101	12,767
Financial liabilities measured at amortised cost	8,476	6,430
Total	**22,577**	**19,197**

32. COMMITMENTS

1) Capital commitments

As at December 31, 2025 and 2024, the Bank had no irrevocable capital expenditures commitment.

2) Credit Commitments

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD MILLION	USD MILLION
Letters of effectiveness signed	7,326	7,327
Total	**7,326**	**7,327**

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, 2025 and 2024, 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
The People's Democratic Republic of Algeria	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, 2025 and 2024 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, 2025 and 2024 are set out in Note 20, and unwinding of interest on paid-in capital receivables for the year ended December 31, 2025 and 2024 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, 2025 and 2024:

FOR THE YEAR ENDED DECEMBER 31, 2025

NAME	COUNTRIES	POSITIONS
Dilma Vana Rousseff	Brazil	President
Vladimir Kazbekov	Russia	Vice President; Chief Operating Officer (up to Sep 6, 2025)
Roman Serov	Russia	Vice President; Chief Operating Officer (with effective from Sep 7, 2025)
Anil Kishora	India	Vice President; Chief Risk Officer (up to Aug 6, 2025)
Rajiv Ranjan	India	Vice President; Chief Risk Officer (with effective from Sep 24, 2025)
Qiangwu Zhou	China	Vice President; Chief Administrative Officer
Monale Ratsoma	South Africa	Vice President; Chief Financial Officer

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)

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

	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
	USD MILLION	USD MILLION
Salary and allowance	4	4
Staff Retirement Plan	-*	-*
Post-Retirement Insurance Plan	-*	-*
Other short-term benefits	-*	-*
Total	**4**	**4**

* Less than USD half of a million

34. SEGMENT REPORTING

For the year ended December 31, 2025 and 2024, 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, 2025 and 2024.

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

AS AT DECEMBER 31, 2025	SOVEREIGN EXPOSURES	NON-SOVEREIGN EXPOSURES	TOTAL
	USD MILLION	USD MILLION	USD MILLION
Brazil	168	22	190
Russia	54	13	67
India	273	25	298
China	185	2	187
South Africa	196	35	231
Bangladesh	-	-*	-*
Total	**876**	**97**	**973**

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**

* Less than USD half of a million

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, 2025, the NDB-PPF had received contributions amounting to USD 9 million (December 31, 2024 USD 9 million). The Bank has not earned any income from NDB-PPF for the year ended December 31, 2025 and 2024.

36. SUBSEQUENT EVENTS

On February 3, 2026, the Bank received a paid-in capital installment from one member country, amounting to USD 12 million.

On February 5, 2026, the Bank received a paid-in capital installment from one member country, amounting to USD 28 million.

On March 10, 2026, the Bank received a paid-in capital installment from one member, amounting to USD 17 million.

On April 2, 2026, the Bank received a paid-in capital installment from one member, amounting to USD 12 million.

37. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements were approved by the Board of Governors and authorised for issuance on May 15, 2026.

FINANCIAL STATEMENTS

NDB-PPF ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025
(Prepared in accordance with IFRS Accounting Standards)

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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, 2025, 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, 2025, 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 RESPONSIBILITIES 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

May 15, 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025
EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	NOTES	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
Interest income	6	471	539
Disbursements	7	(252)	-
Impairment losses under expected credit loss model, net of reversal		(1)	1
General and administrative expense	8	(26)	(25)
Profit for the year		192	515
Total comprehensive income for the year		**192**	**515**

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025
EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	NOTES	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
Assets			
Cash and cash equivalents	9	203	287
Due from banks other than cash and cash equivalents	10	10,311	10,041
Other asset		2	1
Total assets		10,516	10,329
Liability			
Other liability	11	12	17
Total liability		12	17
Equity			
Contribution	12	9,000	9,000
Retained earnings		1,504	1,312
Total equity		10,504	10,312
Total equity and liability		10,516	10,329

The financial statements on pages 162 to 175 were approved and authorised for issuance by Board of Governors on May 15, 2026 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, 2025 EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	CONTRIBUTION	RETAINED EARNINGS	TOTAL
As at January 1, 2025	9,000	1,312	10,312
Profit for the year	-	192	192
Total comprehensive income for the year	-	192	192
As at December 31, 2025	**9,000**	**1,504**	**10,504**

	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**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025
EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
OPERATING ACTIVITIES		
Profit for the year	192	515
Interest income from due from banks other than cash and cash equivalents	(450)	(530)
Impairment losses under expected credit loss model, net of reversal	1	(1)
Operating cash flows before changes in operating asset and liability	(257)	(16)
Net (increase)/decrease in other asset	(1)	-*
Net decrease in other liability	(5)	-*
NET CASH USED IN OPERATING ACTIVITIES	**(263)**	**(16)**
INVESTING ACTIVITIES		
Interest received on due from banks other than cash and cash equivalents	479	530
Placement of deposits in banks	(10,100)	(9,800)
Withdrawal of deposits from banks	9,800	9,200
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	**179**	**(70)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	(84)	(86)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	287	373
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**203**	**287**
Interest received in operating activities	21	9

* Less than USD half of a thousand

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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, 2025 and 2024, 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 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 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7 Financial Instruments: Disclosures. 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, 2025, NDB-PPF does not have financial assets and liabilities measured at fair value.

The material accounting policies adopted are set out below.

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 assets or financial liabilities, 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 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.

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 (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default. 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 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 liabilities 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 at December 31, 2025 and 2024 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, 2025. 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 basis of 12-month ECL as at December 31, 2025 and 2024.

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, 2025	YEAR ENDED DECEMBER 31, 2024
	USD'000	USD'000
Interest income from banks	471	539
Total	**471**	**539**

7. DISBURSEMENTS

	COMMITMENTS APPROVED	DISBURSEMENTS	UNDRAWN COMMITMENTS
	USD'000	USD'000	USD'000
As at January 1, 2024 (audited)	-	-	-
Movement during the year	252	-	252
As at December 31, 2024 (audited)	252	-	252
Movement during the year	-	(252)	(252)
As at December 31, 2025 (audited)	252	(252)	-

In July 2024, the NDB, as the grantor, signed a Grant Agreement with the Republic of India, as the recipient, to provide technical assistance funded out of the NDB-PPF. As at December 31, 2025, total USD 252,300 was disbursed to the project, including the first disbursement made on April 8, 2025 of USD 13,245, the second disbursement made on June 17, 2025 of USD 94,674, the third disbursement made on July 7, 2025 of USD 80,435 and the fourth disbursement made on July 21, 2025 of USD 63,946. As at December 31, 2025, the project was fully disbursed.

8. GENERAL AND ADMINISTRATIVE EXPENSE

	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
	USD'000	USD'000
Auditor's remuneration	26	25
Total	**26**	**25**

9. CASH AND CASH EQUIVALENTS

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD'000	USD'000
Demand deposit	203	287
Total	**203**	**287**

10. DUE FROM BANKS OTHER THAN CASH AND CASH EQUIVALENTS

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD'000	USD'000
Commercial banks	10,316	10,045
Less: ECL allowance	(5)	(4)
Total	**10,311**	**10,041**

RECONCILIATION OF PROVISION FOR DUE FROM BANKS:

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD'000	USD'000
ECL allowance of due from banks as at beginning of the year	4	5
Additions/(Reversal)	1	(1)
ECL allowance of due from banks as at end of the year	**5**	**4**

11. OTHER LIABILITY

	AS AT DECEMBER 31, 2025	AS AT DECEMBER 31, 2024
	USD'000	USD'000
Accrued expenses	12	17
Total	**12**	**17**

12. CONTRIBUTION

AS AT DECEMBER 31, 2025	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, 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**

13. 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, 2025 and 2024.

14. SUBSEQUENT EVENTS

Up to the date of the issuance of the financial statements, there has been no material subsequent events since December 31, 2025 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 May 15, 2026.

ANNEXES


LOCOMOTIVE FLEET RENEWAL PROGRAM
RUSSIA

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
BHRC	Budget, Human Resources and Compensation Committee
BMR	Belém Metropolitan Region
BoD	Board of Directors
BoG	Board of Governors
BRICS	A Group formed by Brazil, Russia, India, China, South Africa, and other countries
BRT	Bus Rapid Transit
CBL	City Bank PLC
CHF	Swiss Franc
CIC	Credit and Investment Committee
CMP	Capital Management Policy
CO_2	Carbon Dioxide
COP30	30th Conference of the Parties of the UNFCCC
CTG Brasil	China Three Gorges Brasil Energia S.A.
CWG	China Water Affairs Group Limited
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
EMTN	Euro Medium Term Note
ESF	Environment and Social Framework
ESG	Environmental, Social and Governance
ESSs	Environmental and Social Standards
EUR	Euro

Abbreviation / Defined Term	Definition
EURIBOR	Euro Interbank Offered Rate
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
IASs	International Accounting Standards
IASB	International Accounting Standards Board
ICU	Intensive Care Unit
IDC	Industrial Development Corporation of South Africa Limited
IEO	Independent Evaluation Office
IFRSs	International Financial Reporting Standards
INR	Indian Rupee
ISAs	International Standards on Auditing
ISDA	International Swaps and Derivatives Association
IT	Information Technology
JIBAR	Johannesburg Interbank Average Rate
km	Kilometre
KMP	Key Management Personnel
kV	Kilovolt
LGD	Loss Given Default
LIBOR	London Interbank Offered Rate
m^2	Square Metre
m^3	Cubic Metre
Management	President and Vice Presidents
MDB	Multilateral Development Bank
MLD	Million Litres per Day

LIST OF ABBREVIATIONS AND DEFINED TERMS - CONTINUED

Abbreviation / Defined Term	Definition
MoU	Memorandum of Understanding
MW	Megawatt
MWh	Megawatt Hour
NDB or the Bank	New Development Bank
NDB-PPF	NDB Project Preparation Fund
NII	Net Interest Income
NIIF	National Investment and Infrastructure Fund
PD	Probability of Default
PV	Photovoltaic
PIT-PD	Point-in-time Probability of Default
PRP	Post Retirement Plan
RMB	Renminbi
SARON	Swiss Average Rate Overnight
SDGs	Sustainable Development Goals
SHIBOR	Shanghai Interbank Offered Rate
SHRCB	Shanghai Rural Commercial Bank Co. Ltd.
SOFR	Secured Overnight Financing Rate
SPPI	Solely Payments of Principal and Interest
SRP	Staff Retirement Plan
TWIA	Taiyuan Wusu International Airport
UAE	United Arab Emirates
UCPS	Use of Country Procurement Systems
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar
WARR	Weighted Average Risk Rating
ZAR	South African Rand
ZARONIA	South African Rand Overnight Index Average

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)[34]	Non-sovereign	Brazil	USD	300
02	Canara Renewable Energy Financing Scheme[35]	Sovereign	India	USD	250
03	Lingang Distributed Solar Power Project[36]	Sovereign	China	RMB	525
04	Project Finance Facility for Eskom	Sovereign	South Africa	USD	180
05	Nord-Hydro Project (On-lending through EDB)[37]	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[38]	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[39]	Sovereign	Russia	USD	69
14	Rajasthan Water Sector Restructuring Project[40]	Sovereign	India	USD	345

34 Fully repaid in 2022.
35 Cancelled in 2018.
36 Partially cancelled in 2020. Remaining amount is RMB 242.9 million.
37 Fully repaid in 2021.
38 Cancelled in 2020.
39 Cancelled in 2019.
40 Partially cancelled in 2025. Remaining amount is USD 279.7 million.

LIST OF PROJECTS APPROVED BY NDB - CONTINUED

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 [41]	Sovereign	Brazil	USD	71
17	Environmental Protection Project [42]	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 [43]	Sovereign	China	USD	300
22	Durban Container Terminal Berth Reconstruction Project [44]	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 [45]	Non-sovereign	Russia	USD	300
26	Madhya Pradesh Major District Roads II Project [46]	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 [47]	Sovereign	China	USD	400

41 Cancelled in 2021.
42 Fully repaid in 2021.
43 Cancelled in 2020.
44 Changed into a ZAR 3.5 billion loan in 2020.
45 Fully repaid in 2020.
46 Partially cancelled in 2023. Remaining amount is USD 320 million.
47 Fully repaid in 2025.

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 [48]	Sovereign	China	USD	300
34	Lesotho Highlands Water Project Phase II	Sovereign	South Africa	ZAR	3,200
35	Environmental Protection Project for Medupi Thermal Power Plant [49]	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 [50]	Non-sovereign	Russia	USD	300
41	Andhra Pradesh Roads and Bridges Reconstruction Project [51]	Sovereign	India	USD	323
42	Andhra Pradesh Mandal Connectivity and Rural Connectivity Improvement Project [52]	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 [53]	Sovereign	Brazil	USD	500
45	REC Renewable Energy Sector Development Project	Non-sovereign	India	USD	300
46	North Region Transportation Infrastructure Improvement Project [54]	Non-sovereign	Brazil	USD [55]	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 [56]	Sovereign	Russia	EUR	USD 500 equivalent

48 Partially cancelled in 2024. Remaining amount is USD 187 million.
49 Cancelled in 2024.
50 Fully repaid in 2025.
51 Partially cancelled in 2025. Remaining amount is USD 90.71 million.
52 Partially cancelled in 2025. Remaining amount is USD 50.19 million.
53 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.
54 Fully repaid in 2025.
55 Includes a USD 50 million portion, which could be delivered in RMB.
56 Cancelled in 2022.

LIST OF PROJECTS APPROVED BY NDB - CONTINUED

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 [57]	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 [58]	Sovereign	India	USD	500
63	Russian Maritime Sector Support Programme [59]	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 [60]	300
72	National Non-Toll Roads Management Programme	Sovereign	South Africa	USD	1,000

57 Cancelled in 2025.
58 Partially cancelled in 2023. Remaining amount is USD 418 million.
59 Partially cancelled in 2022. Remaining amount is EUR 53.1 million.
60 Multicurrency facility that could be delivered in USD, EUR or RMB.

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 [61]	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

61 Cancelled in 2022.

LIST OF PROJECTS APPROVED BY NDB - CONTINUED

OPERATIONS APPROVED IN 2022

No.	Project name	Type	Country	Financing currency	Approved financing amount (million)
83	Desenvolve SP Sustainable Infrastructure Project [62]	Sovereign	Brazil	USD	90
84	FONPLATA Sustainable Infrastructure Project [63]	Non-sovereign	Brazil	USD	50
85	Banco do Brasil Sustainable Finance Project	Non-sovereign	Brazil	USD	200
86	SABESP Investment Programme [64]	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 [65]	Non-sovereign	Brazil	USD	80
96	DBSA Sustainable Infrastructure Project [66]	Non-sovereign	South Africa	USD	200

62 Cancelled in 2025.
63 Cancelled in 2025.
64 Cancelled in 2024.
65 Cancelled in 2023.
66 Changed to a USD 100 million loan in 2023.

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 [67]	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) [68]	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 [69]	Sovereign	Brazil	USD	200

67 Cancelled in 2024.
68 Cancelled in 2025.
69 Cancelled in 2025.

LIST OF PROJECTS APPROVED BY NDB - CONTINUED

OPERATIONS APPROVED IN 2024

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	Paraíba 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 [70]	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	Expanded Dhaka Water Supply Resilience Project	Sovereign	Bangladesh	USD [71]	320
117	Madhya Pradesh State Highways Improvement Project	Sovereign	India	USD	490
118	Brasília Capital of Solar Lighting Project	Sovereign	Brazil	EUR	94
119	SAEL 300 MW Renewable Energy Project	Non-sovereign	India	USD	63
120	Shriram Finance Sustainable Transport Project	Non-sovereign	India	USD	125

70 Cancelled in 2025.
71 Multicurrency facility that could be delivered in RMB, USD or EUR.

OPERATIONS APPROVED IN 2025

No.	Project name	Type	Country	Financing currency	Approved financing amount (million)
121	Pará Sanitation Development Project	Sovereign	Brazil	USD	50
122	City Bank Sustainable Infrastructure Project	Non-sovereign	Bangladesh	USD	25
123	North Dhaka Waste-to-Energy Project	Non-sovereign	Bangladesh	USD	100
124	Shanxi Taiyuan Wusu Zero-Carbon Airport Project	Sovereign	China	RMB	1,448
125	Serra da Palmeira Wind Power Project	Non-sovereign	Brazil	RMB	1,400
126	Greener Shanghai Project	Non-sovereign	China	RMB	USD 100 equivalent
127	Graça Aranha – Silvânia Energy Transmission Project	Non-sovereign	Brazil	RMB	2,150
128	Southeast Guwahati Water Supply Project	Sovereign	India	USD	89
129	Serentica Captive Renewable Energy Project	Non-sovereign	India	USD	75
130	Wastewater Integration and Pipeline Rehabilitation Project	Non-sovereign	China	RMB	USD 50 equivalent
131	IDC Sustainable Infrastructure Project	Non-sovereign	South Africa	ZAR	1,000
132	National Investment and Infrastructure Fund: Private Markets Fund – II	Non-sovereign	India	INR	USD 100 equivalent
133	Brazil Smart Hospital Project	Sovereign	Brazil	USD [72]	320
134	Integration, Social and Sustainable Development Programme of Maceió	Sovereign	Brazil	USD	150
135	Regional Sustainable Infrastructure Development Programme	Sovereign	Brazil	USD	500
136	ReNew Peak Power Renewable Energy Project	Non-sovereign	India	INR	13,200
137	Hubei Huangshi New Port Modern Logistics Hub Project	Sovereign	China	RMB	1,990
138	Limpopo Academic Hospital Project	Sovereign	South Africa	USD	200
139	Magalies Bulk Water Supply Scheme Project	Sovereign	South Africa	USD	205

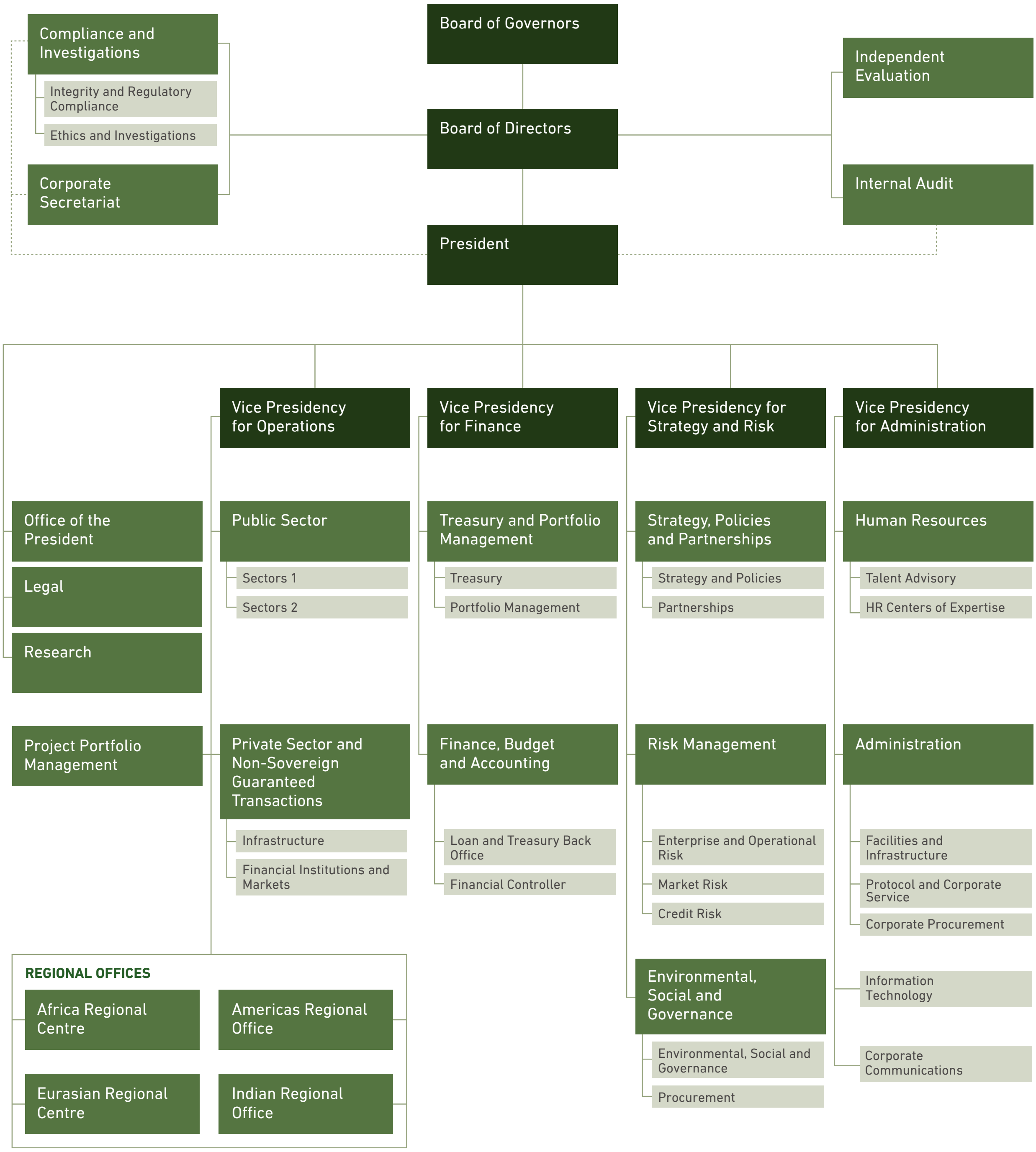
72 USD 320 million equivalent in USD or RMB, depending on the borrower before signing the loan agreement.

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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