

New
Development
Bank

Investor Presentation

November 2022



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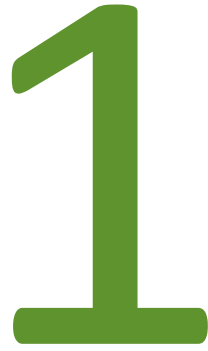
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Empowering Nations Through Innovation and Sustainability

1. OVERVIEW
2. CREDIT STRENGTHS
3. LENDING ACTIVITIES
4. ENVIRONMENTAL AND SOCIAL COMMITMENT
5. BORROWING ACTIVITIES
6. ANNEXURE



1

OVERVIEW

Who We Are

- ▶ NDB is a multilateral development bank established by BRICS¹ countries to mobilise resources for infrastructure and sustainable development projects
- ▶ The membership is open to members of the United Nations
- ▶ Our mission is to support public and private projects through loans, guarantees, equity participation and other financial instruments



HIGH CAPITALISATION

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



CREDIT STRENGTHS

- **AA+/AA/AAA/AAA long-term international credit rating from S&P/Fitch/JCR²/ACRA³**
- **Conservative risk management and financial policies**
- Sound governance structure, led by a **highly experienced management team**
- **One of the highest ratios of paid-in capital to subscribed capital (20%)** and one of the largest commitments amongst all MDBs
- **Weighted average credit rating of projects approved is BB+**



INNOVATION AND SUSTAINABILITY

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



EFFICIENCY

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

¹ Brazil, Russia, India, China and South Africa

² Japan Credit Rating Agency

³ Analytical Credit Rating Agency

TRANSPORT INFRASTRUCTURE



North region transportation infrastructure improvement project

Brazil

US\$ 300mn

Double-tracking and remodeling of the Carajas Railway and the expansion of the Ponta da Madeira Port Terminal



IMPROVING CONNECTIVITY



Madhya Pradesh major district roads I

India

US\$ 350mn

Construction works have rebuilt or upgraded about 1,215 km of road length, benefiting 917 villages



CLEANER ENERGY



Putian Pinghai Bay offshore wind power

China

CNY 2bn

Project entails the generation of 873mn kWh of electricity avoiding the emission of 870,000 tonnes of CO₂ per year



SUSTAINABLE POWER GENERATION



Renewable energy integration and transmission augmentation project

South Africa

US\$ 180mn

Project will add 1,000 MVA transmission transformer capacity and 352.5 km transmission lines

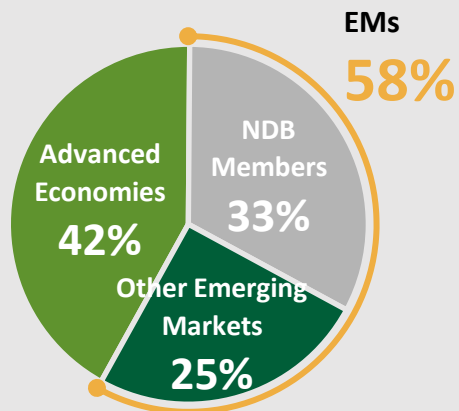


Uniquely Positioned Multilateral Lender

NDB members, as key drivers of the world economy, face growing need for investment in infrastructure

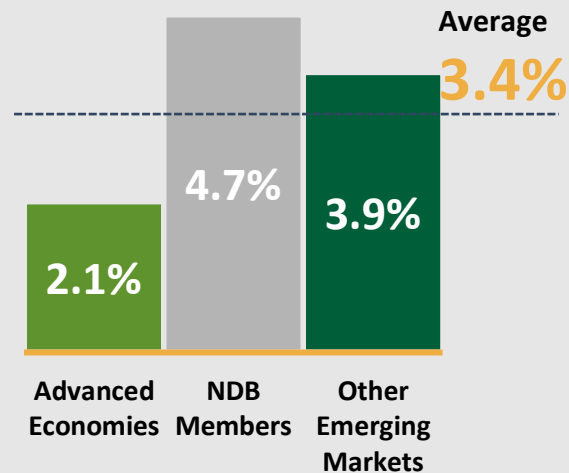
33%

OF TOTAL GLOBAL GDP



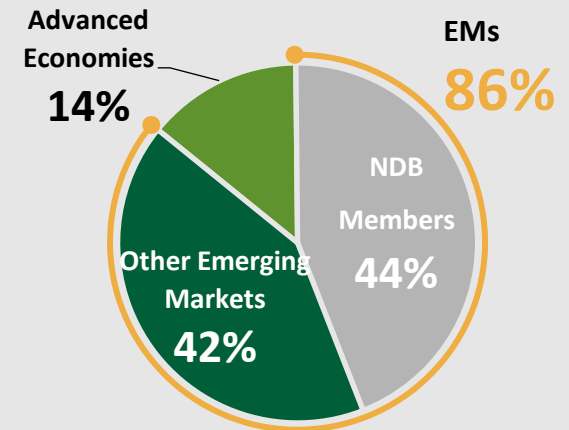
4.7%

AVERAGE GDP GROWTH 2022-2026



44%

OF TOTAL GLOBAL POPULATION



Note: EMs stands for "Emerging market and developing economies" according to the country classification of the IMF. The shares of global GDP and the contribution to global GDP growth are based on GDP in purchasing power parity (PPP) terms. NDB members include BRICS countries, Bangladesh and United Arab Emirates

Source: IMF World Economic Outlook 2021 data. Data may include IMF estimates and/or projections

Strong Shareholder Support

Members	Shareholding
Brazil	19.42%
Russia	19.42%
India	19.42%
China	19.42%
South Africa	19.42%
Bangladesh	1.83%
United Arab Emirates	1.08%
Egypt	Prospective member
Uruguay	Prospective member

- ❖ **Equal capital subscription** amongst founding members
- ❖ **Full member support** for maintaining a very strong financial profile
- ❖ High commitment of founding countries to NDB represents a **greater propensity to support the institution in times of distress**
- ❖ **No member holds veto power**
- ❖ **Preferential treatment in member countries** with extensive immunities, privileges and exemptions

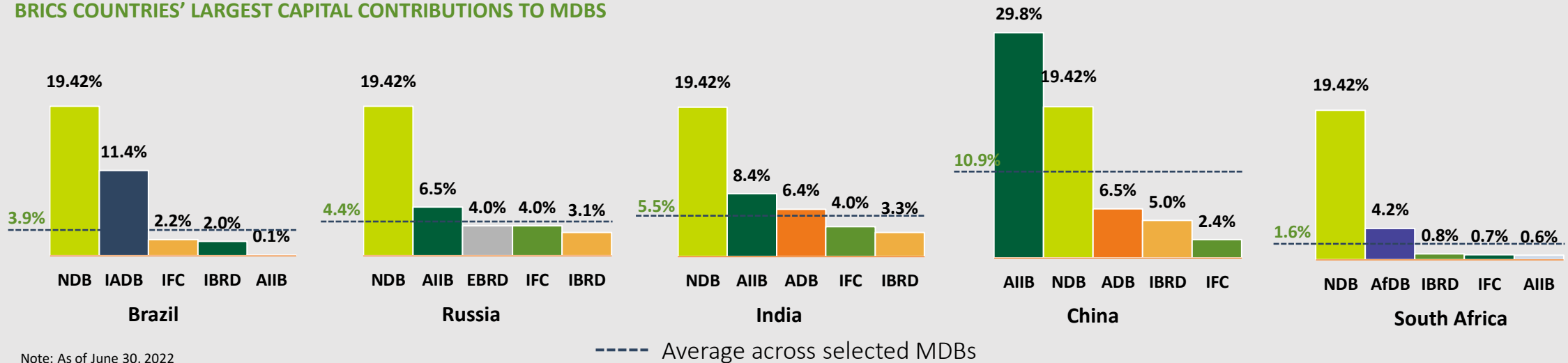
Declaration of the Leaders of Brazil, Russia, India, China and South Africa at the 14th BRICS Summit, Beijing, China on June 23, 2022

- “We congratulate the NDB on its relocation to its permanent headquarters building in Shanghai as well as the opening of NDB’s regional office in India.
- We welcome the decisions on admission of four new members to the NDB and look forward to further membership expansion in a gradual and balanced manner in terms of geographic representation and comprising of both developed and developing countries, to enhance the NDB’s international influence as well as the representation and voice of EMDCs in global governance.
- We support the NDB’s goals of attaining the highest possible credit rating and institutional development.
- We appreciate the vital role of the NDB in addressing the impact of the pandemic and assisting in the economic recovery in member countries.”

High Commitment of Founding Members

Founding members' commitment to NDB surpasses that to peer MDBs, representing their strategic interest in the institution

BRICS COUNTRIES' LARGEST CAPITAL CONTRIBUTIONS TO MDBS



Note: As of June 30, 2022

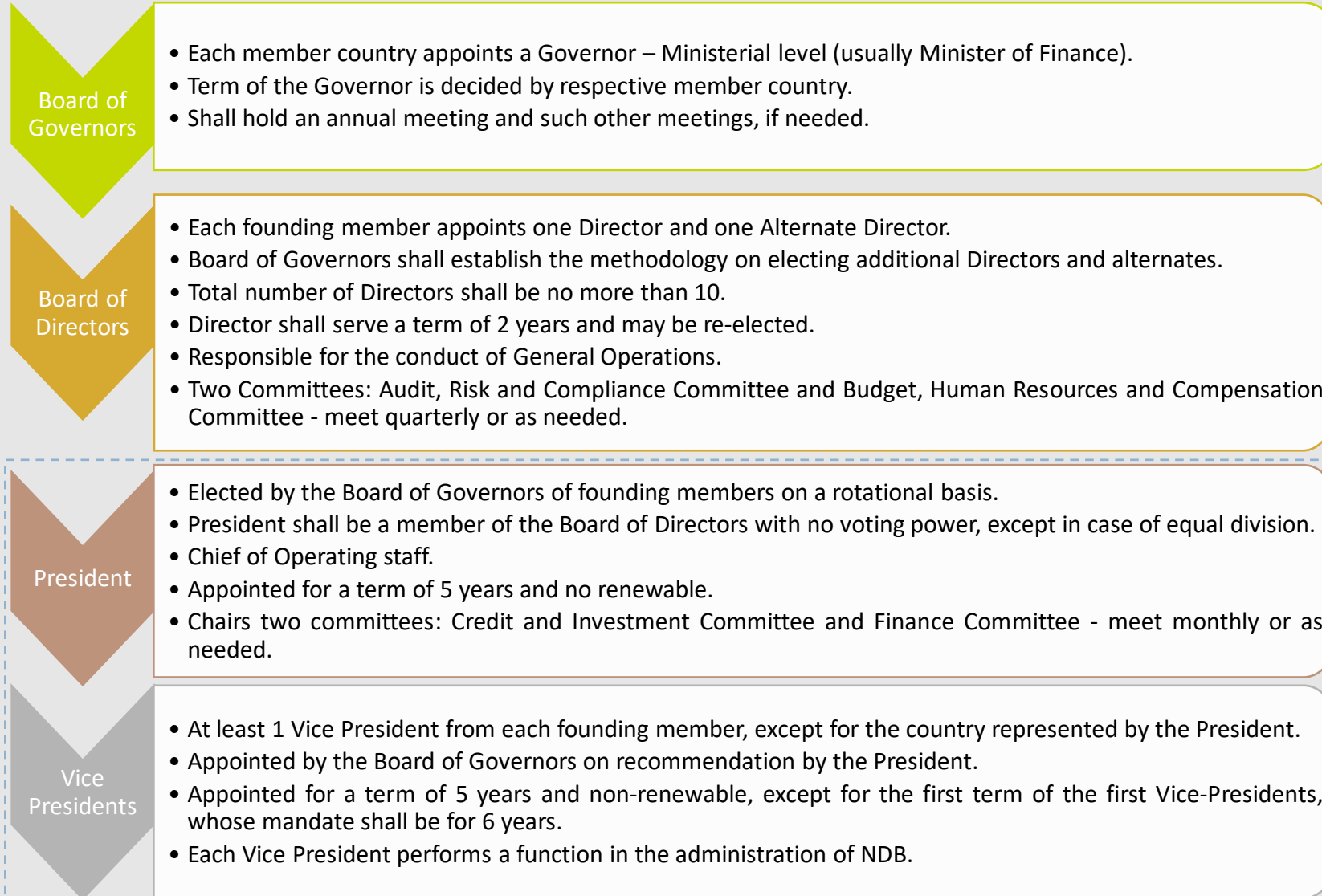
Preferred creditor status underpins preferential treatment on member countries' obligations to NDB

Articles of Agreement 31 (c)

To the extent necessary to carry out the purpose and functions of the Bank and subject to the provisions of this Agreement, all property and other assets of the bank shall be exempt from restrictions, regulations, controls and moratoria of any nature.

Governance Structure – Global Best Practice

Accountability, Independence and Transparency



Organizational Structure

Organizational Unit / Position

4 Vice-Presidencies / Vice Presidents
 21 Departments / Director Generals
 28 Divisions / Chiefs

The voting power of each member shall be equal to the number of its subscribed shares in the capital stock of the Bank.

The Bank follows Standards, Policies and Framework's at par with peer MDB's.

The committees that comprise of Board members are the Audit, Risk and Compliance Committee and the Budget, Human Resources and Compensation Committee.

The committees comprised of the Management are the Credit and Investment Committee, the Finance Committee. There are also the Operations Sub-Committee and the Treasury Sub-Committee, which comprise of the Vice-Presidents and the heads of concerned departments and divisions.

Highly Experienced Management Team



President & Board Member
Mr. Marcos Troyjo

- Multi-layered career in government, business and academia. Actively involved in the public debate on economic development
- Served as Brazil's Deputy Minister of Economy and Special Secretary for Foreign Trade and International Affairs, represented the Brazilian Government in the boards of multilateral development institutions, was Chairman of Brazil's Commission on External Financing and National Investment Committee
- Co-founded and served as Director of the BRICLab at Columbia University. Lectured extensively at universities and research centers around the world and authored books on development, technology and global affairs
- Member of the World Economic Forum (WEF) Global Future Council on Responsive Financial Systems
- Economist and political scientist with a PhD and MSc in sociology of international relations from the University of Sao Paulo. Pursued postdoctoral studies at Columbia University. He is an alumnus of the Rio Branco Institute, the diplomatic academy of Brazil's Ministry of Foreign Affairs



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



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



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



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

Key Milestones

- **AA+/AA/AAA/AAA international credit ratings** received from S&P/Fitch/JCR/ACRA, **AAA China domestic ratings** received from two leading Chinese rating agencies, China Chengxin Credit Rating Co., Ltd. and China Lianhe Credit Rating Co., Ltd.
- **RMB Green Bond** issued in China in July 2016
- **ZAR Bond Programme** registered in South Africa in April 2019
- **ECP Programme** established in April 2019 and the 1st offering placed in May 2019
- **RUB Bond Programme** registered in Russia in November 2019
- **EMTN Bond Programme** established in December 2019 and the 1st offering placed in June 2020
- **Partnerships** established with key global and national institutions, including EBRD, EIB, AIIB, EDB, IIB, CAF, the World Bank Group, ADB, etc.



- **Agreement on the NDB** signed in Fortaleza in July 2014 and entered into force in July 2015
- **Headquarters Agreement** with China and the MoU with the Shanghai Municipal People's Government signed in February 2016
- **Key governance, operational and risk policies and procedures** established covering all functional areas
- **Over 80 investment projects in all member countries** for a total amount exceeding **US\$ 30bn¹**
- **Project Preparation Fund** contribution agreements signed with Russia, India and China
- **General Strategy** for 2022-2026 approved
- **Africa Regional Center** launched in Johannesburg, South Africa in August 2017
- **Americas Regional Office** established in Sao Paulo, Brazil in November 2019
- **Eurasian Regional Center** opened in Moscow, Russia in October 2020
- **Commenced the admission of new members in 2021: Bangladesh, United Arab Emirates, Egypt², Uruguay²**
- **Indian Regional Office** launched in Gujarat International Finance Tec-City, India in May 2022

¹ As of March 31, 2022. List of all approved investment projects is available at: <https://www.ndb.int/projects/list-of-all-projects/>

² Prospective members listed herein have been admitted by NDB's Board of Governors and will officially become a member country once they deposit their instrument of accession



2

Credit Strengths

Highly Capitalised Institution

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

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

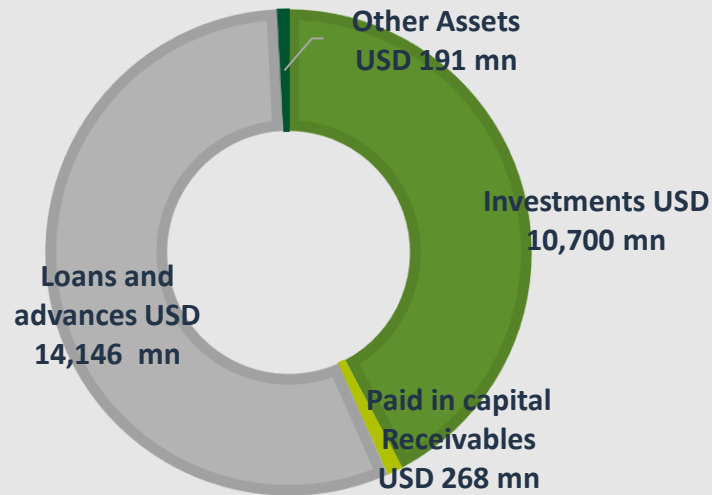
As of June 30, 2022

✓ 42%

✓ 114%

✓ 14.94%

ASSETS



LIABILITIES AND EQUITY



Source: NDB IFRS Financial Statements as of June 30, 2022

¹ Numbers are presented in US\$ mn. Balance sheet total is US\$ 25,305mn

² Investments, including cash and cash equivalents (US\$ 1,432mn), due from banks other than cash and cash equivalents (US\$ 3,394mn), financial assets at FVTPL (US\$ 47mn), debt instruments at FVTOCI (US\$ 3,030mn) and

debt instruments measured at amortised cost (US\$ 2,797mn)

³ Total equity, including paid-in capital (US\$ 10,299mn), retained earnings (US\$ 348mn) minus reserves (US\$ 27mn)

⁴ Total borrowings, including financial liabilities designated at FVTPL (US\$ 10,939mn), note payables (US\$ 2,609mn) and bond payable (US\$ 500mn)

Prudent Liquidity Management

Liquidity Management Policy

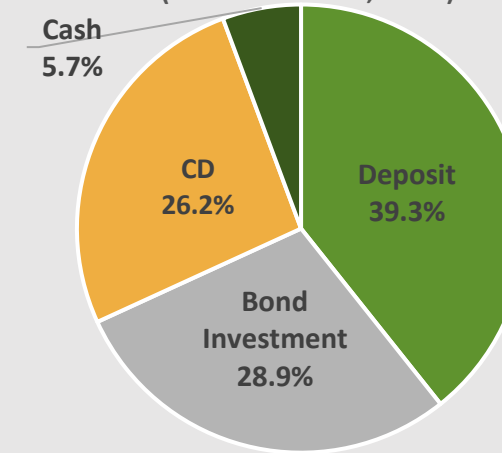
- ❖ Required to maintain Primary Liquidity Ratio (PLR) in the range from 110% to 150%.
- ❖ PLR measures the liquid assets available to cover minimum 12-month outflows without accessing capital markets.

Liquidity Portfolio

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

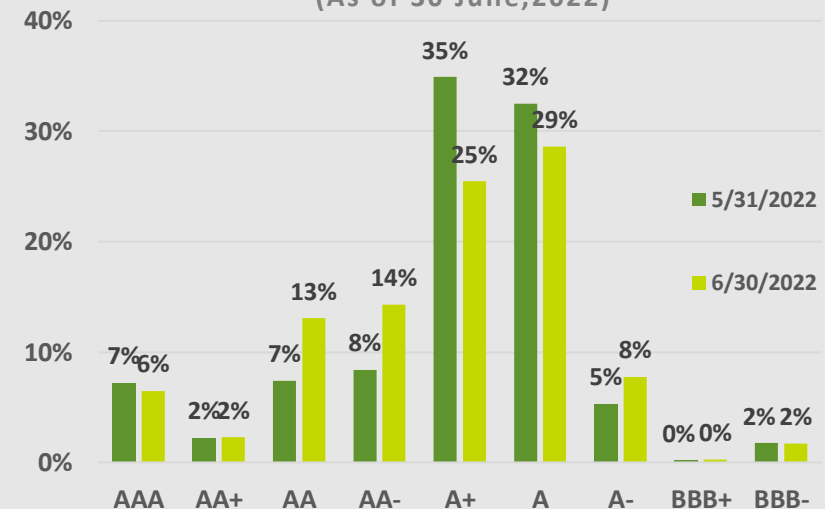
Investment Portfolio by Product Type

(As of 30 June, 2022)



Investment Portfolio by Credit Rating

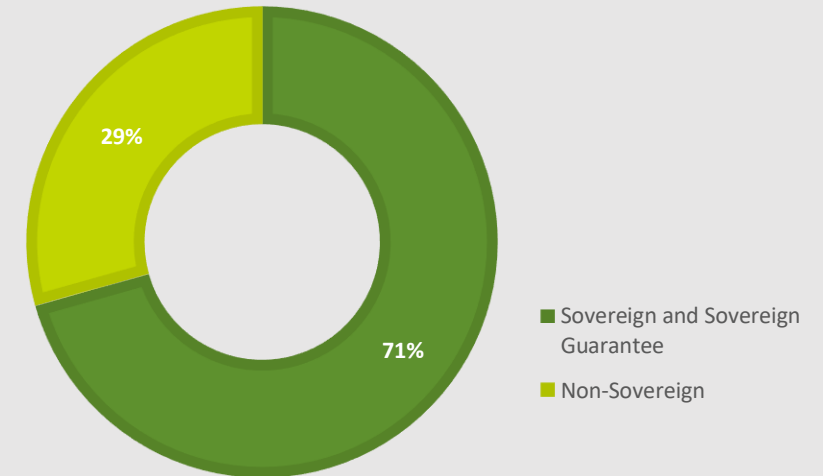
(As of 30 June, 2022)



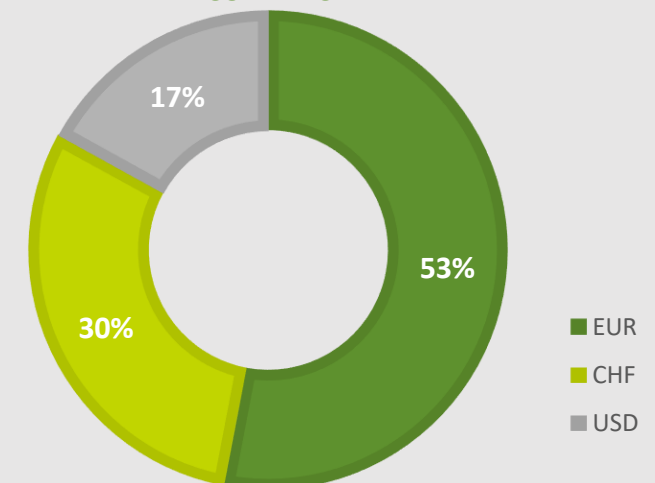
Exposures Related to Russia

- NDB has put new transactions in Russia **on hold**. NDB will continue to conduct business in full conformity with the **highest compliance standards** as an international institution and in line with the standards followed by peer institutions.
 - The Bank's operations are guided by its Articles of Agreement as well as the governance framework put in place by its Board of Directors. NDB has implemented prudent risk management policies and procedures, which are aligned to the practices of other global multilateral development banks.
- The Bank has a total outstanding exposure of USD 1.8 billion to Russian-domiciled entities as of March 31, 2022. **Exposure to Russian-domiciled entities represents less than 8% of NDB's total assets.**
 - Of this, USD 1.3 billion is either to the sovereign or backed by a sovereign guarantee, the balance USD 0.5 billion is to a non-sovereign client. These exposures are 53% denominated in EUR, 30% in CHF and 17% in USD. For financial year ended December 31, 2021, the Bank earned around 4% of the total interest income from its Russian loan portfolio.
- In addition to the above, NDB has an outstanding exposure of USD 0.2 billion to international organisations which have exposures to Russia.
- NDB has received interest and principal re-payments from Russian borrowers on time and expects to receive remaining interest and principal re-payments as they become due. The Bank's accounts are prepared in accordance with International Financial Reporting Standards. The exposures continue to be monitored and expected credit losses are being assessed and provided accordingly.
- NDB is actively monitoring the situation and continually assessing the impact of the changing regulatory and credit environment on the Bank's operations. NDB will do its utmost to maintain a strong financial position in line with its peers and conduct its business in full conformity with the highest compliance standards as an international financial institution.

RUSSIAN DOMICILED LOAN EXPOSURE BY TYPE



RUSSIAN-DOMICILED LOAN EXPOSURE BY CURRENCY



Credit Ratings

Rating	Long Term	Short Term	Outlook	Commentary	Rating Drivers
Standard & Poor's	AA+	A-1+	Stable	<ul style="list-style-type: none"> Although Russia is a major shareholder, we expect the ongoing Russia-Ukraine conflict to have a limited impact on the bank. The stable outlook reflects our expectation that NDB will establish itself as an important player in the funding of infrastructure projects in BRICS countries, supported by its extremely strong financial profile. NDB remains vulnerable to adverse geopolitical developments from the ongoing and escalating Russia-Ukraine conflict. However, we envisage that the negative impact on the bank's risk-adjusted capital (RAC) ratio will not be material and NDB's asset quality will remain pristine. Since inception, NDB has been compliant with all sanctions on Russia. We expect it to continue to do so in the wake of new sanctions, without overly disrupting the bank's operations and funding needs. 	<ul style="list-style-type: none"> ✓ Robust capitalization ✓ Ample liquidity ✓ Extraordinary shareholders' support ✓ Systemic importance to founding members
Fitch	AA	F-1+	Negative	<ul style="list-style-type: none"> Fitch's downgrade on NDB to AA from AA+ in July reflects Fitch's view that deterioration in access to US capital market, could significantly affect NDB's current business model. NDB at present, has very strong liquidity metrics (liquid assets/short term debt was 320% at end-2021 vs. the 150% excellent threshold under Fitch criteria) and Fitch expects NDB to maintain ample liquidity to honor its debt obligations over the medium term. NDB has taken a series actions to alleviate Russian nexus. NDB's capitalization and solvency risks remain resilient, a trend we expect to continue throughout the forecast period to 2027. <p>Mitigants</p> <ol style="list-style-type: none"> NDB continues to access capital market including China Inter-bank Bond Market, Private Placements/Reg S Markets and ECP. As of 30 June 2022, Treasury and Portfolio Management Department managing USD 10.6 bn of High Quality Liquid Assets Disbursements – No fresh disbursements to Russia 	<ul style="list-style-type: none"> ✓ Sound and prudent Risk Management ✓ Strong preferred creditor status ✓ Experienced Management ✓ Policies and Frameworks aligned with major MDBs

Benchmarking with Peers

- **Low leverage**
- **Liquidity metrics in line or better than of AAA rated MDBs**
- **Very high asset quality:** Weighted average credit rating of projects approved is BB+ (Weighted Average Rating of sovereign guaranteed exposure across multilateral development banks are BB)

	NDB	ADB	AfDB	AIIB	EBRD	EIB	IADB	IBRD	IFC
Credit Rating	AA+	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Total Assets (US\$ billion)	\$25	\$282	\$51	\$40	\$85	\$643	\$152	\$317	\$105
Total Purpose Related Exposure (US\$ billion)	\$14	\$140	\$32	\$12	\$43	\$511	\$110	\$227	\$50
Liquidity (%) ¹	43%	17%	36%	67%	45%	22%	35%	28%	49%
12-month liquidity coverage ratio (x) ²	1.7x	1.0x	1.6x	5.1x	1.9x	N.A	1.5x	1.3x	1.9x
Leverage (%) ³	57%	48%	69%	48%	66%	78%	75%	82%	53%

Source: S&P Global Ratings "Supranationals Special Edition October 2022"

¹ Liquidity = liquid assets / adjusted total assets

² 12-month liquidity coverage ratio (net derivative payables)

³ Leverage = gross debt / adjusted total assets

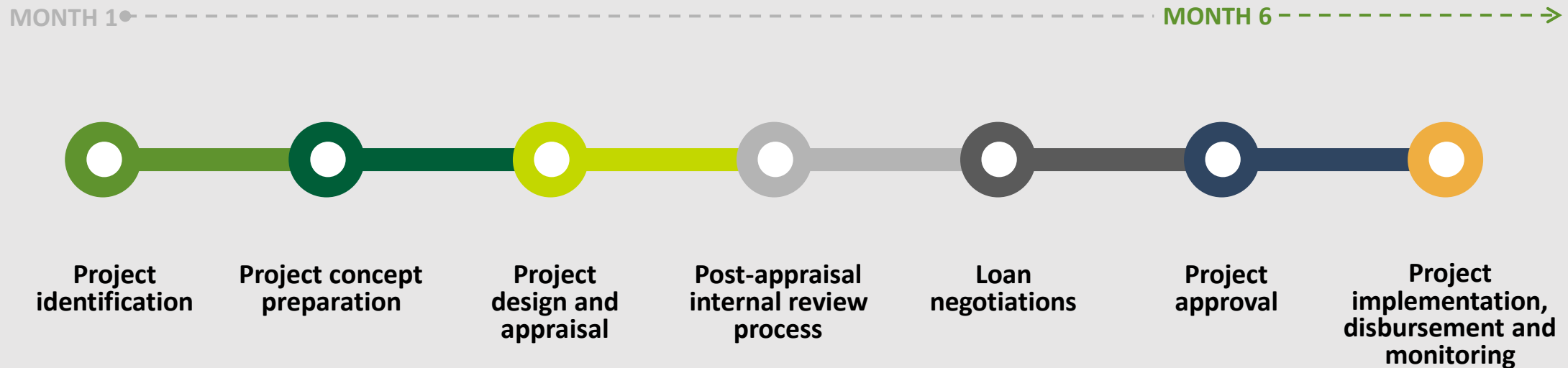


3

LENDING ACTIVITIES

Rigorous Project Appraisal

NDB aims to structure, negotiate, review and approve loans within a period of 6 months without compromising project quality and risk management standards

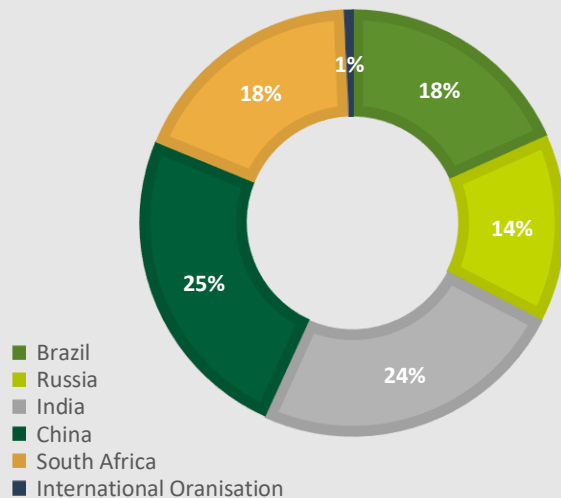


- Environmental, social and developmental analysis
- Thorough screening and approval requirements
- Credit risk analysis and appraisal
- Screening/review from legal perspective
- Compliance, environmental, anti-money laundering and counter terrorism management checks

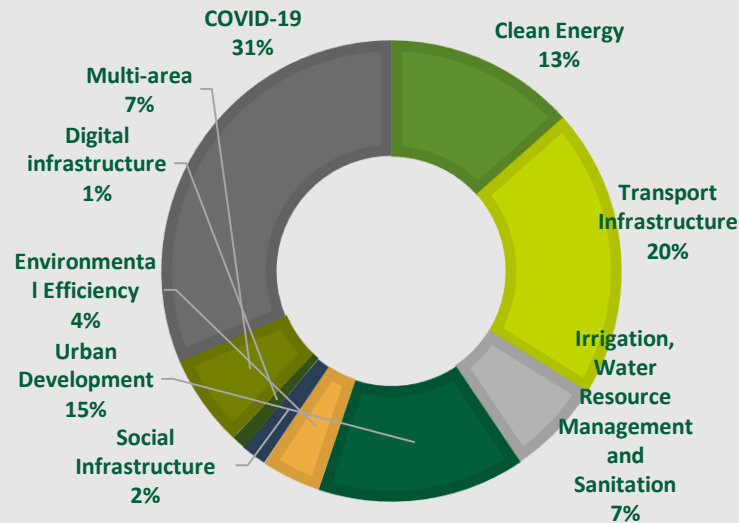
Support for Infrastructure and Sustainable Development

- Development of sustainable infrastructure, being one of the key priorities for emerging economies in the coming decades, is the core focus of NDB's operations
- NDB Board of Directors approved over 90 projects in all member countries for a total amount exceeding US\$ 30bn
- Enjoy Preferred Creditor Status from Member Countries

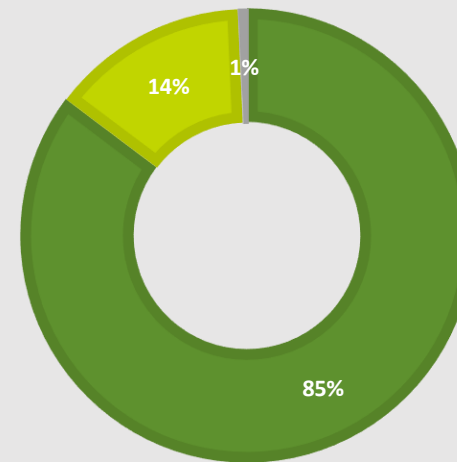
BY COUNTRY



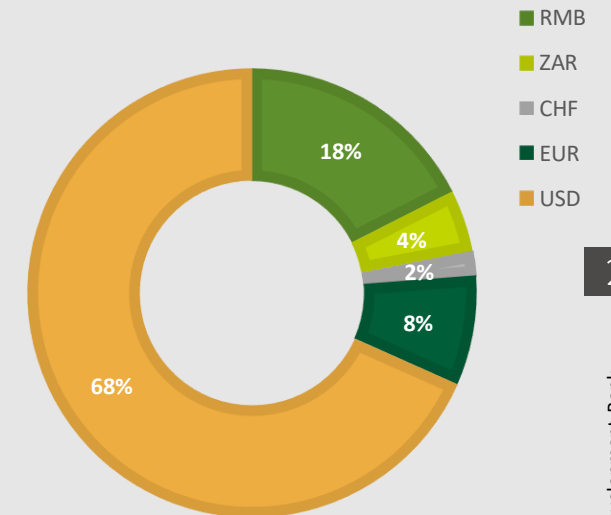
BY OPERATION AREA



BY TYPE



BY CURRENCY



¹ Loans are classified by total loan notional, in approximate US\$ terms. Figures may not tally due to rounding differences

² As of June 30, 2022. Weighted average credit rating of projects approved is BB+. List of all approved investment projects is available at: <https://www.ndb.int/projects/list-of-all-projects/>

Providing Emergency Funding During the COVID-19 Outbreak

NDB disbursed more than US\$ 8bn in crisis-related assistance, including for health and social safety expenditures, as well as supporting member states' economic recovery

- NDB has committed to providing up to **US\$ 10 billion** for the crisis-related Emergency Assistance Facility



- **US\$ 5 billion** for member countries' most urgent needs, including health-related current expenditures and social safety nets



- **US\$ 5 billion** to support economic recovery

¹ As of December 31, 2021. NDB Board of Directors approved 9 projects in all member countries for a total amount of more than US\$ 9bn under Emergency Assistance Facility

² NDB COVID-19 Emergency Program is available at: <https://www.ndb.int/covid-19-response-programme/>



4

ENVIRONMENTAL AND SOCIAL COMMITMENT

Key Elements of NDB's Environmental and Social Framework

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

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

Environmental and Social Framework Underpins NDB's Operations

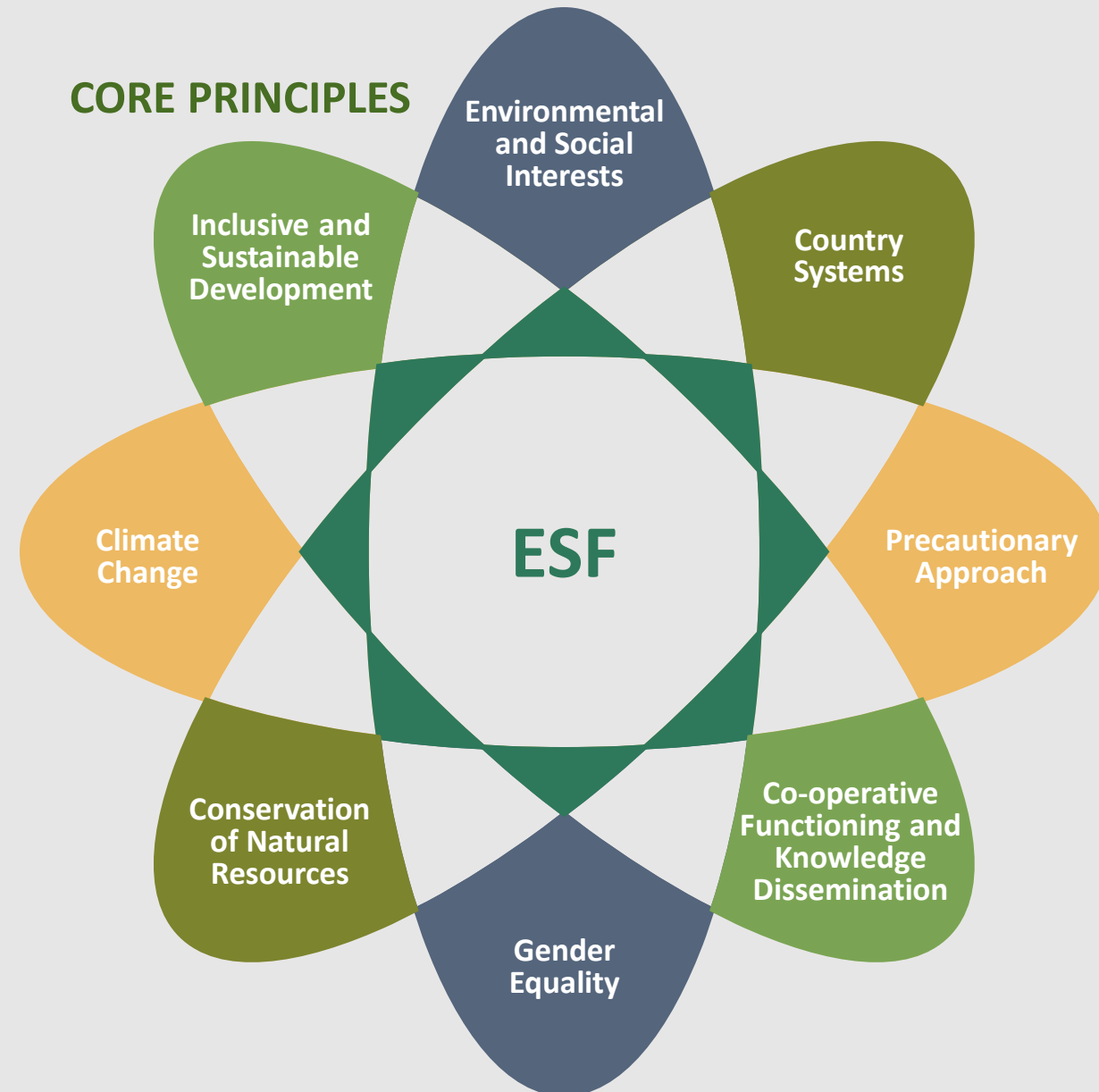
ENVIRONMENTAL AND SOCIAL POLICY REQUIREMENTS

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

ENVIRONMENTAL AND SOCIAL STANDARDS











- Environmental and Social Assessment
- Involuntary Resettlement
- Indigenous Peoples

CORE PRINCIPLES



Scaling Up Development Finance for a Sustainable Future































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

Development Indicators	Expected Outcome	SDG Alignment
Schools to be built or upgraded	58	 Quality education
Sewage treatment capacity to be increased	535,000 m ³ /day	 Clean water and sanitation
Drinking water supply capacity to be increased	159,000 m ³ /day	 Clean water and sanitation
Water tunnel/canal infrastructure to be built or upgraded	1,300 km	 Clean water and sanitation
Renewable and clean energy generation capacity to be installed	2,800 MW	 Affordable and clean energy
Roads to be built or upgraded	15,300 km	 Industry, innovation and infrastructure
Bridges to be built or upgraded	820	 Industry, innovation and infrastructure
Urban rail transit networks to be built	230 km	 Sustainable cities and communities
Cities to benefit from NDB's urban development projects	40	 Sustainable cities and communities
CO ₂ emissions to be avoided	5.5 million tons/year	 Climate action

Note: Expected development results are presented for projects that NDB financed in collaboration with partners, irrespective of the share of the Bank's financial contribution. The numbers are rounded and are based on the information available at the time of approval
 Source: NDB Annual Report 2020 is available at: <https://www.ndb.int/annual-report-2020/>

Alignment of NDB's Operations with the SDGs

- NDB has developed and tested an evidence-based method to monitor and report the alignment of the Bank's financing with the SDGs
- NDB's project portfolio contributes to achieving 12 out of the 17 SDGs

Primary SDG Alignment	Number of Projects	Cumulative Approvals (US\$ million)	Share of Total Approvals (%)	Direct Contribution to Additional SDGs
 No poverty	2	2,000	8.09	 Good health and well-being
 Zero hunger	1	345	1.40	 Clean water and sanitation
 Good health and well-being	2	2,070	8.37	 Sustainable cities and communities
 Quality education	2	550	2.22	 Decent work and economic growth,  Sustainable cities and communities
 Clean water and sanitation	6	1,546	6.25	 Good health and well-being,  Sustainable cities and communities,  Climate action
 Affordable and clean energy	14	3,496	14.13	 Industry, innovation and infrastructure,  Sustainable cities and communities,  Responsible consumption and production,  Climate action
 Decent work and economic growth	2	2,000	8.09	 Clean water and sanitation,  Industry, innovation and infrastructure
 Industry, innovation and infrastructure	24	8,301	33.56	 Good health and well-being,  Clean water and sanitation,  Affordable and clean energy,  Sustainable cities and communities,  Responsible consumption and production,  Climate action
 Sustainable cities and communities	13	3,466	14.01	 Clean water and sanitation,  Decent work and economic growth,  Industry, innovation and infrastructure,  Climate action
 Climate action	1	500	2.02	
 Peace and justice strong institutions	1	460	1.86	



5 BORROWING ACTIVITIES

Funding Strategy



Diversified sources of funding across USD Reg S, Local currency, ECP, Bilateral, Repo etc.



Established EMTN Programme of USD 50 bn

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



Domestic/ Local Currency borrowing programme

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



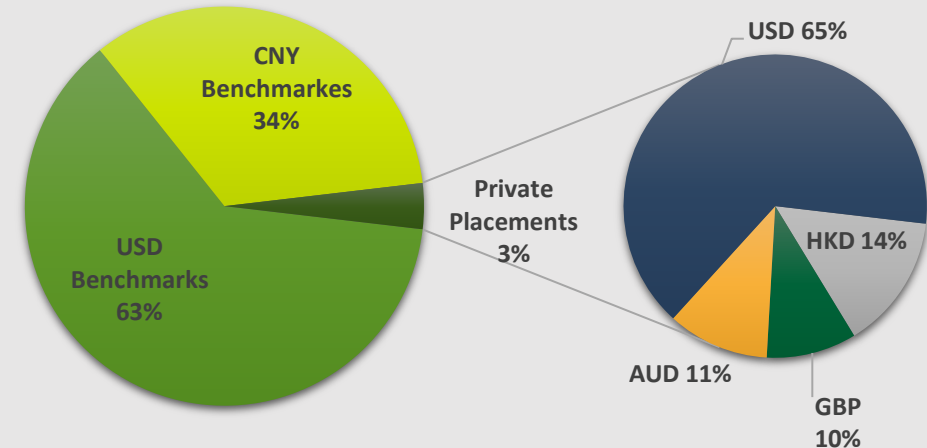
Regular issuer in the USD Reg S Market



Focus on green, social and sustainability debt instruments

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

OUTSTANDING BORROWINGS



Established Borrowing Programmes Size

International Capital Markets

EMTN Programme (Reg S)	US\$ 50bn
ECP Programme	US\$ 8bn

NDB in International and Domestic Markets

Established Borrowing Programmes	Established	Size	Validity of the Programme	Tenor of Bonds/Papers	Listing	Governing Law	Lead-Managers/Arrangers	Outstanding Amount ¹
International								
EMTN Programme (Reg S)	December 2019	US\$ 50bn	Unlimited	No restriction	London Stock Exchange (LSE)	English law	HSBC	USD 8.2 billion
ECP Programme	April 2019	US\$ 8bn	Unlimited	364 days		English law	Citigroup	USD 3 billion
Domestic								
RUB bond Programme	November 2019	RUB 100bn (~US\$ 1.3bn)	Unlimited	Up to 20 years	Moscow Exchange (MOEX)	Laws of Russia	Gazprombank, Rosbank (SocGen Group)	No issuance under the programme
CNY bond Programme	October 2020	CNY 20bn (~US\$ 3.1bn)	October 2022	No restriction	China Interbank Bond Market (CIBM)	Laws of China	BOC, ABC, BOCOM, CCB, CICC, CITIC, CACIB, DB, DBS, HSBC, ICBC, SCB	RMB 28 billion (equivalent to USD 4 billion)
ZAR bond Programme ²	April 2019	ZAR 10bn (~US\$ 0.6bn)	Unlimited	No restriction	Johannesburg Stock Exchange (JSE)	Laws of South Africa	Standard Bank of South Africa, Absa Bank (co-arranger)	No issuance under the programme

¹ Outstanding as of October 31, 2022

² JSE debt sponsor is Standard Bank of South Africa

NDB Outstanding Benchmark Bonds



ISIN	Size	Coupon	Placement	Maturity	Issue Spread
International					
XS2192077514	US\$ 1.5bn	0.625%	June 16 th , 2020	June 23 rd , 2023	Mid Swaps +38bps UST +43bps
XS2366704497	US\$ 2.25bn	0.625%	July 15 th , 2021	July 22 nd , 2024	Mid Swaps +14bps UST +24bps
XS2417101149	US\$ 0.5bn	SOFR + 0.28%	December 1 st , 2021	December 9 th , 2024	
XS2237442574	US\$ 2.0bn	0.625%	September 22 nd , 2020	September 29 th , 2025	Mid Swaps +37bps UST +43bps
XS2336053959	US\$ 1.5bn	1.125%	April 20 th , 2021	April 27 th , 2026	Mid Swaps +25bps UST +34bps
Domestic					
092000006.IB	CNY 5.0bn	2.43%	April 3 rd , 2020	April 3 rd , 2023	CDB +0bps CGB +42bps
091900002.IB	CNY 1.0bn	3.32%	February 26 th , 2019	February 26 th , 2024	CDB -2bps CGB +40bps
092100005.IB	CNY 5.0bn	3.22%	March 25 th , 2021	March 25 th , 2024	CDB +0bps CGB +31bps
092280002.IB	CNY 3.0bn	2.45%	Jan 27 th , 2022	Jan 27 th , 2025	CDB -1bps CGB +19bps
092280009.IB	CNY 7.0bn	2.70%	May 20 th , 2022	May 20 th , 2025	CDB +15bps CGB +36bps
092280111.IB	CNY 3.0bn	2.53%	October 26 th , 2022	October 26 th , 2025	CDB +20bps CGB +27bps
092000009.IB	CNY 2.0bn	3.00%	July 7 th , 2020	July 7 th , 2025	CDB +1bps CGB +39bps
092100011.IB	CNY 2.0bn	3.02%	September 17 th , 2021	September 17 th , 2026	CDB +1 bps CGB +28bps

Note: As of October 26, 2022

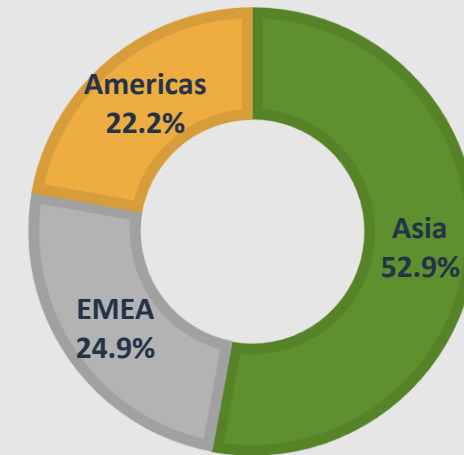
Case Study: US\$ 2.25bn, 0.625%, July 2024 Bond

Highlights

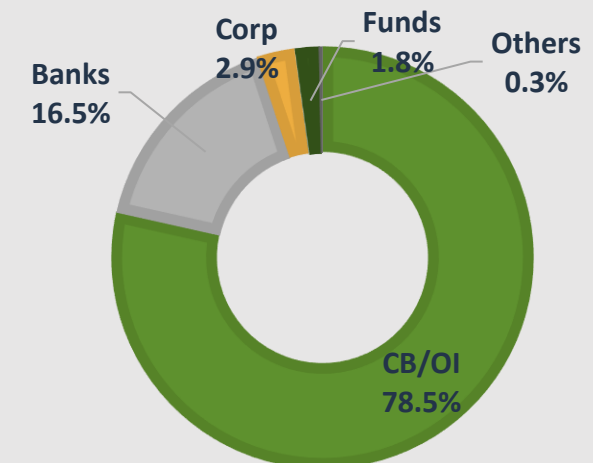
Format	RegS (Registered Form)
Type	Pandemic Support and Sustainable Bond
Size	US\$ 2.25bn
Pricing	July 15 th , 2021
Maturity	July 22 nd , 2024
Coupon	0.625%
Issue Spread	Mid Swaps + 14bps UST + 24.1bps
Final Book Size	>USD 2.5bn (excl.JLM)
Joint Lead Managers	CITI, HSBC, ICBC, JPM, SCB, TD

- Priced US\$ 2.25bn at mid swaps +14bps (UST +24.1bps)
- This transaction is the fourth USD benchmark bond offering of NDB in the international markets.
- Final books closed with the size above US\$ 2.5bn
- Price tightened by 1bps over the bookbuilding process
- High quality book, anchored by central banks and official institutions (78.5%)
- Transactions represents NDB's largest benchmark bond to date.
- The net proceeds will be used for financing sustainable development activities and providing COVID-19 emergency support loans to the member countries of the Bank.

DISTRIBUTION BY REGION



DISTRIBUTION BY INVESTOR TYPE

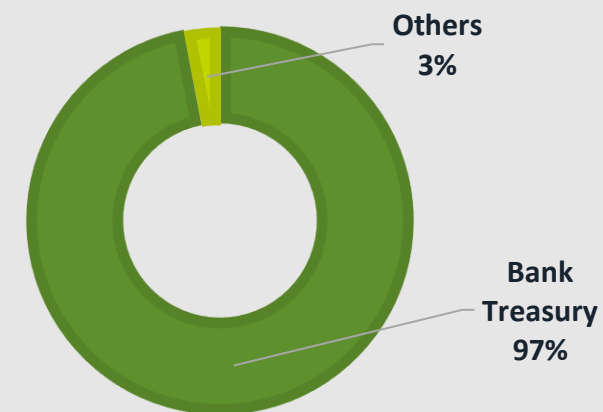


Case Study: CNY 7bn, 2.7%, May 2025 Panda Bond

Highlights

Instrument	Senior Unsecured
Listing	China Interbank Bond Market
Pricing	May 19 th , 2022
Settlement	May 20 th , 2022
Joint Lead Underwriters	Bank of China, Industrial and Commercial Bank of China, Agriculture Bank of China, China Construction Bank, China Development Bank, Postal Savings Bank of China, and China International Capital Corporation
Tenor	3-year
Maturity	May 20 th , 2025
Size¹	CNY 7bn (~US\$ 1.04 bn)
Coupon	2.7%

DISTRIBUTION BY INVESTOR TYPE



- This transaction is the largest ever Panda Bond issued by a Multilateral Development Bank
- The size of RMB7bn equals to a USD benchmark size transaction, which can only be delivered by the top-notch issuer in the global capital markets
- The scale of the transaction sets up a new benchmark for high-quality international issuers especially MDBs, to expand their funding channel in the second largest bond markets in the world and the largest local currency market globally.
- Net proceeds will be used onshore in China as general corporate resources of the Bank for financing infrastructure and sustainable development projects.



6 ANNEXURE

Financial Summary

	Statement of Profit or Loss (US\$ mn)	Jan 1, 2021–Dec 31, 2021	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019	Jan 1, 2018–Dec 31, 2018
	Net interest income	148.0	181.0	197.7	109.8
	Net Fee income ¹	8.0	5.0	1.6	0.4
	Net gains/(losses) on financial instruments at FVTPL	(46.0)	(191.0)	21.9	7.8
	Staff costs and other operating expenses ²	(79.0)	(64.0)	(51.3)	(37.2)
	Impairment losses ³	(2.0)	(38.0)	(2.1)	(3.8)
	Foreign exchange gains / (losses)	60.0	208.0	(17.4)	(5.0)
	Operating profit	89.0	101.0	150.5	72.0
	Unwinding of interest on paid-in capital receivables	21.0	49.0	72.4	93.8
	Total comprehensive income	104.0	151.0	222.9	165.9
	Statement of Financial Position (US\$ mn)	As at Dec 31, 2021	As at Dec 31, 2020	As at Dec 31, 2019	As at Dec 31, 2018
Assets	Cash and cash equivalents	1,856.0	2,193.0	1,023.5	123.0
	Due from banks other than cash and cash equivalents	4,916.0	6,762.0	5,494.8	4,800.6
	Derivative financial assets	44.0	27.0	5.4	0.7
	Financial assets held under resale agreements	-	66.0	-	-
	Financial assets at FVTPL	211.0	400.0	-	-
	Debt instruments at FVTOCI	1,298.0	131.0	-	-
	Debt instruments measured at amortised cost	2,258.0	763.0	33.8	-
	Loans and advances	13,965.0	6,612.0	1,544.9	628.1
	Paid-in capital receivables	335.0	1,885.0	3,713.5	4,846.8
	Other assets ⁴	5.0	5.0	4.6	3.3
	Total assets	24,888.0	18,844.0	11,820.6	10,402.4
Liabilities	Derivative financial liabilities	160.0	98.0	12.2	6.4
	Financial liabilities designated at FVTPL	10,140.0	5,556.0	882.8	443.8
	Borrowings	-	-	110.1	-
	Note payables	3,296.0	2,815.0	623.3	-
	Other liabilities ⁵	60.0	42.0	21.0	7.4
	Total liabilities	14,155.0	8,511.0	1,649.2	457.6
Equity	Paid-in capital	10,299.0	10,000.0	10,000.0	10,000.0
	Reserves	(14.0)	(26.0)	(86.5)	(162.4)
	Retained earnings	448.0	359.0	257.8	107.3
	Total equity	10,733.0	10,333.0	10,171.3	9,944.9
	Total equity and liabilities	24,888.0	18,844.0	11,820.6	10,402.4

Strong NII driven by capital contributions received from the members

In keeping to NDB's operating principles as a lean organisation, administrative expenses are expected to be kept low

Credit exposures arising from investments due from banks are rated at senior investment grade

Credit exposures arising from financial assets at FVTPL are rated AAA

Financial liabilities relate to NDB bonds

Note payables relate to NDB ECPs

Total capital contributions received and paid-in capital receivables due

Difference between the present value and the nominal value of outstanding paid-in capital

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

Note: Figures may not tally due to rounding differences

¹ Net fee income, including other operating income

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

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

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

⁵ Other liabilities, including contract liabilities and lease liabilities

Useful Links

- **Core Documents**
<https://www.ndb.int/data-and-documents/ndb-core-documents/>
- **Investor Marketing Materials**
<https://www.ndb.int/investor-relations/for-investors/>
- **Credit Ratings**
<https://www.ndb.int/investor-relations/credit-ratings/>
- **Financial Statements**
<https://www.ndb.int/data-and-documents/financial-statements/financial-statements-ndb/>
- **Annual Reports**
<https://www.ndb.int/data-and-documents/annual-reports/>
- **Environment and Social Framework**
<https://www.ndb.int/wp-content/uploads/2017/02/ndb-environment-social-framework-20160330.pdf>
- **Sustainable Financing Policy Framework**
https://www.ndb.int/wp-content/uploads/2020/05/2020_FC22_AI13_018_b-NDB-Sustainable-Financing-Policy-Framework.pdf

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Thank you
