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Treasury and Portfolio Management



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Who We Are

- NDB is a **multilateral development bank established by BRICS countries**
- The **membership is open** to members of the **United Nations**

Our Mission

- To mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, complementing the existing efforts of multilateral and regional financial institutions for global growth and development
- To support public and private projects through **loans, guarantees, equity participation and other financial instruments**

Key Features

HIGH CAPITALISATION

- High level of initial **authorised capital of USD 100 billion** with initial subscribed capital of USD 50 billion and paid-in capital of USD 10 billion places NDB amongst the largest MDBs globally
- NDB's subscribed capital stood at USD 52.7 billion as of Sep 30, 2023

CREDIT STRENGTHS

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

INNOVATION AND SUSTAINABILITY

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

EFFICIENCY

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

Strong Shareholder Support

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

Note: 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

Data as of September 30, 2023.

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

Credit Ratings

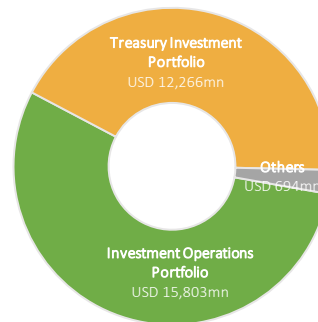
| | Long-Term | Short-Term | Outlook |
|---------------------------------|-----------|------------|---------|
| S&P Global Ratings | AA+ | A-1+ | Stable |
| Fitch Ratings | AA | F-1+ | Stable |
| Japan Credit Rating Agency | AAA | | Stable |
| Analytical Credit Rating Agency | AAA | | Stable |

Highly Capitalised Institution

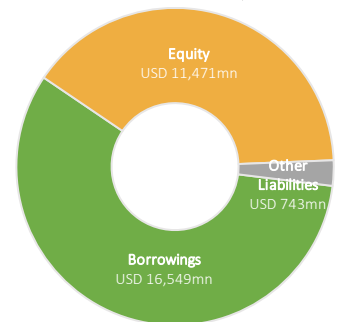
Policies and key risk limits are in line with AAA rated MDBs **As of Sep 30, 2023**

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

ASSETS



LIABILITIES AND EQUITY



Source: NDB IFRS Financial Statements as of September 30, 2023
 Balance sheet total is USD 28,763mn

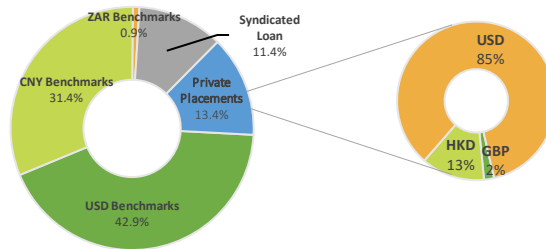
Funding Strategy

- **Diversification by market, instrument, currency, and tenor.**
- **Domestic borrowing programmes in BRICS**
- **Issuing thematic debt instruments, such as green, social and sustainability bonds.**

Programmes in place

| Programme | Size |
|------------------------|------------------------|
| EMTN programme (Reg S) | USD 50bn |
| ECP programme | USD 8bn |
| RUB bond programme | RUB 100bn (~USD 1.3bn) |
| CNY bond programme | CNY 40bn (~USD 5.7bn) |
| ZAR bond programme | ZAR 10bn (~USD 0.6bn) |

OUTSTANDING BORROWINGS



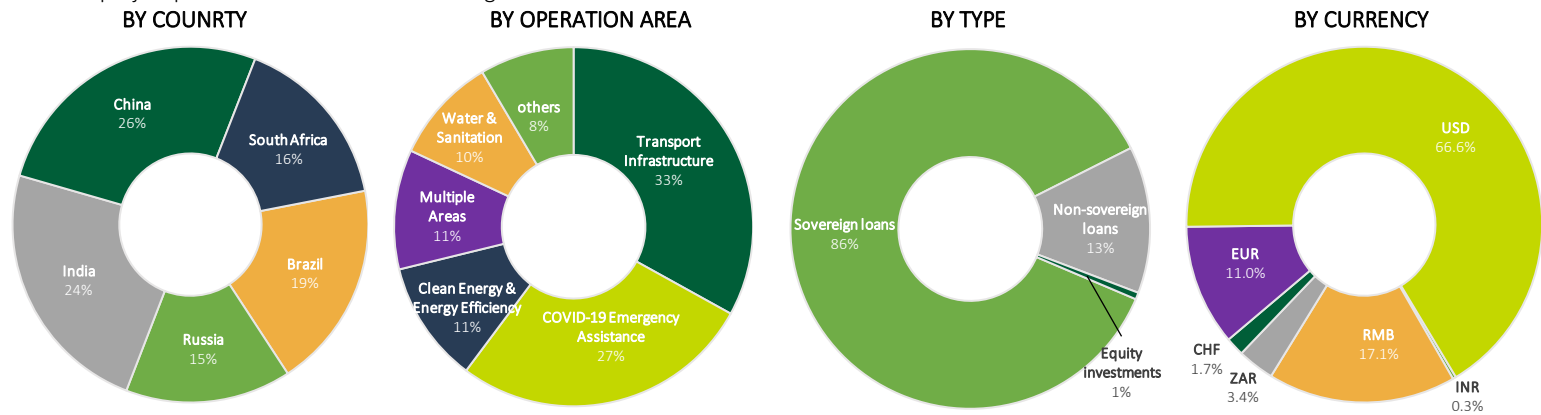
- 1 Outstanding issuance amount under EMTN programme (Reg S) is USD 9.8bn
- 2 Outstanding issuance amount under ECP programme is USD 2.6bn
- 3 Outstanding issuance amount under CNY bond programmes is CNY 37.5bn
- 4 As of February 2, 2024

Elements of Environmental and Social Commitment

- **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
 - Manages environmental and social risks and impacts of projects
 - Manages operational and reputational risks of NDB and its stakeholders
 - Mainstreams environmental and social considerations into decision-making processes of all parties
 - Encourages the international good environmental and social practices in its operations and in doing so strengthen the country systems
- **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

Project Breakdown

- NDB Board of Directors approved over 90 projects in all member countries for a total amount exceeding USD 30bn
- Weighted average credit rating of projects approved is BB+
- NDB project portfolio contributes to achieving 11 out of the 17 SDGs



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

² Data as of June 30, 2023.

³ List of all approved investment projects is available at: <https://www.ndb.int/projects/list-of-all-projects/>

Annual Financial Summary

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

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

Note: Figures may not tally due to rounding differences

¹ Net fee income, including other operating income

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

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

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

⁵ Other liabilities, including contract liabilities and lease liabilities