

**BASE OFFERING MEMORANDUM SUPPLEMENT DATED 16 FEBRUARY 2023 TO
THE BASE OFFERING MEMORANDUM DATED 25 FEBRUARY 2022**



**NEW DEVELOPMENT BANK
U.S.\$50,000,000,000**

**Euro Medium Term Note
Programme**

This supplement dated 16 February 2023 (the "**Base Offering Memorandum Supplement**") to the Base Offering Memorandum dated 25 February 2022 (the "**Base Offering Memorandum**") has been prepared by the New Development Bank (the "**Issuer**"). Terms defined in the Base Offering Memorandum have the same meaning when used in this Base Offering Memorandum Supplement. This Base Offering Memorandum Supplement is supplemental to and should be read in conjunction with the Base Offering Memorandum.

The purpose of the Base Offering Memorandum Supplement is to:

- update the section entitled "*Risk Factors*" of the Base Offering Memorandum;
- update the section entitled "*Description of the Issuer*" of the Base Offering Memorandum; and
- amend the section entitled "*General Information*" of the Base Offering Memorandum.

Investors should make their own assessment as to the suitability of investing in the Notes.

The Issuer accepts responsibility for the information contained in this Base Offering Memorandum Supplement. To the best of the knowledge of the Issuer, the information contained in this Base Offering Memorandum Supplement is in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between: (a) any statement in this Base Offering Memorandum Supplement or any statement incorporated by reference into the Base Offering Memorandum by this Base Offering Memorandum Supplement; and (b) any other statement in or incorporated by reference in the Base Offering Memorandum, the statement in (a) above will prevail.

Save as disclosed in this Base Offering Memorandum Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Offering Memorandum which is capable of affecting the assessment of the Notes issued under the Issuer's Programme or the rights attaching to any such Notes, or whose inclusion in the Base Offering Memorandum or removal is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer.

Any websites referred to within this Base Offering Memorandum Supplement, including <https://www.ndb.int>, do not form part of this Base Offering Memorandum Supplement.

UPDATES TO THE "RISK FACTOR" SECTION

With effect from the date of this Base Offering Memorandum Supplement, the section entitled "*Risk Factors*" commencing on page 1 of the Base Offering Memorandum is updated by adding the following paragraphs:

"Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds" are not linked to the performance of the Eligible Green Projects or Eligible Assets, do not benefit from any arrangements to enhance the performance of the Notes or any contractual rights derived solely from the intended use of proceeds of such Notes

The performance of Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds" is not linked to the performance of the relevant Eligible Green Projects or Eligible Assets or the performance of the Issuer in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of such "Green Bonds", "Social Bonds" or "Sustainability Bonds" and the Eligible Green Projects or Eligible Assets. Consequently, neither payments of principal and/or interest on "Green Bonds", "Social Bonds" or "Sustainability Bonds" nor any rights of Noteholders shall depend on the performance of the relevant Eligible Green Projects or Eligible Assets or the performance of the Issuer in respect of any such environmental or similar targets. Holders of any "Green Bonds", "Social Bonds" or "Sustainability Bonds" shall have no preferential rights or priority against the assets of any Eligible Green Projects or Eligible Assets nor benefit from any arrangements to enhance the performance of the Notes."

"Geopolitical risk

The Issuer is monitoring the recent geopolitical environment. The Issuer has set aside provisions for expected credit loss and updated the relevant risk metrics, including capital utilization, to account for the deterioration in credit risk metrics over the last one year. The Issuer's net results are expected to be subject to higher volatility in the upcoming periods amid the higher credit risk in the loan portfolio."

UPDATES TO THE "DESCRIPTION OF THE ISSUER" SECTION

With effect from the date of this Base Offering Memorandum Supplement, the section entitled "*Description of the Issuer*" commencing on page 72 of the Base Offering Memorandum is updated as follows.

Paragraph 3.5.4 is deleted in its entirety and replaced with the following:

"The following is a list of the members of the Board of Governors as of 16 February 2023:

Name	Position
Fernando Haddad.....	Minister of Finance of Brazil
Anton Siluanov	Minister of Finance of Russia
Nirmala Sitharaman	Chairman of the Board of Governors, Minister of Finance of India
Kun Liu.....	Minister of Finance of China
Enoch Godongwana	Minister of Finance of South Africa
A H Mustafa Kamal	Minister of Finance of Bangladesh
Mohamed Bin Hadi Al Hussaini	Minister of State for Financial Affairs of UAE

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Paragraph 3.6.3 is deleted in its entirety and replaced with the following:

"The following is a list of the members of the Board as of 16 February 2023:

Name	Member Country Represented	Position	Business Address
Marcos Troyjo	Brazil	President of New Development Bank	New Development Bank, 29 Floor, NDB Headquarters, 1600 Guozhan Road, Pudong New Area, Shanghai, 200126, China
Tatiana Rosito.....	Brazil	Director of NDB, Secretary for International Affairs, Ministry of Finance, Brazil	Esplanada dos Ministérios, Bloco J, 8º andar, 70048-900, Brasília-DF, Brazil
Timur Maksimov	Russia	Director of NDB, Deputy Minister of Finance of Russia	9 Ilinka Street, 109097, Moscow, Russian Federation
Manisha Sinha	India	Director of NDB, Additional Secretary, Department of Economic Affairs, Ministry of Finance of India	Room No. 129-B, North Block, New Delhi, 110001, India
Zhijun Cheng	China	Director of NDB, Director General, Department of International and Economic Financial Cooperation, Ministry of Finance of China	3 Nansanxiang, Sanlihe, Xicheng District. Beijing, 100820, China
Dondo Mogajane.....	South Africa	Director of NDB, Chairperson of the Board of the Government Employees Pension Fund, South Africa	207 Madiba Street, Pretoria, South Africa
Md. Shahriar Kader Siddiky	Bangladesh and United Arab Emirate	Director of NDB, Additional Secretary and Wing Chief, Asia, JEC and F&F Wing, Economic Relations, Ministry of Finance, Bangladesh	Shere Bangla Nagar (Planning Commission Campus), Dhaka-1207, Bangladesh

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A new paragraph will be inserted on page 85 as follows:

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6. **RECENT DEVELOPMENTS**

- 6.1 As a result of the unfolding uncertainties and restrictions imposed on Russia, the Issuer announced on 3 March 2022 that it had put new transactions in Russia on hold. The Issuer applies sound banking principles in all of its operations, as stated in its Articles of Agreement, and continues to conduct business in full conformity with the highest compliance standards as an international financial institution.
- 6.2 As of 30 September 2022, the Issuer had an outstanding gross carrying amount of loans of USD 1.7 billion to Russian-domiciled entities. Exposure to Russian-domiciled entities represents approximately 6.7 per cent. of the Issuer's total assets. Of this USD 1.7 billion, USD 1.2 billion is either to the Russian state or backed by a sovereign guarantee and the remaining USD 0.5 billion is to a non-sovereign client. The Issuer also has an outstanding gross carrying amount of loans of USD 0.2 billion to international organisations which have exposures to Russia. As of 30 September 2022, all of the Issuer's outstanding loan exposure to Russia is denominated in EUR, USD and Swiss Franc. The Issuer's exposures to Russia continue to be monitored and any expected credit losses are continually assessed and provided for accordingly.
- 6.3 The Issuer is actively monitoring the situation in relation to Russia and continually assessing the impact of the changing global regulatory and credit environment on its operations. The Issuer has implemented prudent risk management policies and procedures, which are aligned to the practices of other global multilateral development banks.
- 6.4 The Issuer is required to maintain a Primary Liquidity Ratio (PLR - a measure of liquid assets available to cover a minimum of 12-month outflows without access to capital markets) of minimum 100 per cent. with a target to maintain PLR in the range of 110 per cent. to 150 per cent. The Issuer has in place requirements on the quality of its treasury portfolio (based on a minimum of 90 per cent. invested in no less than A- rated instruments by S&P/Moody's/Fitch) and the eligibility of instruments to be included therein (which may include money market instruments, sovereign bonds, bank and corporate bonds and asset-backed securities). "

AMENDMENTS TO THE "GENERAL INFORMATION" SECTION

With effect from the date of this Base Offering Memorandum Supplement, the sub-sections entitled "*Significant or Material Change*" and "*Auditor*" in the section entitled "*General Information*" commencing on page 92 of the Base Offering Memorandum are deleted in their entirety and replaced with the following:

"Significant or Material Change

There has been no significant change in the financial performance or financial position of the Group since 30 September 2022 and there has been no material adverse change in the prospects of the Issuer since 31 December 2021."

"Auditor

The Auditor of the Issuer for the financial years ended 31 December 2021 and 31 December 2020 is Deloitte Touche Tohmatsu Certified Public Accountants LLP. Deloitte Touche Tohmatsu Certified Public Accountants LLP is empowered by the Ministry of Finance of China to carry out its auditing activities."

The Base Offering Memorandum Supplement is not for use in, and may not be delivered to, or inside, the United States of America.