

**BASE OFFERING MEMORANDUM SUPPLEMENT DATED 31 JULY 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 31 July 2023 (the "**Base Offering Memorandum Supplement**") to the Base Offering Memorandum dated 25 February 2022 as supplemented by the base offering memorandum supplement dated 16 February 2023 (together, 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 as follows.

The risk factor titled "*The Issuer is an international financial institution and Notes issued under the Programme are not guaranteed by any sovereign entity or agency*" commencing on page 1 is deleted in its entirety and replaced with the following:

"The Issuer is an international financial institution and Notes issued under the Programme are not guaranteed by any sovereign entity or agency"

The Issuer is an international organisation founded by the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa (collectively, the "**BRICS**" countries) with the People's Republic of Bangladesh ("**Bangladesh**") and the United Arab Emirates becoming members of the Issuer on 16 September 2021 and 4 October 2021, respectively, (together, with the BRICS countries, the "**member states**") pursuant to the Articles of Agreement (as defined herein). The Arab Republic of Egypt ("**Egypt**") became a member of the Issuer in March 2023. The Oriental Republic of Uruguay ("**Uruguay**") is a prospective member of the Issuer and will become an official member of the Issuer once it deposits its instruments of accession.

The Articles of Agreement have the status of a treaty under public international law and the Issuer is a creation of, and subject to, public international law. The Issuer's existence, powers, privileges, immunities, liabilities and operations are subject to and governed by the Articles of Agreement. The Issuer is not subject to regulation by any state. Accordingly, while the Issuer has established policies and procedures to govern its internal operations in accordance with international standards, the operations of the Issuer are not subject to external regulatory oversight unlike domestic financial institutions of its member states.

Although founded by the BRICS, the Issuer is a legal entity separate from both the governments of its member states and the agencies of such governments. The principal of any Notes issued under the Programme, and interest due or to become due in respect of such Notes, constitute obligations solely of the Issuer and do not constitute the obligation of, nor are they guaranteed or insured by any of its member states or sovereign entities or agencies thereof. Since the Issuer's obligations are not guaranteed or insured by any one sovereign or member state, the Issuer does not have one single lender of last recourse."

The risk factor titled "*Credit Risk*" commencing on page 1 is deleted in its entirety and replaced with the following:

"Credit risk

Credit risk is defined as risk of financial loss arising from the failure of the borrower or other obligor, to meet its contractual obligations to the Issuer. It can arise from both funded and non-funded transactions that are contingent in nature. As the Issuer provides financial support through loans, guarantees, equity investment and other financial activities, the inability or unwillingness of borrowers or obligors to meet their financial obligations towards the Issuer leads to credit risk. According to the nature of the Issuer's business, the principal sources of credit risks are:

- (a) credit risk in its sovereign operations;
- (b) credit risk in its non-sovereign operations; and
- (c) obligors credit risk in its treasury business.

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

In addition, the majority of the Issuer's portfolio is located within jurisdictions and economic sectors for which adequate statistical and qualitative information is available. The Issuer also relies on external data providers to source this information as part of its regular credit risk management activities. Thus credit recommendations are made on information from the most reliable of these sources. With regard to specific projects, the Issuer conducts a due diligence process. However, the Issuer's relatively short track record, combined with the medium-and long-term nature of a large part of the credit portfolio, offers no assurance that these techniques will prove sufficient to mitigate credit risks inherent to such operations. Whilst nil was due from borrowers or was classified as a default as at 31 March 2023, the Issuer is in the process of building its loan portfolio. As such, the Issuer still considers credit risk to be a material risk to its business as it is not possible to eliminate entirely the possibility of adverse credit risk events. This in turn could have a material adverse effect on the Issuer's financial condition and results of operations.

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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 1.7 is deleted in its entirety and replaced with the following:

"The authorised capital of the Issuer is USD 100 billion and the initial subscribed capital of the Issuer is USD 50 billion. Each founding member initially subscribed for 100,000 shares, investing an aggregate of USD 10 billion; of which 20,000 shares correspond to paid-in capital and 80,000 shares correspond to callable capital.

Bangladesh joined the Issuer as a borrowing member has subscribed for 9,420 shares in a total amount of USD 942.0 million, of which USD 188.4 million are paid-in capital and USD 753.6 million are callable capital. The United Arab Emirates joined the Issuer as a non-borrowing member and has subscribed for 5,560 shares in a total amount of USD 556.0 million, of which USD 111.2 million are paid-in shares and USD 444.8 million are callable shares. Egypt joined the Issuer and has subscribed for 11,960 shares in a total amount of USD 1,196.0 million of which USD 239 million are paid-in shares and USD 957 million are callable shares

The voting power of each member is equal to the number of its subscribed shares in the capital of the Issuer. Pursuant to the Articles of Agreement, the payment of paid-in capital by each founding member and each new member shall be paid in dollars, in 7 instalments. As at 31 March 2023, the paid-in capital subscribed is USD 10.5 billion in total.

	Number of Shares	Share Holding*	Voting Power*
	(% of allocated shares)		
Country			
Brazil	100,000	18.98	18.98
Russia	100,000	18.98	18.98
India	100,000	18.98	18.98
China.....	100,000	18.98	18.98
South Africa	100,000	18.98	18.98
Bangladesh	9,420	1.79	1.79
United Arab Emirates	5,560	1.06	1.06
Egypt.....	11,960	2.27	2.27
Total.....	526,940	100	100

Note:

* The total percent of subscribed capital may not be accurate to 100% due to rounding."

Paragraph 2.5.5 is deleted in its entirety and replaced with the following:

"As at 31 March 2023, the total outstanding balance of: (i) financial liabilities designated at fair value through profit or loss (consisting of RMB denominated bonds and USD, GBP and HKD denominated notes) was USD 11,819 million; and (ii) note payables (consisting of euro-commercial papers with a maturity of less than 1 year) was USD 3,031 million."

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

"The following is a list of the Governors of the Board of Governors as of 31 July 2023:

Name	Position
Fernando Haddad	Minister of Finance of Brazil
Anton Siluanov	Minister of Finance of Russia
Nirmala Sitharaman	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 the United Arab Emirates
Mohamed Maait	Minister of Finance of Egypt

"

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

"The following is a list of the Directors of the Board of Directors as of 31 July 2023:

Name	Member Country Represented	Position	Business Address
Tatiana Rosito	Brazil	Secretary for International Affairs, Ministry of Finance, Brazil	Esplanada dos Ministérios, Bloco J, 8º andar, 70048-900, Brasília-DF, Brazil
Timur Maksimov	Russia	Deputy Minister of Finance of Russia	9 Ilinka Street, 109097, Moscow, Russian Federation
Manisha Sinha	India	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 General, Department of International Economic and Financial Cooperation, Ministry of Finance of China	3 Nansanxiang, Sanlihe, Xicheng District. Beijing, 100820, China
Dondo Mogajane	South Africa	Chairperson of the Board of the Government Employees Pension Fund, South Africa	207 Madiba Street, Pretoria, South Africa
Thuraiya Hamid Alhashmi	Bangladesh and United Arab Emirates. Egypt	Acting Director, International Financial Relations and Organizations Department, Ministry of Finance, United Arab Emirates	Bur Dubai, Alghubaiba area, 3 A Street, AI Souq AI Kabeer, Burr Dubai, United Arab Emirates, Ministry of Finance

Note: The President of NDB is a member of the Board of Directors but has no vote except a deciding vote in case of an equal division.

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Paragraph 3.6.4 is deleted in its entirety and replaced with the following:

"On 24 March 2023, the Board of Governors elected Mrs. Dilma Rousseff as the President of the Issuer; on 27 May 2020, the Board of Governors appointed Mr. Anil Kishora as Vice President of the Issuer as of 7 July 2020; on 6 July 2021, the Board of Governors appointed Mr. Qiangwu Zhou, Mr. Vladimir Kazbekov and Mr. Leslie Maasdorp as Vice Presidents of the Issuer as of 7 July 2021, in accordance with the Issuer's Articles of Agreement and its procedures.

Paragraph 3.7.5 is deleted in its entirety and replaced with the following:

"As of 31 July 2023, the following is a list and profile of the Senior Management team members:

Name	Profile
Dilma Rousseff (<i>President</i>)	Dilma Rousseff was elected the President of the Federative Republic of Brazil for two consecutive terms. Previously, in the first two governments of President Luiz Inácio Lula da Silva, she was the Minister of Mines and Energy and Minister Chief of Staff, a position she held until 2010. During this period, she chaired the Board of Directors of Petrobras, Brazil's largest and most important company. As the President of Brazil, Dilma Rousseff focused her agenda on ensuring the country's economic stability and job creation. In addition, during her government, the fight against poverty was prioritized, and social programs that started under President Lula da Silva's terms were expanded and internationally recognized. As a result of one of the most extensive processes of poverty reduction in the country's history, Brazil was removed from the UN's Hunger Map. Internationally, she

Name	Profile
Anil Kishora <i>(Vice President, Chief Risk Officer)</i>	<p>promoted respect for the sovereignty of all nations and the defense of multilateralism, sustainable development, human rights, and peace. Under her government, Brazil was present in all international fora for climate and environmental protection, culminating in decisive participation in the achievement of the Paris Agreement. Dilma Rousseff significantly expanded cooperation with several countries in Latin America, Africa, the Middle East, and Asia. In July 2014, she participated with the BRICS countries in the creation of the New Development Bank and the Contingent Reserve Arrangement.</p> <p>Mr. Anil Kishora worked in India's largest bank, the State Bank of India (SBI) for about 38 years. During his career, Mr. Anil Kishora had exposure to all areas of SBI operations. Before joining the NDB, he worked as Deputy Managing Director & CRO of SBI, being responsible for managing SBI Group's operational, market, credit, cyber, information security and other risks. Prior to that, Mr. Anil Kishora served as Deputy Managing Director/ Chief General Manager, SBI Local Head Office, Chandigarh, India and CEO of SBI in Singapore. He has also been a Council Member of Association of Banks in Singapore, a board member of IACPM, New York, and director on the boards of Macquarie SBI Infrastructure Management Pte. Ltd. and Macquarie SBI Infrastructure Trustee Ltd.</p>
Vladimir Kazbekov <i>(Vice President, Chief Operating Officer)</i>	<p>Mr. Kazbekov worked in executive positions for the Russian National Development Bank – the state corporation bank for development and foreign economic affairs (Vnesheconombank) for more than 15 years. During this time Mr. Kazbekov gained extensive experience in the field of development finance. He has greatly contributed to the development of BRICS Interbank cooperation mechanism that includes the national development banks of BRICS countries. Prior to his appointment in Vnesheconombank Mr. Kazbekov served as the Deputy Director of the Foreign Policy Department of the Presidential Executive Office of the Russian Federation. He has nearly 20 years of experience in the Russian Ministry of Foreign Affairs, predominantly in Asian countries.</p>
Qiangwu Zhou <i>(Vice President, Chief Administrative Officer)</i>	<p>Over the past 25 years, Mr. Zhou has served in various senior positions in the public sector. Most recently, he served as Director General level official in the Department of International Economic and Financial Cooperation, the Ministry of Finance (MOF) of China, while holding the positions of International Development Association (IDA) Deputy, and GEF Council member for China. Prior to that, Mr. Zhou was Director General of International Economic and Financial Institute (IEFI), MOF's leading think tank on international economics and development for eight years. He was also assigned to work in the UN's Administrative and Budgetary Committee, representing the Government of China during 1999-2002, and served as Advisor and then Senior Advisor to the Executive Director for China in the World Bank Group during 2008-2011. Mr. Zhou has several publications on international economics. He holds a master's degree from Peking University, China.</p>
Leslie Maasdorp <i>(Vice President, Chief Financial Officer)</i>	<p>Over the past 25 years Mr. Maasdorp has occupied senior leadership roles in both private and public sectors. Most recently he served as a Managing Director and President of Bank of America Merrill Lynch for Southern Africa for a period of four years. Prior to that he served in a dual role as Vice Chairman of Barclays Capital and Absa Capital. In 2002 he was the first</p>

Name**Profile**

African to be appointed as International Advisor to Goldman Sachs International. Before his 13 years as a global investment banker, he served in several senior leadership roles in the Government of South Africa. In 1994 after the transition to democracy, he was appointed as Special Advisor to the Minister of Labour and in 1999, in his role as Deputy Director General of the Department of Public Enterprises, he led the restructuring and privatization of state-owned enterprises for the South African Government. He is a former Chairman and CEO of Advtech, a leading provider of private education in South Africa. Leslie is a young global leader of the World Economic Forum. Mr. Massdorp holds a BA degree in Economics and Psychology from the University of the Western Cape and a Master of Science degree in Economics from the School of Oriental and African Studies, at the University of London.

The following shall be inserted under the "*Recent Developments*" section starting on page 85:

"

6.5 NDB's leadership transition

In March 2023 NDB leadership transition took place. As part of this, on 24 March 2023 the Board of Governors of the New Development Bank elected Mrs. Dilma Rousseff as a new President of NDB.

6.6 Egypt's accession as a member of NDB

In March 2023, Egypt formally joined as a member of the Issuer following the approval by the Board of Governors of Egypt's accession as a member in September 2021.

6.7 NDB's credit rating from Fitch revised

On 16 May 2023, Fitch affirmed NDB's credit rating at "AA" and upgraded the outlook to "Stable from "Negative". Fitch expressed a view that it is more likely that NDB will be able to successfully execute its medium-term strategy, including continuing to grow its balance sheet and attract new shareholders. Fitch noted that NDB's capitalisation and solvency risks remain resilient, and that the NDB's approach to diversifying its funding mix will support its ability to access resources at a low cost over the medium term.

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 31 March 2023 and there has been no material adverse change in the prospects of the Issuer since 31 December 2022."

"Auditor

The Auditor of the Issuer for the financial years ended 31 December 2022 and 31 December 2021 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.