



NEW DEVELOPMENT BANK

(Established by the agreement on the New Development Bank, executed amongst Governments of the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa on July 15, 2014 in Fortaleza)

INFORMATION STATEMENT

in respect of the
ZAR10,000,000,000
NOTE PROGRAMME

New Development Bank (the **Issuer** or the **Bank**) intends to issue notes from time to time (the **Notes**) under the ZAR10,000,000,000 Note programme (the **Programme**) on the basis set out in the programme memorandum dated 10 August 2023, as amended and restated from time to time (the **Programme Memorandum**).

The Notes may be issued on a continuing basis and be placed by the Dealers specified in the section headed "Summary of Programme" under the Programme Memorandum and any additional Dealers appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis.

The specific aggregate nominal amount, the status, maturity, interest rate, or interest rate formula and dates of payment of interest, purchase price to be paid to the Issuer, any terms for redemption or other special terms, currency or currencies, form and denomination of Notes, information as to financial exchange listings and the name of the Dealers, underwriters or agents in connection with the sale of Notes being offered at a particular time will be set forth or referred to in the terms and conditions contained in the Programme Memorandum (the **Terms and Conditions**), read together with the pricing supplement applicable to the Notes (the **Applicable Pricing Supplement**) and this information statement (the **Information Statement**).

Availability of Information

This Information Statement is also available on the Issuer's website at <https://www.ndb.int/investor-relations/borrowing-programmes/>.

Information on the Issuer's website, other than in this Information Statement and the Programme Memorandum, is not intended to be incorporated by reference into this Information Statement, save for those documents which are incorporated by reference in the section headed "*Documents Incorporated by Reference*" in the Programme Memorandum.

Recipients of this Information Statement should retain it for future reference. It is intended that the Programme Memorandum read together with the Applicable Pricing Supplement in connection with the issuance of Notes, will refer to this Information Statement for a description of the Issuer, its financial condition and results of operations (if any) and investor considerations/risk factors of the Issuer, until a new information statement is issued. This Information Statement is not intended, and should not be construed as, the Programme Memorandum and/or the Applicable Pricing Supplement(s). It is not a standalone document and cannot be read without reference to the Programme Memorandum and/or the Applicable Pricing Supplement(s).

Information Statement dated 10 August 2023.

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GENERAL

Capitalised terms used in this section headed "General" shall bear the same meanings as defined in the Terms and Conditions in the Programme Memorandum, except to the extent that they are separately defined in this section, or this is clearly inappropriate from the context.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Information Statement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made, and that this Information Statement contains all information required by law and the Debt Listings Requirements of the JSE. The Issuer accepts full responsibility for the accuracy of the information contained in this Information Statement.

In addition, the Issuer, having made all reasonable inquiries, confirms that this Information Statement contains or incorporates all information which is material in relation to the issuing and the offering of the Notes, that all information contained or incorporated in this Information Statement is true and accurate in all material respects and that the opinions and the intentions expressed in this Information Statement are honestly held and that there are no other facts, the omission of which, would make this Information Statement or any of such information or expression of any such opinions or intentions misleading in any material respect.

The Arrangers, the Dealers, the JSE Debt Sponsor or any of their respective subsidiaries or holding companies or a subsidiary of their holding companies (**Affiliates**) and the professional advisors have not separately verified the information contained in this Information Statement. Accordingly, no representation, warranty or undertaking, expressed or implied, is made and no responsibility is accepted by the Arrangers, Dealers, the JSE Debt Sponsor, their Affiliates or any of the professional advisors as to the accuracy or completeness of the information contained in this Information Statement or any other information provided by the Issuer. None of the Arrangers, the Dealers, the JSE Debt Sponsor, their Affiliates nor any of the professional advisors accepts any liability in relation to the information contained in this Information Statement or any other information provided by the Issuer in connection with the Notes. The statements made in this paragraph are without prejudice to the responsibilities of the Issuer.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Information Statement or any other information supplied in connection with the issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arrangers, the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors. Neither the delivery of this Information Statement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof, or that any other financial statement or other information supplied in connection with the Information Statement is correct at any time subsequent to the date indicated in the document containing same.

Neither this Information Statement nor any other information supplied in connection with the Notes constitutes the rendering of financial or investment advice by or on behalf of the Issuer, the Arrangers, the Dealers, the JSE Debt Sponsor, their Affiliates or any professional advisor.

This Information Statement and any other information supplied in connection with the Notes is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arrangers, the Dealers, the JSE Debt Sponsor, their Affiliates or any professional advisor, that any recipient of this Information Statement should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. Each potential investor should consult its own advisors to make its investment decision and to determine whether it is legally permitted to purchase the Notes under Applicable Laws and regulations.

Neither this Information Statement nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arrangers, the Dealers, the JSE Debt

Sponsor, their Affiliates or the professional advisors to any person to subscribe for or to purchase any Notes.

This Information Statement does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. None of the Issuer, the Arrangers, the Dealers, the JSE Debt Sponsor, their Affiliates nor any professional advisor, represents that this Information Statement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arrangers, the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Statement nor any advertisement nor other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws and regulations. The Arrangers or the Dealers have represented that all offers and sales by them will be made on the same terms and in compliance with this prohibition.

The distribution of this Information Statement and the offer for the subscription or sale of Notes may be restricted by law in certain jurisdictions. Currently, the Notes are only available for subscription by South African residents. Persons into whose possession this Information Statement or any Notes come must inform themselves about, and observe, any such restrictions. In particular there are restrictions on the distribution of this Information Statement and the offer for the subscription or sale of Notes in the United States of America, the European Economic Area, the United Kingdom and South Africa.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold in the United States of America or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act (**Regulation S**)). The Notes will be offered and sold only in offshore transactions outside the United States of America in accordance with Regulation S and, subject to certain exceptions, may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, US persons.

Information and opinions presented in the Information Statement were obtained or derived from public sources that the Arrangers, the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors believe are reliable but make no representations as to the accuracy or completeness thereof. Any opinions, forecasts or estimates (if any) herein constitute a judgment as at the date of this Information Statement. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. Past performance should not be taken as an indication or guarantee of future performance and no representation or warranty, express or implied is made regarding future performance. The price, value of and income from any of the securities or financial instruments mentioned in this Information Statement (if any) can fall as well as rise. Any opinions expressed in this Information Statement are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of the Arrangers, the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors as a result of using different assumptions and criteria. Furthermore, the Arrangers or the Dealers (and their respective directors, employees, representatives and agents), the JSE Debt Sponsor, their Affiliates or any professional advisors accept no liability for any direct or indirect loss or damage incurred arising from the use of the material presented in this Information Statement, except as provided for by law.

All trademarks, service marks and logos used in this Information Statement are trademarks or service marks or registered trademarks or service marks of the Issuer. This Information Statement may not be reproduced without the prior written consent of the Issuer, the Arrangers or the Dealers. It may not be considered as advice, a recommendation or an offer to enter into or conclude any transactions.

Copies of this Information Statement are available by request from the registered offices of the Issuer.

INVESTOR CONSIDERATIONS / RISK FACTORS

Capitalised terms used in this section headed “Investor Considerations/Risk Factors” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section, or this is clearly inappropriate from the context.

The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information available to it at the date of this Information Statement (the **Information Statement Date**), or which it may not be able to anticipate at the Information Statement Date. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.*

Prospective investors should carefully consider the risks described below, as well as read the detailed information set out elsewhere in the Programme Memorandum to reach their own views prior to making any investment decision.

References below to the “Terms and Conditions”, in relation to Notes, shall mean the “Terms and Conditions of the Notes” set out under the section of the Programme Memorandum headed “Terms and Conditions of the Notes”.

Factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme

Risks Relating to the Issuer’s Business

Risk management is a transparent and centralised function that is independent of business operations. Together with enhancing risk awareness and promoting a strong institutional risk prevention and awareness culture across the Issuer, standards and controls have been developed in a proactive manner to ensure that risks are effectively managed. The Issuer has a robust risk management framework, and its governance structure provides for independent and regular reporting of risk issues to the Audit, Risk and Compliance Committee of the Board of Directors that include the Issuer’s performance across key risk indicators. The risk management framework is continually monitored and strengthened, commensurate with the development of the Issuer. The primary responsibility for risk management at an operational level rests with the management. Management and various committees are tasked with integrating the management of risk into the day-to-day activities of the Issuer, by monitoring related risk parameters and tolerance through policies and procedures under the strategy approved by the Board of Directors.

The Issuer is exposed to a variety of financial risks which includes credit risk, operational risk, liquidity risk and market risk including foreign exchange risk and interest rate risk. As a multilateral development bank, the Issuer aims to safeguard its capital base by taking prudent approaches and following international practices in identifying, measuring, monitoring and mitigating financial risks.

The Issuer’s operating activities expose it to a variety of financial and non-financial risks, which includes operational risk, credit risk, liquidity risk and market risk that incorporates exchange rate risk, interest rate risk and other price risk.

Credit risk

Credit risk is defined as risk of financial loss arising from the failure of the borrowers or other obligors of the Issuer, to meet their 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:

- (i) credit risk in its sovereign operations;
- (ii) credit risk in its non-sovereign operations; and
- (iii) 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. For loans without a sovereign guarantee, in addition to external credit ratings, the Issuer uses an internal credit assessment taking into account specific project, sector, macro and country credit risks. The Issuer's risk division 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. Regarding 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 December 31, 2022, 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.

Operational risk

Operational risk can be defined as being the risk of losses resulting from inadequate or failed internal processes, people and systems, or from external events. It thus excludes strategic and reputation risks but includes legal and regulatory risks. The Issuer's operational risk management framework is built on three key principles:

- (i) business units are responsible for directly managing operational risks in their respective functional areas;
- (ii) a dedicated central operational risk team coordinates the process and assists business units to anticipate, identify, mitigate, and control operational risk; and
- (iii) oversight is provided by the Audit, Risk and Compliance Committee and independent control functions such as the Internal Audit division.

The Issuer has established a comprehensive operational risk management framework and control system. However, a framework or control system, no matter how well designed and operated, can only provide reasonable, not absolute, assurance that the objectives of the control system will be satisfied. Inherent limitations in any system of controls include the possibility that judgments in decision making could be faulty and that breakdowns could occur as a result of simple human error or mistake. The design of the Issuer's control system is based in part upon certain assumptions about the likelihood of future events. There can be no assurance that the Issuer will not suffer losses from any failure of these

controls to detect or contain operational risk in the future. Consequently, the potential inadequacy of the Issuer's internal processes or systems may result in unauthorized transactions and errors not being detected, or the Issuer's insurance may not cover the Issuer's losses from such transactions or errors, which may have a material adverse effect on the Issuer's financial condition and/or results of operations.

Liquidity risk

The Issuer's liquidity risk arises largely in the following way:

- (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; and
- (ii) inability to liquidate an investment at a reasonable price within the required period of time.

The Issuer utilises a set of short-term, long-term and stressed metrics for identifying, monitoring and managing liquidity risk. The Issuer balances the placement and tenor of its liquid assets to optimise interest income and provide a source of liquidity for strategic and day-to-day cash needs, as well as meeting unanticipated funding requirements.

Despite having a conservative approach to liquidity risk, it does not mitigate entirely the possibility that liquidity shortages and severe market conditions may have an adverse impact on the Issuer's financial condition.

Market risk

Market risk is the risk that variations in market rates and valuation of the Issuer's assets, liabilities and off-balance sheet positions result in a loss to the Issuer. The Issuer's exposure to market risk is currently derived from interest rate risks, exchange rate risks and other price risks that emanate from the Issuer's operations. The Issuer has a conservative profile with limited appetite for market risk. The market risks are further described below:

Interest rate risk

Interest rate risk is defined as the risk of adverse impact on the Issuer's financial position, including its income and economic value, due to interest rate movements. The Issuer's lending and investment activities expose the Issuer to interest rate risk, whilst changes in the macro-economic environment significantly impact the movement of interest rate curves in different currencies to which the Issuer is exposed. Movements in global interest rates are mostly unpredictable.

Exchange rate risk

The exchange rate risk the Issuer faces arises from the impact of exchange rate variations on net unhedged positions in non-USD currencies. Movements in currencies, in which the Issuer transacts, relative to its functional currency (USD), may affect the Issuer's results. In addition, the policies of the governments of the Issuer's member states can have a material impact on foreign currency exchange rates and such policies are subject to change. The Issuer is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position. The Issuer maintains a net exchange position limit to contain its exchange rate risk exposure and seeks to match the currency of its assets with the currency of the corresponding funding source. The Issuer uses currency derivative contracts to align the currency composition of its liabilities to its assets.

Other price risk

Other price risk is primarily about the unfavourable changes of fund price and other financial instruments prices that cause financial losses. Quantitatively, the other price risk the Issuer faces is mainly the proportionate fluctuation in the Issuer's profits due to the price fluctuation of the financial instruments. The Issuer monitors the investment position on a regular basis.

Whilst the Issuer has low appetite for market risk and believes that it has implemented the appropriate policies, systems and processes to minimise these risks, investors should note that a worsening of

current global financial market conditions could lead to decreases in investor and consumer confidence, market volatility, economic disruption and, as a result, could have an adverse effect on the business, results of operations, financial condition and prospects of the Issuer irrespective of steps currently taken to adequately control these risks.

Risks Relating to the Notes

The Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in the Programme Memorandum or any applicable pricing supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio and the risk of potential losses arising from investment in the Notes;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial and legal adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

There may not be an active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the government of South Africa or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In addition, if in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Because uncertificated Notes are held in the CSD, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Notes issued under the Programme which are listed on the Interest Rate Market of the JSE or such other or additional Financial Exchange and/or held in the CSD may, subject to Applicable Laws and the Applicable Procedures, be issued in uncertificated form. Unlisted Notes may also be held in the CSD in uncertificated form. Notes held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the CSD. Except in the limited circumstances described in the Terms and Conditions, investors will not be entitled to receive Individual Certificates. The CSD will maintain records of the Beneficial Interests in Notes issued in uncertificated form, which are held in the CSD (whether such Notes are listed or unlisted). Investors will be able to trade their Beneficial Interests only through the CSD and in accordance with the Applicable Procedures.

Issuer will discharge its payment obligations under the Notes by making payments of principal and/or interest in respect of uncertificated Notes to the CSD or the Participants for distribution to their account holders. A holder of a Beneficial Interest in uncertificated Notes, whether listed or unlisted, must rely on the procedures of the CSD to receive payments under the relevant Notes. Each investor shown in the records of the CSD or the Participants, as the case may be, shall look solely to the CSD or the Participant, as the case may be, for their share of each payment so made by the Issuer to the registered holder of such uncertificated Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, such Beneficial Interests.

Holders of Beneficial Interests in uncertificated Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the CSD to appoint appropriate proxies.

Recourse to the JSE Debt Guarantee Fund Trust

The holders of Notes that are not listed on the Interest Rate Market of the JSE are not regulated by the JSE and will have no recourse against the JSE Debt Guarantee Fund Trust. Claims against the JSE Debt Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the JSE Debt Guarantee Fund Trust.

Credit Rating

Tranches of Notes issued under the Programme and/or the Issuer, may be rated or unrated. A Rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Any amendment in the Rating of the Tranches of Notes issued under the Programme and/or the Issuer will be announced on SENS.

Risks related to the structure of the particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any

redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the Interest Rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the Interest Rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index-Linked and Dual Currency Notes

The Issuer may issue Notes the terms of which provide for interest or principal payable in respect of such Notes to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**) or with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the Nominal Amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly paid Notes

The Issuer may issue Notes where the Issue Price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing part of its investment due in form of such subsequent instalment.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Variable Rate Notes with a multiplier or other leverage factor

Notes with variable Interest Rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the Interest Rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer

converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate may at any time be lower than the Interest Rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing Interest Rates on its Notes.

Notes where denominations involve integral multiples: Individual Certificates

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive an Individual Certificate in respect of such holding and would need to purchase a Nominal Amount of Notes such that its holding amounts to a minimum Specified Denomination.

If Individual Certificates are issued, holders should be aware that Individual Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Modification and waivers and substitution

The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and/or vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Change of law

The Notes are governed by, and will be construed in accordance with, South African law in effect as at the Programme Date. No assurance can be given as to the impact of any possible judicial decision, change to South African law or administrative practice in South Africa after the Programme Date.

The value of and return on any Notes linked to a benchmark may be adversely affected by ongoing national and international regulatory reform in relation to benchmarks

The reform of interest rate benchmarks may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such "benchmark".

It is not possible to predict with certainty whether, and to what extent, ZAR-JIBAR-SAFEX or any other benchmark will continue to be supported going forward. This may cause ZAR-JIBAR-SAFEX or any other such benchmark to perform differently than they have done in the past, and may have other consequences which cannot be predicted. The potential elimination of ZAR-JIBAR-SAFEX or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Terms and Conditions of the Notes, or result in other consequences, in respect of any Notes referencing such benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any benchmark reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark. A full copy of the Consultation Paper, the Benchmark Reform Feedback Report and the TSP are available at <https://www.resbank.co.za/Markets/Pages/default.aspx>.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to

determine whether and to what extent (1) Notes are legal investments for it/them, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its/their purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

DESCRIPTION OF NEW DEVELOPMENT BANK

Capitalised terms used in this section headed “*Description of New Development Bank*” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section, or this is clearly inappropriate from the context.

1. BACKGROUND AND HISTORY

- 1.1 The leaders 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 the BRICS countries, signed the Agreement on the New Development Bank and its annexed Articles of Agreement of the New Development Bank (the **Articles of Agreement**) on 15 July 2014. The Agreement on the New Development Bank and its annexed Articles of Agreement entered into force on 3 July 2015 formalising the establishment of New Development Bank (the **Issuer**) as a multilateral development bank. The Issuer is headquartered in Shanghai, China.
- 1.2 The purpose of the Issuer is to mobilise resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries to complement the existing efforts of multilateral and regional financial institutions for global growth and development.
- 1.3 In addition to the founding members, membership is open to members of the United Nations at such times and in accordance with such terms and conditions as the Issuer shall determine by a special majority at a meeting of the Board of Governors. The Issuer’s membership expansion is in line with its strategy to be positioned as the premier development institution for emerging economies.
- 1.4 On 16 September 2021, 4 October 2021 and 20 February 2023, People’s Republic of Bangladesh (**Bangladesh**), the United Arab Emirates (**UAE**) and Arab Republic of Egypt (**Egypt**), respectively, became new members of the Issuer. The Oriental Republic of Uruguay (**Uruguay**) is a prospective member of the Issuer and has been admitted by the Board of Governors. Uruguay will become an official member of the Issuer once the country deposits its instruments of accession.
- 1.5 The initial authorized capital of the Issuer is USD 100 billion and the initial subscribed capital of the Issuer is USD 50 billion according to the Articles of Agreement. Each BRICS country shall initially subscribe for 100,000 shares, totalling USD 10 billion, of which 20,000 shares correspond to paid-in capital and 80,000 shares correspond to callable shares. This unique shareholding structure allows the founding members of the Issuer to have equal voting power while none of them holds veto power over any matter.
- 1.6 Bangladesh joined the Issuer as a borrowing member and subscribed 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. UAE joined the Issuer as a non-borrowing member and subscribed to 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 as a borrowing member and subscribed 11,960 shares in a total amount of USD 1196.0 million, of which USD 239.2 million are paid-in capital and USD 956.8 million are callable capital. As of the date of this Information Statement, the Issuer has fully received USD 10 billion paid-in capital from the five founding BRICS members and first instalment of paid-in capital from Bangladesh, UAE and Egypt. The Issuer’s high level of capitalisation places it amongst the largest multilateral development banks globally.

- 1.7 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.

Country	Number of Shares	Share Holding (% of Total)	Voting Rights (% of Total)
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
Unallocated Shares	473,060	-	-
Total	1000,000	100	100

2. MANAGEMENT STRATEGY

On 19 May 2022, the Board of Governors of the Issuer approved the Issuer's General Strategy document for 2022 to 2026. An outline of the Issuer's General Strategy can be accessed at the following link: <https://www.ndb.int/about-ndb/general-strategy/>.

2.1 Business operations

2.1.1 Lending Approach

The Issuer's main operational objectives are:

- To foster the development of member countries and other emerging economies and developing countries;
- To support economic growth; and
- To build a knowledge sharing platform among developing countries.

To fulfil its purpose, the Issuer supports both public and private projects, through loans, guarantees, equity participation, as well as other financial instruments.

2.2 Funding

2.2.1 The funding strategy aims to ensure that enough resources are available to meet the Issuer's liquidity needs, driven by the expanding loan portfolio as well as its operating and other expenses.

2.2.2 The Issuer will raise funds in global capital markets and local capital markets of its members with due regard to hedging mechanisms and adequate policies.

2.2.3 The Issuer will use a diversified portfolio of funding instruments in local currencies of member countries, as well as other currencies based on the parameters of its loan portfolio and demand from its borrowers and investors.

2.2.4 The Issuer will continue actively exploring opportunities of green financing instruments, including green bond issuances.

2.3 **Investments**

The Issuer pursues a conservative investment policy wherein the cash proceeds are placed in highly rated and highly liquid financial instruments.

3. **GOVERNANCE**

3.1 The Issuer has the board of governors of the Issuer (the **Board of Governors**), the board of directors (the **Board of Directors**), the president of the Issuer (the **President**) and four vice presidents (the **Vice-Presidents**) as decided by the Board of Governors, and such other officers and staff as considered necessary.

3.2 All the powers of the Issuer are vested in the Board of Governors. The Board of Directors are responsible for the conduct of the general operations of the Issuer, and for this purpose, exercises all the powers delegated to them by the Board of Governors.

3.3 The President is the chief of the operating staff of the Issuer and conducts, under the direction of the Board of Directors, the ordinary business of the Issuer.

3.4 The Issuer's governance structure supports its commitment to operate in a prudent manner and provides oversight, control and guidance.

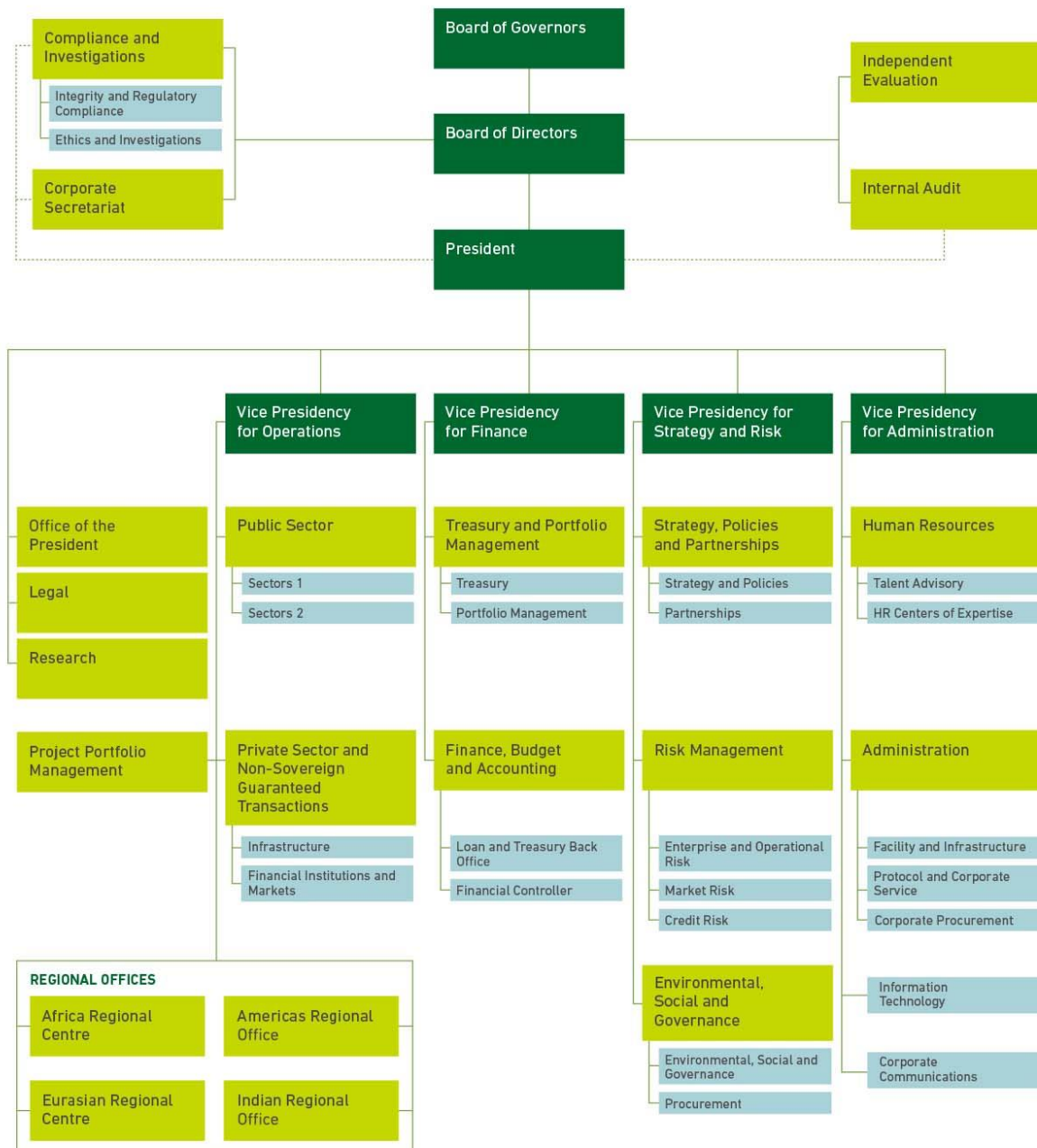
3.5 As a multilateral development bank, the Issuer is committed to promoting the highest levels of transparency, responsible conduct, integrity and accountability. The Issuer's Articles of Agreement elaborate the key governance structures, clearly defining the respective roles of the Board of Governors, Board of Directors, President, the Vice-Presidents and the senior management. In order to assist the Board of Directors in discharging its oversight and decision-making responsibilities, committees have been established to consider the audit, compliance, risk, budget, human resources, among other areas. Furthermore, the Board of Directors have adopted the Board of Directors governance structure, which elaborates the role of the committees constituted by the Board of Directors.

3.6 The Issuer functions under the oversight of the Board of Governors and the Board of Directors. The senior management team comprises of the President and four Vice Presidents. The Board of Governors, Board of Directors and the senior management team have extensive experience in dealing with and managing multilateral development banks and are dedicated to building an organisation that holds itself to the highest standards of corporate governance and operational effectiveness.

3.7 As at the Information Statement Date, the organisational structure of the Issuer can be depicted as follows:

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.



- 3.8 The Issuer’s Articles of Agreement, board-approved policies as well as code of business conduct and ethics can be accessed using the following link: <https://www.ndb.int/governance/transparency-reporting/>.

3.9 Board of Governors

- 3.9.1 The Board of Governors is the highest decision making authority of the Issuer. Each member country appoints one governor at the ministerial level and one alternate governor. Every year the Board of Governors elects one of the governors to act as a chairperson. As at the Information Statement Date, the chairperson of the Board of Governors of the Issuer is the governor appointed by India on the board.
- 3.9.2 All the powers of the Issuer vest in the Board of Governors. The Board of Governors has delegated to the Board of Directors authority to exercise a wide range of powers but retains the powers to make certain strategic decisions, such as the approval of the general strategy of the Issuer, expansion of membership, increase and decrease the capital stock, authorising the conclusion of general agreements for cooperation with other international organizations, approving the annual accounts, among other areas.
- 3.9.3 The Board of Governors is required to hold an annual meeting and such other meetings as may be provided for by the Board or called by the Board of Directors.
- 3.9.4 The following is a list of the members of the Board of Governors as at the Information Statement Date:

Name	Position
Mr. 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	Chairman of the Board of Governors, 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 United Arab Emirates
Dr Mohamed Maait	Minister of Finance of Egypt

3.10 Board of Directors

- 3.10.1 In line with Issuer’s lean governance structure, the Issuer has a non-resident Board of Directors. According to the Articles of Agreement, which sets out the process for the appointment of the Board of Directors and which is available on the Issuer’s website at <https://www.ndb.int/wp-content/uploads/2022/11/Agreement-on-the-New-Development-Bank.pdf>, each of the founding members appoints one director and one alternate director to the Board for a term of two years, and additional directors and alternates could be elected by non-founding members. The total number of directors should be no more than ten. The directors may be re-elected. The President is also a member of the Board of Directors, but shall have no vote except a deciding vote in case of an equal division amongst the directors. Following the accession of Bangladesh, Egypt and UAE, the Issuer’s first multi-country constituency was formed in 2021. This constituency is currently headed by Ms. Thuraiya Hamid Alhashmi, appointed by UAE.

3.10.2 The Issuer shall have up to ten constituencies, of which five are founding members' single member constituencies and the remaining ones shall be constituencies chaired by an additional director with the help of up to two additional alternates, depending on the number of members in the constituencies. As of date, the Issuer has six constituencies, of which one each is a constituency of Bangladesh, the UAE and Egypt.

3.10.3 The Board of Directors are responsible for the conduct of general operations of the Issuer, and for this purpose, it exercises all the powers delegated to them by the Board of Governors, and in particular take decisions concerning business strategies, country strategies, loans, guarantees, equity investments, borrowing by the Issuer, setting basic operational procedures and charges, furnishing of technical assistance and other operations of the Issuer; submitting the accounts for each financial year for approval of the Board of Governors at each annual meeting; approving the budget of Issuer. The Board of Directors are required to meet at least quarterly and may convene meetings electronically as needed.

3.10.4 The following is a list of the members of the Board of Directors as at the Information Statement Date:

Name	Position
Tatiana Rosito	Secretary for International Affairs, Ministry of Finance of Brazil
Timur Maksimov	Deputy Minister of Finance of Russia
Manisha Sinha	Additional Secretary, Department of Economic Affairs, Ministry of Finance of India
Zhijun Cheng	Director General, Department of International Economic and Financial Cooperation, Ministry of Finance of China
Dondo Mogajane	Interim Chairperson of the Board of the Government Employees Pension Fund of South Africa
Ms. Thuraiya Hamid Alhashmi	Acting Director, International Financial Relations and Organizations Department, Ministry of Finance, United Arab Emirates

3.10.5 The corporate secretary of the Issuer is Yolande Dwarika, whose address is at Issuer's headquarters, 1600 Guozhan Road, Pudong New District, Shanghai, 200126 China.

3.10.6 The debt officer of the Issuer is Leslie Maasdorp whose address is at Issuer's headquarters, 1600 Guozhan Road, Pudong New District, Shanghai, 200126 China.

3.11 Senior Management

3.11.1 Under the leadership of the President, the Issuer's management is responsible for conducting the ordinary business of the Issuer. The President is the chief of the operating staff of the Issuer and is elected by the Board of Governors, on a rotational basis among the five founding BRICS members, for a mandate of five years. The Vice Presidents, at least one from each founding BRICS member except the country represented by the President, are appointed by the Board of Governors, based on the President's recommendation.

3.11.2 The management team is highly experienced in areas such as multilateral banking, commercial banking, corporate finance and public policy.

3.11.3 As at the Information Statement Date, the following is a list and profile of the Senior Management team members:

Name	Profile
<p>Dilma Rousseff (President)</p>	<p>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.</p> <p>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.</p> <p>Internationally, she 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.</p> <p>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>Dilma Rousseff holds no directorships.</p>
<p>Anil Kishora (Vice President, Chief Risk Officer)</p>	<p>Mr. Anil Kishora is Vice-President and CRO of NDB.</p> <p>Mr. Anil Kishora had worked in India's largest bank, the State Bank of India (SBI) for about 38 years. During his long career, Mr. Anil Kishora had exposure to all areas of SBI operations.</p> <p>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,</p>

Name	Profile
	<p>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> <p>Mr, Anil Kishora holds no directorships.</p>
<p>Vladimir Kazbekov (Vice President, Chief Operating Officer)</p>	<p>Mr. Kazbekov started his career in the Russian Ministry of Foreign Affairs, predominantly in Asian countries, where he served for nearly 20 years before being appointed as the Deputy Director of the Foreign Policy Department of the Presidential Executive Office of the Russian Federation. Mr. Kazbekov gained more than 15 years of experience in development banking at the Russian National Development Bank, Vnesheconombank, where he was appointed as an executive and contributed extensively to the development of the BRICS interbank cooperation mechanism.</p> <p>Mr. Kazbekov holds no directorships.</p>
<p>Qiangwu Zhou (Vice President, Chief Administrative Officer)</p>	<p>Mr. Qiangwu Zhou is Vice-President and CAO of the New Development Bank.</p> <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.</p> <p>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.</p> <p>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.</p> <p>Mr. Zhou has several publications on international economics. He holds a master's degree from Peking University, China.</p> <p>Mr. Qiangwu Zhou holds no directorships.</p>
<p>Leslie Maasdorp (Vice President, Chief Financial Officer)</p>	<p>Over the past 25 years, Mr. Maasdorp has occupied senior leadership roles in both private and public sectors. Most recently, he served as President of Bank of America Merrill Lynch for Southern Africa. Prior to that he served in a dual role as Vice-Chairman of Barclays Capital and ABSA Capital. In 2002, he was the first African to be</p>

Name	Profile
	<p>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 special advisor to the Minister of Labour and in 1999 was appointed as Deputy Director General of the Department of Public Enterprises. He is a former Chairman and CEO of Advtech, a leading provider of private education in South Africa.</p> <p>Mr. Maasdorp is a director of the following companies:</p> <ul style="list-style-type: none"> •Likamva Resources; •Lmm Holdings; •Sungold Solar 1; •Yard Investment Holdings; •Navitas Holdings; and •Business Venture Investments No 1410.

3.11.4 **Declarations by the Senior Management:**

The Issuer confirms that none of its Senior Management team members have:

- (a) ever been adjudged bankrupt, insolvent or sequestrated in any jurisdiction;
- (b) ever been convicted of an offence resulting from dishonesty, fraud, theft, forgery, perjury, misrepresentation or embezzlement;
- (c) ever been involved in any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of section 129(7) of the South African Companies Act, 2008 (the **Companies Act**) (or an equivalent law in the jurisdiction relevant to such Senior Management team member), receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary compromise arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company; where such person is or was a director, with an executive function within such company at the time of, or within the 12 months preceding, any such event(s);
- (d) ever been involved in any compulsory liquidations, administrations or partnership voluntary compromise arrangements of any partnerships where they were partners at the time of, or within the 12 months preceding such event(s);
- (e) ever been involved in the receiverships of any asset(s) of such person or of a partnership of which the person is or was a partner at the time of, or within the 12 months preceding, such event;
- (f) ever been involved in any bankruptcies or insolvencies in a personal capacity nor any individual voluntary compromise arrangements;
- (g) ever been disqualified by any court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- (h) ever been found guilty in disciplinary proceedings by an employer or regulatory body due to dishonest activities;

- (i) ever been barred from entry into any profession or occupation;
- (j) ever been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act (or an equivalent law in the jurisdiction relevant to such Senior Management team member);
- (k) ever been removed from an office of trust, on the grounds of misconduct and involving dishonesty; and
- (l) ever been declared delinquent or placed under probation under the Companies Act in terms of section 162 of the Companies Act and/or section 47 of the South African Close Corporations Act, 1984 (or an equivalent law in the jurisdiction relevant to such Senior Management team member) or disqualified to act as a director in terms of section 219 of the Companies Act (or an equivalent law in the jurisdiction relevant to the Senior Management team member).

The Issuer's approach to good corporate governance

- 3.12.1 The King Report on Corporate Governance for South Africa and the King Report and Code of Governance Principles (the **King IV Code**) applies to entities incorporated and resident in South Africa. As a multilateral development bank, the Issuer is not established nor is it resident in South Africa. Accordingly, the King IV Code is not applicable to the Issuer and the Issuer does not comply with the King IV Code. The Board of Governors and its committees are responsible for establishing effective leadership, ethical practices and ensuring the appropriate application of governance practices and principles. This is a common feature of multilateral development banks globally.
- 3.12.2 All activities of the Issuer are governed by board-approved policies and the code of business conduct and ethics. Board-approved policies outline internal self-assessment mechanisms to ensure compliance to internal policies and processes, and code of business conduct, which is available on the Issuer's website at <https://www.ndb.int/governance/transparency-reporting/#tabbed-standard>, outlines the Issuer's management of conflicts of interest in respect of the Board of Directors and senior management. These mechanisms are aimed at managing risk, promoting transparency, and upholding responsible conduct and integrity. Accountability is also ascertained during internal audit and independent evaluation. The Issuer has also adopted anti-corruption, anti-fraud and anti-money laundering policy. The board-approved policies and codes are available on the Issuer's website at <https://www.ndb.int/governance/transparency-reporting/>.
- 3.12.3 The Issuer is committed to promoting the highest levels of accountability, responsible conduct, integrity and transparency, and the Board of Directors monitors the Issuer's application of its internal governance standards and governance policies.
- (a) **Accountability**
- The board-approved policies outline internal self-assessment mechanisms to ensure compliance to internal policies and processes. These mechanisms are aimed at managing risk, promoting transparency, and upholding responsible conduct and integrity. Issuer's compliance with board approved policies is continually monitored throughout the organisation and policies are regularly reviewed and updated as necessary. Accountability is also ascertained during internal audit and independent evaluation.

(b) **Upholding responsible conduct and integrity**

The Issuer and its employees recognise that trust in a financial institution is based on responsible conduct and commitment to integrity in all its dealings. All activities of the Issuer are governed through a board-approved code of business conduct and ethics that emphasizes the principles of transparency, accountability and integrity. The Issuer has further adopted anti-corruption and anti-money laundering principles to underscore its commitment to the global fight against corruption, money laundering and terrorism financing. Whistleblowing procedures are established and continuously reviewed to ensure that the Issuer is updated about alleged misconduct and instances of corruption and money laundering, if any, in the course of deploying its funds to projects or for corporate procurement purposes.

(c) **Transparency**

The Issuer is guided by an underlying presumption that information concerning its activities will be made available in a timely manner to the public in the absence of an appropriate reason for confidentiality, in accordance with the Issuer's board approved information disclosure policy. Transparency will strengthen the credibility of and the confidence in the institution and will allow the scrutiny of stakeholders and the public in general, which will help the Issuer to review and improve its procedures. Public information includes the following broad categories: governance information, operational information, financial information, policies and strategies of the Issuer.

- 3.12.4 The Issuer has established a number of appropriately constituted committees to support the application of governance practices and principles. The committees are described in more detail below and the links to the policies relating to the application of relevant governance practices and principles can be found on the Issuer's website <https://www.ndb.int/data-and-documents/ndb-core-documents/>.

3.13 Committees

- 3.13.1 The Articles of Agreement of the Issuer stipulate that the Board of Directors, in exercising their functions, shall appoint a Credit and Investment Committee or any such other committees as it deems advisable for carrying out the general operations of the Issuer. Consequently, the Board of Directors has approved the constitution of several committees to assist it in discharging its oversight and decision making responsibilities.
- 3.13.2 The committees which comprised of members from the Board of Directors are the Audit, Risk and Compliance Committee and the Budget, Human Resources and Compensation Committee. The committees comprised of Senior Management are the Credit and Investment Committee, the Finance Committee, the Operations Sub-Committee and the Treasury Sub-Committee.

(a) **Audit, Risk and Compliance Committee**

The Audit, Risk and Compliance Committee of the Issuer is comprised of all of the board members and is responsible for assisting the Board with regard to fulfilling its corporate governance oversight responsibilities for the audit, risk and compliance of the Issuer. The Audit, Risk and Compliance Committee meets at least four times a year.

The purpose of the Audit, Risk and Compliance Committee is to assist the Board of Directors in fulfilling its corporate governance oversight responsibilities with regard to:

- i. The integrity of the Issuer's financial statements;

- ii. Review and monitoring of the Issuer's independent registered auditors and their qualifications and independence;
- iii. The performance of the internal audit function and independent registered auditors;
- iv. The deployment of policies and assessing adequacy of outcomes;
- v. Compliance with legal and other requirements with a view to ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting;
- vi. Identification, evaluation and mitigation of credit, market and operational risks of the Issuer;
- vii. Overall responsibility for monitoring and approving the risk management framework and associated practices of the Issuer; and
- viii. Reviewing and approving risk disclosures statements in public documents or disclosures

The primary role of the Audit, Risk and Compliance Committee is to oversee the financial reporting and disclosure process, the compliance with the Issuer's code of business conduct and ethics, qualification and independence of the external and internal audit team, adequacy and reliability of the internal control systems, especially those relating to the reporting of the Issuer's financial statements, as well as effective implementation of the risk framework.

The Chairperson of the Audit, Risk and Compliance Committee is Mr. Rajat Kumar Mishra of South Africa. The Chairperson is appointed through a consultative process of the board facilitated by the chairperson of the board and shall not be the chairperson of the Board of Directors. In the event that the chairperson is not present at the meeting, the Audit, Risk and Compliance Committee shall elect an acting chairperson. The corporate secretary acts as the secretary to the Audit, Risk and Compliance Committee.

The Audit, Risk and Compliance Committee meets quarterly or as needed.

(b) Budget, Human Resources and Compensation Committee

The Budget, Human Resources and Compensation Committee assists the Board of Directors in fulfilling its corporate governance oversight responsibilities regarding the budget, human resources and compensation related activities of the Issuer and undertakes the functions provided for under the code of conduct for board officials.

To fulfil this obligation, the Budget, Human Resources and Compensation Committee relies on the Issuer's management for the preparation and execution of budgets in accordance with organisational objectives; for preparation of and revisions to the human resources policies as well as associated policies related to compensation and benefits.

The Budget, Human Resources and Compensation Committee comprises of all members of the board. The chairperson of the Budget, Human Resources and Compensation Committee is appointed through a consultative process facilitated by the chairperson of the board. The chairperson of the Budget, Human Resources and Compensation Committee shall not be the chairperson of the Board of Directors or the chairperson of any other committee. The chairperson is Mr. Zhijun Cheng, Director for China. The corporate secretary acts as the secretary to the committee. The Budget, Human Resources and Compensation Committee meets quarterly or as needed.

(c) Credit and Investment Committee

The purpose of the Credit and Investment Committee is to assist the board with regard to fulfilling its responsibilities for the credit activities of the Issuer.

The Credit and Investment Committee is expected to satisfy itself that the Issuer's credit activities are adequate and effective. In this regard, the specific responsibility that the Credit and Investment Committee carries out on behalf of the board is to make appropriate recommendations to the Board of Directors on loans, guarantees, equity investments and technical assistance.

The Credit and Investment Committee comprises of the President and four Vice-Presidents of the Issuer. The chairperson of the Credit and Investment Committee is the President of the Issuer. In the absence of the President, the Vice-Presidents may elect amongst themselves one of the Vice-Presidents to chair the meeting. The corporate secretary acts as the secretary to the Credit and Investment Committee. The Credit and Investment Committee meets monthly or as needed.

(d) Finance Committee

The Finance Committee has oversight responsibility on financial matters of the Issuer relating to credit/operations, treasury and risks associated thereto. In this regard, the specific responsibilities relating to oversight of and recommendations to the board is on the areas of financial policies and guidelines, financial operations including loan loss provisioning, asset and liability management and financial risk management.

The Finance Committee comprises of the President and four Vice-Presidents. The Finance Committee is chaired by the President. In the absence of the President, the Vice-Presidents may elect amongst themselves one of the Vice-Presidents to chair the meeting. If a member of the Finance Committee ceases to be a staff member of the Issuer, a replacement will be appointed. The Corporate Secretary acts as the Secretary to the Finance Committee. The Finance Committee meets monthly or as needed.

(e) Operations Sub-Committee

The Operations Sub-Committee is expected to satisfy itself that the Issuer's credit management activities are adequate and effective. In this regard, the specific responsibilities of the Operations Sub-Committee is to monitor credit specific financial policies, credit risk management and review of loan loss provisioning.

The Operations Sub-Committee comprises of two groups of members. Group A comprises of the four Vice-Presidents and Group B comprises of six directors general from treasury department, risk department, operations department, compliance department, finance department and the general counsel. The Operations Sub-Committee is co-chaired by the Vice-Presidents. If a member of the Operations Sub-Committee ceases to be a staff member of the Issuer, a replacement will be appointed. The designated person from the risk department shall act as the secretary to the Operations Sub-Committee.

The Operations Sub-Committee meets quarterly or as needed.

(f) **Treasury Sub-Committee**

The Treasury Sub-Committee is expected to satisfy itself that Issuer's treasury activities are adequate and effective. In this regard, the specific responsibilities of the Treasury Sub-Committee is to develop and monitor the treasury business strategy, treasury risk management including limit monitoring, liquidity, monitor treasury specific policies and asset liability management.

The Treasury Sub-Committee comprises of two groups of members. Group A comprises of the four Vice-Presidents and group B comprises of six directors general from treasury department, risk department, operations department, compliance department and the general counsel. The Treasury Sub-Committee is co-chaired by the Vice-Presidents. If a member of the Treasury Sub-Committee ceases to be a staff member of the Issuer, a replacement will be appointed. The designated person from the Finance, Budget and Accounting department shall act as the secretary to the Treasury Sub-Committee. The Treasury Sub-Committee meets quarterly or as needed or as needed.

SIGNED at SHANGHAI on this the 10th day of August 2023.

For and on behalf of
NEW DEVELOPMENT BANK



Name: Syed Yousuf Ali
Capacity: Director General, Treasury and Portfolio Management
Who warrants his/her authority hereto



Name: Leslie Warren Maasdorp
Capacity: Vice President and Chief Financial Officer
Who warrants his/her authority hereto

CORPORATE INFORMATION

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+86-160-188-3388

ARRANGERS**LEAD-ARRANGER**

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(acting through its Corporate and Investment
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South Africa
Contact: Head of Debt Capital Markets
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CO-ARRANGER

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(acting through its Corporate and Investment
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