New Development Bank

NDB OVERVIEW

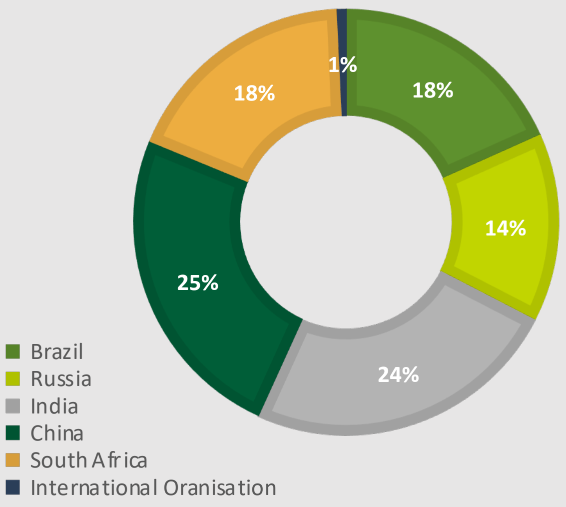
March 2023

1 OVERVIEW OF NDB

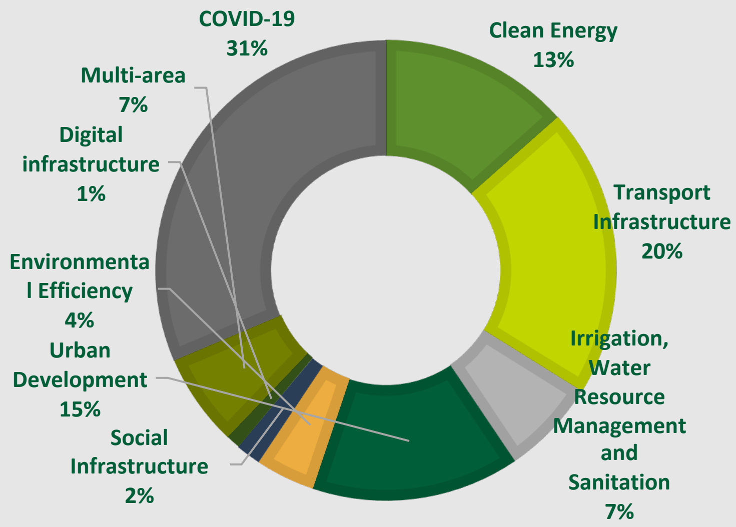
Support for Infrastructure and Sustainable Development

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

BY COUNTRY



BY OPERATION AREA



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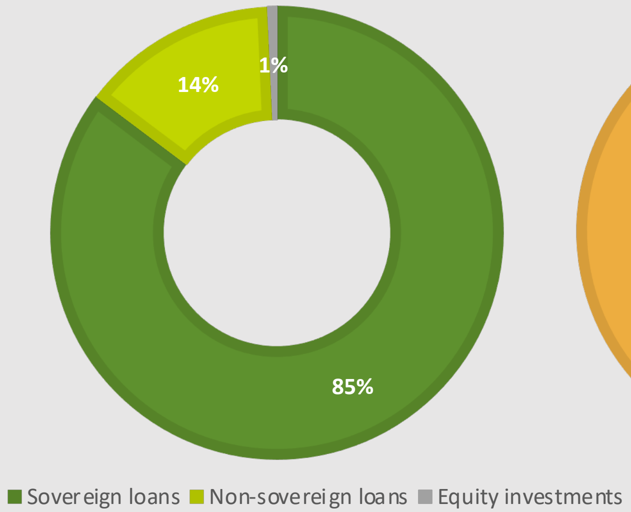
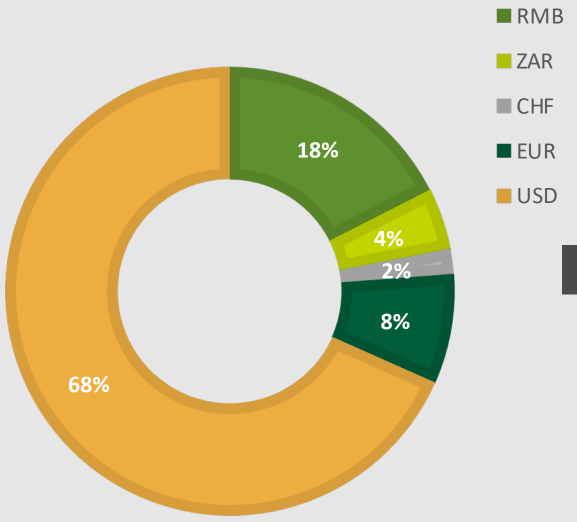


BY CURRENCY



[1] Loans are classified by total loan notional, in approximate US$ terms. Figures may not tally due to rounding differences
[2] As of June 30, 2022. Weighted average credit rating of projects approved is BB+. List of all approved investment projects is available at: https://www.ndb.int/projects/list-of-all-projects/

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2 NDB STRATEGY 2022 - 2026

SCALING UP DEVELOPMENT FINANCE FOR A SUSTAINABLE FUTURE

STRATEGIC IMPERATIVES:
Mobilising Resources

Mobilizing Private Capital

NDB will ramp up its mobilization capacity including raising capital through private sources

Co-financing with other MDBs

Co-funding, collaboration and mobilization of finance through establishing funding partnerships.

Expanding NSO & local currency ops

The strategy cycle will see an expansion of non-sovereign operations, financing in local currencies

Raising & Deploying Funding

Borrowing in local currency

Bank to increase borrowings in emerging market currencies which will be a key components of NDB's funding strategy

Thematic bond issuance

Subject to cost considerations, expanding its bond offerings and increasing borrowings in emerging market currencies will be key components of NDB's funding strategy

STRATEGIC IMPERATIVES: Financing for impact

- *Clean energy and energy efficiency:* The NDB will prioritise projects that entail deployment of clean and renewable energy.
- *Transport infrastructure:* Support for inter-city an intra-city transport networks as well regional connectivity.
- *Water and sanitation:* Support for projects that facilitate universal access to clean drinking water and sanitation.
- *Environmental protection:* Support for projects that involve conservation and restoration of eco systems.
- *Social infrastructure:* Supporting building and modernisation of social infrastructure.
- *Digital infrastructure:* Finance for projects that entail the expansion and modernisation of digital infrastructure.

3 LENDING MODALITIES

Lending Modalities

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Public Sector Financing

Sovereign and Sovereign Guarantee

- National Treasury and State Owned Companies (SOC) with explicit government guarantee
- Counter Party limit limited to 10% of the total NDB entire portfolio.
- Pricing is standard for both sovereign and sovereign guarantee funding to SOC as published on NDB website
- Standard NDB General Conditions applicable to all transactions

Sub-Nationals/ Municipalities

- Municipalities and Provincial Government.
- International Credit Rating not lower than one notch below sovereign rating
- Counter party limit to USD 300 million
- Risk based pricing

Private Sector and Non Sovereign Guarantee

Corporate Funding

LARGE CORPORATES, SOC WITHOUT GOVERNMENT GUATANTEES AND NATIONAL FINANCIAL INSTITUTIONS

- Counterparty limit of USD 300 million.
- ZAR and USD Funding.
- Risk based pricing.
- Tenures up to 15 years depending on the current debt portfolio.

Project Finance

- Co Funding with other local DFI's.
- Limit of up to 25% of the total project costs.
- Concessions, Limited recourse structures, tenures depending on the contract

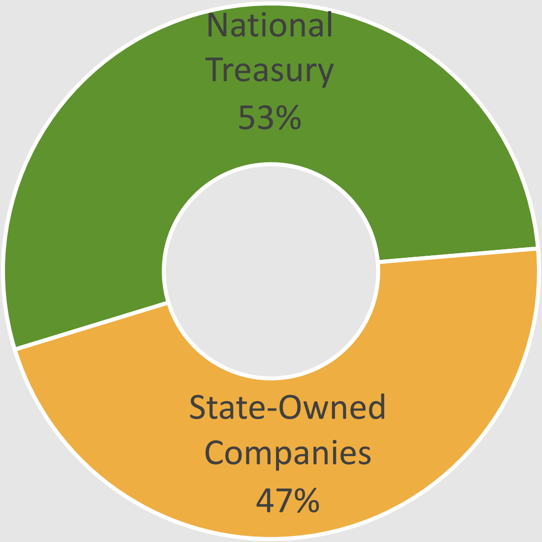
4 Operations in South Africa

Current Portfolio – South Africa

NDB Board of Directors approved 12 projects in South Africa for a total amount of US$ 5.6 bn[1]

79% of the total amount of approved projects are denominated in USD, and 21% in ZAR currencies

BY BORROWER



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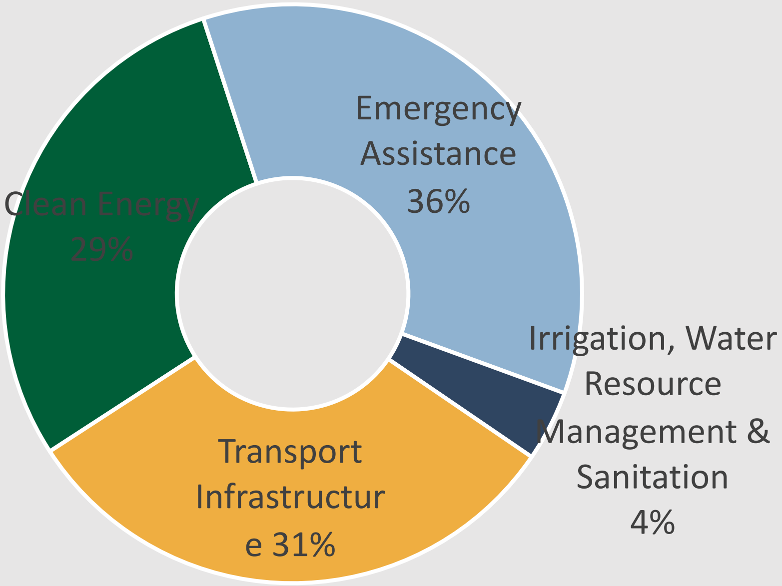

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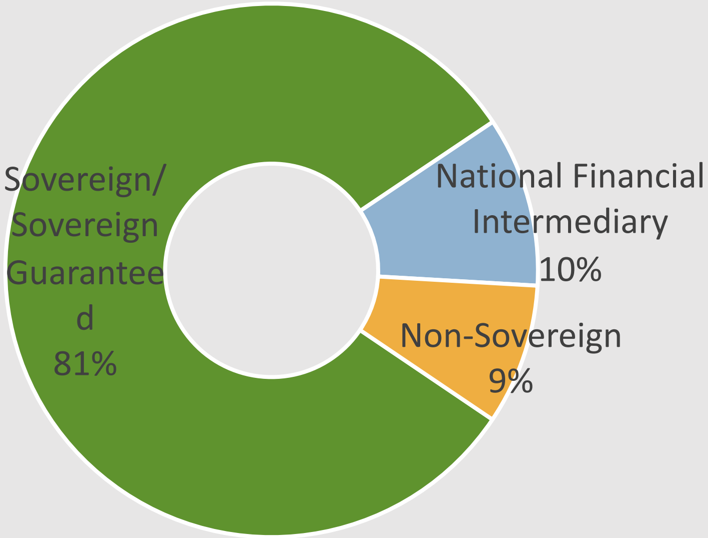

[1] Loans are classified by total loan notional, in approximate US$ terms. Figures may not tally due to rounding differences

[2] As of January, 2023. Weighted average credit rating of projects approved is BBB-. List of all approved investment projects is available at: https://www.ndb.int/projects/list-of-all-projects/

Detail List of projects approved – South Africa

Year	Borrower	Public/ Private	Project Name	Sector	Amount
2016	Eskom Holdings SOC Limited	Public	Transmission Lines	Energy	USD 180 million
2018	Transnet SOC Limited	Private	Modernisation of Durban Container Terminal Port	Transportation	ZAR 3,5 billion
2018	Development Bank of Southern Africa SOC Limited (DBSA)	DFI	Renewable Energy Sector	Energy	USD 300 million
2019	Eskom Holdings SOC Limited	Public	Medupi Flue Gas Desulphurisation Project	Energy	USD 480 million
2019	Industrial Development Bank SOC Limited	DFI	Renewable Energy Sector	Energy	ZAR 1.15 billion
2019	Trans-Caledon Tunnel Authority SOC Limited (TCTA)	Public	Lesotho Highlands Water Project Phase 2	Water	ZAR 3.2 billion
2019	SANRAL SOC Limited	Public	National Toll Road Program	Transport	ZAR 7 billion
2019	Eskom Holdings SOC Limited	Public	Battery Energy Storage System Project	Energy	ZAR 6 billion
2020	Government of the Republic of South Africa (National Treasury)	Public	Emergency COVID -19	Emergency Loan	USD 1 billion
2020	Government of the Republic of South Africa (National Treasury)	Public	National Non-Toll Road Management Program	Transportation	USD 1 billion
2021	Government of the Republic of South Africa (National Treasury)	Public	Emergency Economic Recovery	Emergency Loan	USD 1 billion

NDB Focus in South Africa

- NDB has been progressively expanding its operations in South Africa with cumulative approvals of USD5.6 billion to date.

- NDB welcomes the historic partnership between South Africa and the international partners announced at the COP 26 to support the just transition.

- Climate finance is a strategic area of the NDB and to complement the current efforts of the GOSA.

- **The NDB has pledged USD3.0 billion over the next 5 year to support the just transition path for South Africa.**

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