

MINUTES OF THE 4TH MEETING OF THE BOARD OF DIRECTORS OF THE NEW DEVELOPMENT BANK HELD AT THE NEW DEVELOPMENT BANK, SHANGHAI, CHINA ON 29 FEBRUARY 2016

Present:

Board of Directors and Alternate Directors Acting for Directors

- i. Mr. Luis Balduino (Board Member, Brazil, Chairman)
- ii. Mr. Sergey Storchak (Board Member, Russia)
- iii. Mr. Dinesh Sharma (Board Member, India)
- iv. Mr. Zhijun Cheng (Alternate Director, China)
- v. Mr. Tito Mboweni (Board Member, South Africa)
- vi. Mr. K. V. Kamath (President and Board Member)

Vice Presidents

- i. Mr. Paulo Nogueira Batista
- ii. Mr. Vladimir Kazbekov
- iii. Mr. Xian Zhu
- iv. Mr. Leslie Maasdorp

Alternate Directors

- i. Ms. Elizabeth Mmakgoshi-Lekhethe (Alternate Director for South Africa)

Other Attendees

- i. Mr. Erivaldo Gomes, Deputy-Secretary for International Affairs, Ministry of Finance, Brazil
- ii. Mr. Guoqi Wu, Director, Ministry of Finance, China
- iii. Mr. Weijie Liu, Deputy Director, Department of International Financial and Economic Cooperation, Ministry of Finance, China

- iv. Ms. Yue Ding, Senior Staff, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- v. Mr. Bo Jin, Deputy Director, Department of International Economic Relationships, Ministry of Foreign Affairs, China

Staff of the Technical Secretariat

- i. Mr. Couto Silva, Consultant
- ii. Mr. Fabio Najjarian Batista, Consultant
- iii. Mr. Gopal Balachandran, Seconded
- iv. Mr. Zhan Shu, Seconded
- v. Ms. Yolande Dwarika, Consultant

1. Adoption of the Agenda

The agenda was considered and adopted.

2. Leave of absence

No leave of absence was recorded.

3. Approval of minutes of the 3rd meeting of the Board of Directors, 20-21 January 2016

The Board of Directors (“the Board” or “BoD”) approved the revised Minutes and Summary of the 3rd BoD meeting, subject to amendments.

4. Matters Arising from the 3rd meeting of BoD

a) Progress on local currency bond issuance, proposed bond structure and rating process

The Board received a detailed presentation on the local currency bond issuance and was briefed in particular on the overview of the bond market in China. The Board welcomed the progress made by the Bank and supported the proposal that the Bank raise resources by offering one or more series of bonds, up to an aggregate amount of RMB 10 billion.

The Board received a presentation on the credit rating process. The Board welcomed the domestic AAA institutional rating.

b) Progress on Headquarter Agreement

The Board noted that the Agreement between the New Development Bank and the Government of the People's Republic of China regarding the Headquarter of the New Development Bank in Shanghai, China was signed on 27 February 2016.

c) Strategy of the New Development Bank

The Concept Note on the Strategy of the New Development Bank was discussed and the Board welcomed the progress made and the inclusion of the Board's previous comments and suggestions. An outline of the draft strategy was also proposed and an update of the draft strategy would be circulated to the Board of Governors for consideration during the April 2016 Special Meeting of the Board of Governors.

d) Discussion on approach to new membership

The Concept Note on new membership was discussed. It was agreed that a discussion paper should be submitted for the consideration of the Board of Governors during the April 2016 Special Meeting.

e) Progress on Policies

The following policies were discussed:

- (i) Provisioning and Write-off;
- (ii) Debt Instrument Financing;
- (iii) Budgeting;
- (iv) Capital Management;
- (v) Compliance Management;
- (vi) Anti-Corruption, Anti-Fraud and Anti-money laundering;
- (vii) Information and Technology; and
- (viii) Corporate Procurement

Various suggestions were made to the policies and it was agreed that the Board Members would send written comments, which would be incorporated into the policies. The policies would be circulated for approval on a no-objection basis.

5. Progress on African Regional Centre

The Board was briefed on the progress on establishing the African Regional Centre.

6. Any other matter with the approval of the Chair

The issue of approval of the internal auditor was added to the agenda. The proposal for the appointment of an internal auditor was approved.

The newly appointed Alternate Director for China, Mr. Zhijun Cheng, Deputy Director General of the Department of International Economic and Financial Cooperation, Ministry of Finance was warmly welcomed and the Board expressed their gratitude and well wishes to former Board Member, Mr. Shaolin Yang and former Alternate Director Mr. Yingming Yang for their contribution to the Board and the Bank.

7. Next steps

It was tentatively agreed that the next Board meeting would take place on 15 April 2016 in Washington. The provisional agenda would include progress in relation to the Bank's first projects. The Board of Governors Special Meeting would also take place in Washington on 15 April 2016. It was also agreed that the first Annual Board of Governors meeting would tentatively take place on 25 July 2016 in Shanghai.

The meeting ended with thanks to the Chairman and the Board Members.