
MINUTES OF THE 16th MEETING OF THE BOARD OF DIRECTORS OF THE NEW DEVELOPMENT BANK HELD IN SHANGHAI ON SEPTEMBER 18, 2018 09:30 AM

PRESENT:

Directors and Alternate Directors

- i. Mr. Shixin Chen (Director for China, Chairperson)
- ii. Mr. Zhengwei Zhang (Alternate Director for China)
- iii. Mr. Erivaldo Alfredo Gomes (Temporary Alternate Director for Brazil)
- iv. Mr. Andrey Bokarev (Alternate Director for Russia)
- v. Mr. Prashant Goyal (Alternate Director for India)
- vi. Mr. Dondo Mogajane (Director for South Africa)
- vii. Ms. Vuyelwa Vumendlini (Alternate Director for South Africa)
- viii. Mr. K. V. Kamath (President and Board Member)

Advisors and other Participants accompanying Directors

- i. Mr. Marcos Guimarães, Coordinator-General for International Cooperation and Development at the Secretariat for International Affairs, Ministry of Finance, Brazil
- ii. Ms. Elena Zamorina, Consultant, Department for International Financial Affairs, Ministry of Finance, Russia
- iii. Ms. Jiandi Ye, Director, Division V, Department of International Financial and Economic Cooperation, Ministry of Finance
- iv. Mr. Weifeng Yang, Deputy Director, Division V, Department of International Financial and Economic Cooperation, Ministry of Finance
- v. Ms. Rui Jin, Staff Member, Division V, Department of International Financial and Economic Cooperation, Ministry of Finance

Vice Presidents

- i. Mr. Sarquis Sarquis, Vice-President and Chief Risk Officer (“CRO”)
- ii. Mr. Vladimir Kazbekov, Vice-President and Chief Administrative Officer (“CAO”)
- iii. Mr. Xian Zhu, Vice-President and Chief Operations Officer (“COO”)
- iv. Mr. Leslie Maasdorp, Vice President and Chief Financial Officer (“CFO”)

New Development Bank Staff

- i. Mr. Naveen Srivastava, Director General and Corporate Secretary
- ii. Mr. Yury Surkov, Director General, Operations II
- iii. Mr. Shaohua Wu, Director General ,Operations I
- iv. Mr. Levan Zoltarev, Director General, Treasury and Portfolio Management
- v. Mr. Sergei Kuznetsov, Director General and General Counsel
- vi. Mr. Sergio Suhodolski, Director General Strategy and Partnerships
- vii. Ms. Yolande Dwarika, Chief, Corporate Secretary
- viii. Mr. Srinivas Yanamandra, Chief, Compliance
- ix. Mr. Weijie Liu, Principal Professional, Corporate Secretary
- x. Ms. Irina Burukina, Principal Professional, Treasury and Portfolio Management
- xi. Mr. Fabio Batista, Executive Assistant to CRO
- xii. Ms. Victoria Putilina, Senior Professional, Operations
- xiii. Mr. Siddharth Kamani, Senior Professional, Risk
- xiv. Mr. Jianshi Yao, Senior Professional, Operations
- xv. Mr. Jitesh Ketkar, Young Professional, Operations
- xvi. Mr. Paul Hoffman, Young Professional, Treasury and Portfolio Management
- xvii. Mr. Julien Demeulemeester, Young Professional, Economic Research and Analytic
- xviii. Ms. Miya Liu, Junior Professional, Corporate Secretary
- xix. Mr. Aleksei Kretov, Junior Professional, Operations
- xx. Mr. Satish Rao, Consultant, Operations
- xxi. Mr. Sergei Zhukov, Consultant, Legal

1. Adoption of the Agenda

The Board of Directors (“the Board”) adopted the agenda (2018-BD16-DOC-001-REV1).

2. Leave of Absence

The absence of the Director for Brazil and Russia was recorded. The Director for Brazil was represented by a Temporary Alternate Director. The Director for Russia was

represented by the Alternate Director. The Director for India was yet to be appointed and India was represented by the Alternate Director.

3. Approval of the Minutes and Summary of the 15th Board of Directors Meeting held on July 20, 2018

The Board approved the Minutes (2018-BD16-DOC-003a) and Summary (2018-BD16-DOC-003b) of the 15th Board of Directors meeting held on July 20, 2018.

4. Record of Approval of Matters Agreed to in the Intersessional Period

The Board considered the Note on the Intersessional Decisions of the Board of Directors since the 14th meeting of the Board of Directors (2018-BD16-DOC-004) and took note thereof.

5. Matters Arising from Previous Meetings

The Board considered the Matters Arising from the 14th Board of Directors meeting (2018-BD16-DOC-005a) and the Matters Arising from the 15th Board of Directors meeting (2018-BD16-DOC-005b) and took note thereof.

6. Project Proposals

a. Loan to the Government of the Republic of India for Madhya Pradesh Major District Roads Project II - USD 350 million

The Board considered the project document (2018-BD16-DOC-007) on the proposed loan of USD 350 million to the Government of the Republic of India for Madhya Pradesh Major District Roads Project II and approved the project proposal.

b. Loan to the Government of the Republic of India for Madhya Pradesh Bridges Project - USD 175 million

The Board considered the project document (2018-BD16-DOC-008) on the proposed loan of USD 175 million to the Government of the Republic of India for Madhya Pradesh Bridges Project and approved the project proposal.

Resolution 2018-BD-R025 concerning the two aforementioned projects was adopted.

c. Loan to Sibur holding, Public Joint Stock Company for Sustainable Infrastructure in Relation to “ZapSibNefteKhim” Project - USD 300 million

The Board considered the Appraisal Memorandum (2018-BD15-DOC-009) and the Risk Note concerning the Loan to Sibur Holding (2018-BD15-DOC-010) and approved the loan including the terms and conditions as stipulated in the project proposal. The Board approved, on an exceptional basis, the increase to the limit of retroactive financing to 65% of the loan amount for eligible project expenses incurred and paid, up to 18 months prior to the date of loan signing. In accordance with Article 21 (vi) of the Articles of Agreement of the New Development Bank, the Board further approved that procurement of equipment, materials, and construction and installation works related to construction of the Project’s water and utilities infrastructure, power supply and heating system infrastructure, transportation and logistics infrastructure and auxiliary infrastructure, would be permitted from non-member countries. The Board further approved the increase of the loan amount to USD 300 million in accordance with the one-time waiver of the limit for exposure to a single project under the Policy on Transactions without Sovereign Guarantee, approved by the Board on March 2, 2018.

Resolution 2018-BD-R026 concerning the aforementioned project was adopted.

7. Update on Project Pipeline

The Board took note of the presentation on the project pipeline.

8. Policies

a. Policy on Sovereign Guaranteed Projects in Non-member Countries

The Board considered the Note on the Policy on Sovereign Guaranteed Projects in Non-Member Countries (2018-BD16-DOC-011) and the Policy on Sovereign Guaranteed Projects in Non-Member Countries (2018-BD16-DOC-012) and approved the Policy on Sovereign Guaranteed Projects in Non-Member Countries, as amended, for circulation to the Board of Governors for consideration.

b. Revision of the Policy on Transactions without Sovereign Guarantee

The Board considered the Note on the Proposed Revisions to the Policy on Transactions without Sovereign Guarantee (2018-BD16-DOC-013) and the proposed revisions to the policy (2018-BD16-DOC-014), (2018-BD16-DOC-015) and (2018-BD16-DOC-016). The

Board approved the revisions to the Policy on Transactions without Sovereign Guarantee as further amended in the meeting.

c. Review of the General Conditions (Loans with Sovereign Guarantees) and General Conditions (Loans without Sovereign Guarantees to National Financial Intermediaries)

The Board requested comments on the General Conditions (Loans with Sovereign Guarantees) and General Conditions (Loans without Sovereign Guarantees to National Financial Intermediaries) and decided to convene a workshop to consider possible revisions.

9. Update on Credit Rating Process and Presentation on Funding Plan

The Board considered the Update on Credit Ratings, Funding Plan and Strategy Related to Debt Instrument Financing (2018-BD16-DOC-017) and took note of the progress thereof.

10. South African Rand Denominated Bond Programme

The Board considered the Note on the Establishment of a ZAR Bond Programme in the South African Debt Capital Market (“Programme”) (2018-BD16-Doc-018) and approved the ZAR Bond Programme.

Resolution 2018-BD-R027 concerning the aforementioned programme was adopted.

11. Regional Centres’ Terms of Reference

The Board considered the Note on the Term of Reference for Regional Offices of the New Development Bank (2018-BD16-DOC-019) and decided to further consider the matter in a workshop.

12. Report of the Chairperson of Audit Risk and Compliance

The Chairperson of the Audit, Risk and Compliance Committee (“ARC”), provided a report on the 7th meeting of the ARC. The Board took note of the following:

- a. Quarterly Credit Risk Report for the period ended June 30, 2018;
- b. Quarterly Market and Liquidity Risk Report for the period ended June 30, 2018;
- c. Quarterly Operational Risk Report for the period ended June 30, 2018;

- c. Compliance Update;
- d. Internal Audit Update; and
- e. Quarterly Internal Audit Report for the period ended June 30, 2018.

The Board took note that the ARC approved the Redacted Minutes of the 1st and 2nd Audit, Budget and Compliance Committee Meetings, and the Board approved the following:

- a. Quarterly Audited Financial Statements for the New Development Bank for the period ended June 30, 2018;
- b. Quarterly Unaudited Financial Statements for the Project Preparation Fund for the period ended June 30, 2018; and
- c. Revision of the Anti-Corruption, Anti-Fraud and Anti-Money Laundering Policy.

13. Report of the Chairman of the Budget, Human Resources and Compliance Committee

The Chairperson of the Budget, Human Resources and Compensation Committee (“BHRC”) meeting provided a report to the Board on the 3rd meeting of the BHRC. The Board took note of the following:

- a. Budget Utilisation Report for period ending June 30, 2018;
- b. Revised Organisational Chart;
- c. Recruitment Update;
- d. Note on Secondments; and
- e. Ethics Update.

The Board took note of the issue of the Africa Regional Centre Staff Tax Reimbursement and that the issue remains under consideration of the Committee.

The Board took note of the revisions of the Organisation Chart, and approved the Compensation Proposal for Americas Regional Office and proposed Annual Base Salary Revision for Support Staff in Africa Regional Centre.

14. Draft Shareholding Framework

The Board considered the draft NDB Shareholding Framework for New Members (2018-BD16-DOC-020) and decided to keep the matters under consideration.

15. Revision of the Board of Directors Governance Structure

The Board considered the Note on the Revision of the Board of Directors Governance Structure (2018-BD16-DOC-021) (2018-BD16-DOC-022), (2018-BD16-DOC-023) and (2018-BD16-DOC-024). The Board approved the revisions to the Board of Directors Governance Structure.

16. Date and Venue of Next Meeting

The Board decided that the next Board meeting would take place in November 2018, subject to confirmation by the Board.

17. Any Other Matters

The meeting ended with thanks from the Chairperson of the Board.