

**MINUTES OF THE NINTH AUDIT, RISK AND COMPLIANCE COMMITTEE MEETING
OF THE NEW DEVELOPMENT BANK HELD AT SHANGHAI, CHINA ON NOVEMBER
15, 2018 AT 14:00**

PRESENT:

Members of the Audit, Risk and Compliance Committee

- i. Mr. Shixin Chen (Director for China, Chairperson)
- ii. Mr. Marcello Estevão (Director for Brazil)
- iii. Ms. Elena Zamorina (Temporary Alternate Director for Russia)
- iv. Mr. K. Rajaraman (Director for India)
- v. Mr. Prashant Goyal (Alternate Director for India)
- vi. Ms. Vuyelwa Vumendlini (Alternate Director for South Africa)
- vii. Mr. K. V. Kamath (President and Board Member)

Advisors and other Participants accompanying Committee Members

- i. Mr. Marcos Machado Guimarães, Coordinator-General for International Cooperation and Development at the Secretariat for International Affairs, Ministry of Finance, Brazil
- ii. Mr. Marcel Garcia, Consul, Counsel-General of the Federative Republic in Brazil, Shanghai
- iii. Mr. Prashant Lokhande, Counsellor (Economic) of the Embassy of India, Beijing
- iv. Ms. Jiandi Ye, Director, IFI Division V, Department of International Financial and Economic Cooperation, Ministry of Finance, China
- v. Ms. Guanzhu Wang, Director, IFI Division V, Department of International Financial and Economic Cooperation, Ministry of Finance, China
- vi. Ms. Jin Rui, Staff Member, IFI Division V, Department of International Financial and Economic Cooperation, Ministry of Finance, China
- vii. Mr. Andile Kuzwayo, Director, BRICS Global and Emerging Market, International and Regional Economic Policy Division, National Treasury, South Africa
- viii. Mr. Oratilwe Teisho, Staff Member, BRICS Global and Emerging Markets Chief Directorate, International and Regional Economic Policy Division, National Treasury, South Africa

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 and Independent Auditors

- i. Mr. Naveen Srivastava, Director General and Corporate Secretary
- ii. Ms. Yolande Dwarika, Chief, Corporate Secretary
- iii. Mr. Weijie Liu, Principal Professional, Corporate Secretary
- iv. Ms. Miya Liu, Junior Professional, Corporate Secretary

The following staff members and representative of independent auditors attended the meeting for relevant agenda items with the approval of the Chairperson:

- v. Ms. Lynette Milne, Director General, Finance, Budget and Accounting
- vi. Mr. Sanjay Chiboo, Chief, Financial Controller
- vii. Mr. Srinivas Yanamandra, Chief, Compliance
- viii. Mr. Kamal Ahuja, Chief, Internal Audit
- ix. Mr. Robert Urry, Chief, Market Risk
- x. Mr. Maxim Choumarov, Chief, Credit Risk
- xi. Mr. Leon Fan, Independent Auditor, Deloitte
- xii. Ms. Annie Pan, Independent Auditor, Deloitte

1. Adoption of the Agenda

The agenda (2018-ARC09-DOC-001) was considered and adopted by the Audit, Risk and Compliance Committee (“the Committee” or “ARC”).

2. Leave of Absence

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

3. Adoption of the Minutes and Summary of the 8th ARC Meeting held on September 17, 2018

The Minutes (2018-ARC09-DOC-003) and Summary (2018-ARC09-DOC-004) of the 8th ARC Meeting held on September 17, 2018 were approved without amendment by the Committee.

4. Matters Arising from Previous Meetings

The Committee considered the Matters Arising from the 8th ARC Meeting of the New Development Bank (2018-ARC09-DOC-005) and took note thereof.

5. Independent Audit

a. Quarterly Audited Financial Statements for the New Development Bank for the period ended September 30, 2018

The Committee considered the Note on the Quarterly Audited Financial Statements for the New Development Bank for the period ended September 30, 2018 (2018-ARC09-DOC-006), and the NDB Independent Auditor's Report and Condensed Financial Statements for the period ended September 30, 2018 (2018-ARC09-DOC-007). The Committee recommended that the Board of Directors approve the Quarterly Audited Financial Statements for the New Development Bank for the period ended September 30, 2018.

b. Quarterly Audited Financial Statements for NDB Project Preparation Fund for the period ended September 30, 2018

The Committee considered the Note on the Quarterly Audited Financial Statements for NDB Project Preparation Fund for the period ended September 30, 2018 (2018-ARC09-DOC-008), and the NDB Project Preparation Fund Independent Auditor's Report and Financial Statements for the period from January 20, 2017 to September 30, 2018 (2018-ARC09-DOC-009). The Committee recommended that the Board of Directors approve the Quarterly Audited Financial Statements for NDB Project Preparation Fund for the period from January 20, 2017 to September 30, 2018.

6. Risk Report

a. Quarterly Credit Risk Report for the period ended September 30, 2018

The Committee considered the Quarterly Credit Risk Report for the period ended September 30, 2018 (2018-ARC09-DOC-010) and took note thereof.

b. Quarterly Market and Liquidity Risk Report for the period ended September 30, 2018

The Committee considered the Quarterly Market and Liquidity Risk Report for the period ended September 30, 2018 (2018-ARC09-DOC-011) and took note thereof.

c. Quarterly Operational Risk Report for the period ended September 30, 2018

The Committee considered the Quarterly Operational Risk Report for the period ended September 30, 2018 (2018-ARC09-DOC-012) and took note thereof.

7. Compliance Update

The Committee considered the Note on Compliance Update (2018-ARC09-DOC-013) and took note thereof.

8. Internal Audit

Internal Audit Update and Quarterly Internal Audit Report for the period ended September 30, 2018

The Committee considered the Note on Internal Audit Update (2018-ARC09-DOC-014) together with the Quarterly Internal Audit Report for the period ended September 30, 2018 (2018-ARC09-DOC-015) and took note thereof.

9. Closed Session

The Committee met with the Chief, Internal Audit and the representative of the Independent Auditor, Deloitte respectively in a closed session.

10. Any Other Business

The Committee approved the proposed independent audit budget for 2019 and recommended that the Board of Directors approve a one-year renewal of the contract with the Independent Auditor, Deloitte.

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