
MINUTES OF THE 19th MEETING OF THE BOARD OF DIRECTORS OF THE NEW DEVELOPMENT BANK HELD AT SHANGHAI, CHINA, ON JUNE 25, 2019 AT 10:00

PRESENT:

Directors and Alternate Directors

- i. Mr. Marcos Troyjo (Director for Brazil, Chairperson)
- ii. Mr. Andrey Bokarev (Alternate Director for Russia)
- iii. Mr. K. Rajaraman (Director for India)
- iv. Mr. Prashant Goyal (Alternate Director for India, by videoconference)
- v. Mr. Wencai Zhang (Director for China)
- vi. Mr. Zhengwei Zhang (Alternate Director for China)
- vii. Mr. Enoch Godongwana (Director for South Africa)
- viii. Mr. K. V. Kamath (President and Board Member)

Advisors and Other Participants Accompanying Directors

- i. Ms. Raquel Porto Ribeiro Mendes, Head of the Division for Sustainable Development at the Secretariat for International Affairs, Ministry of Economy, Brazil
- ii. Ms. Elena Zamorina, Consultant, Department for International Financial Affairs, Ministry of Finance, Russia
- iii. Mr. Prashant Lokhande, Counsellor (Economic) of the Embassy of India in China, India
- iv. Ms. Guanzhu Wang, Director, Division V, Department of International Financial and Economic Cooperation, Ministry of Finance, China
- v. Mr. Yuanjie Yang, Director, Program and Policy Division, Department of International Financial and Economic Cooperation, Ministry of Finance, China
- vi. Mr. Weifeng Yang, Deputy Director, Division V, Department of International Financial and Economic Cooperation, Ministry of Finance, China
- vii. Ms. Rui Jin, Staff Member, Division V, Department of International Financial and Economic Cooperation, Ministry of Finance, China

- viii. Mr. Andile Kuzwayo, Director, BRICS, Global and Emerging Market, International and Regional Economic Policy, National Treasury, South Africa
- ix. Ms. Didintle Letsie, Senior Economist, BRICS, Global and Emerging Market, International and Regional Economic Policy, 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

- i. Ms. Yolande Dwarika, Chief, Corporate Secretary Division
- ii. Mr. Weijie Liu, Principal Professional, Corporate Secretary Division
- iii. Ms. Miya Liu, Junior Professional, Corporate Secretary Division

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

- i. Mr. Shaohua Wu, Director General, Operations I Division
- ii. Mr. Yury Surkov, Director General, Operations II Division
- iii. Mr. Levan Zolotarev, Director General, Treasury and Portfolio Management Division
- iv. Mr. Jose Luiz Fernandes, Director General, Risk Management Division
- v. Mr. Bharan Guntapalli, Chief, Risk Management Division
- vi. Mr. Roman Novozhilov, Chief, Operations Policy and Project Support Division
- vii. Mr. Manish Singh, Chief, Human Resources Division
- viii. Mr. Alexandre Takahashi, Principal Professional, Operations I Division
- ix. Mr. Henrique Araujo, Principal Professional, Operations I Division
- x. Ms. Charmaine Kazamula, Senior Professional, Operations II Division
- xi. Mr. Fabio Batista, Executive Assistant to CRO
- xii. Mr. Saurabh Ghugre, Executive Assistant to CFO and Interim Controller
- xiii. Mr. Tulio Koji Takeda, Professional, Operations II Division
- xiv. Mr. Julien Demeulemeester, Young Professional, Economic Research and Analytics Division
- xv. Ms. Aimee Ji, Young Professional, Operations I Division
- xvi. Mr. Satish Rao, Consultant, Operations I Division
- xvii. Ms. Lusha Zhuang, Consultant, Operations I Division

1. Adoption of the Agenda

The revised agenda (2019-BD19-DOC-001-REV1) was adopted by the Board of Directors (“Board”), as amended.

2. Leave of Absence

The absence of the Director for Russia was recorded. The Director for Russia was represented by the Alternate Director for Russia. The meeting had the requisite quorum.

3. Approval of the Minutes and Summary of the 18th Board of Directors Meeting held on March 31, 2019

The Board approved the Minutes (2019-BD19-DOC-003) and Summary (2019-BD19-DOC-004) of the 18th Board of Directors Meeting held on March 31, 2019.

4. Record of Approval of Matters Agreed to during the Inter-sessional Period

The Board considered the Note on the Inter-sessional Decisions of the Board of Directors since the 18th Meeting (2019-BD19-DOC-005-REV1) and took note thereof.

5. Matters Arising from Previous Meetings

The Board considered the Matters Arising from the 18th Board of Directors Meeting (2019-BD19-DOC-006) and took note thereof.

6. Local Currency Financing

a. Local Currency Financing Framework

The Board considered and approved the Local Currency Financing Framework (2019-BD19-DOC-007).

b. RMB Sovereign Loan Pricing

The Board considered and approved the Local Currency Sovereign Lending Rates: RMB Fixed Spread Loans (2019-BD19-DOC-008).

c. ZAR Sovereign Loan Pricing

The Board considered and approved the Local Currency Sovereign Lending Rates: ZAR Fixed Spread Loans (2019-BD19-DOC-009).

7. Project Proposals

(i) Loan of RMB 2.1 billion to the People’s Republic of China for Ningxia Yinchuan Integrated Green Transport Development Project

The Board considered the project document on the proposed Loan of RMB 2.1 billion to the People’s Republic of China for Ningxia Yinchuan Integrated Green Transport Development Project (2019-BD19-DOC-011) and approved the project proposal.

(ii) Loan of RMB 2.5 billion to the People's Republic of China for Lanzhou New Area Regional Hub Multimodal Logistics and Transport Infrastructure Demonstration Project

The Board considered the project document on the proposed Loan of RMB 2.5 billion to the People’s Republic of China for Lanzhou New Area Regional Hub Multimodal Logistics and Transport Infrastructure Demonstration Project (2019-BD19-DOC-012) and approved the project proposal.

Resolution 2019-BD-R033 concerning the two aforementioned projects was adopted.

(iii) Loan of USD 300 million to the Republic of India for Assam Bridge Project

The Board considered the project document on the proposed Loan of USD 300 million to the Republic of India for Assam Bridge Project (2019-BD19-DOC-013) and agreed that the project proposal would be approved on July 8, 2019 through a no-objection procedure.

8. Project Proposal Status Update and Project Pipeline

The Board took note of the following project proposal status update:

- a. Andhra Pradesh Road Project (2019-BD19-DOC-015-a-REV1);
- b. Porto São Luís Project (2019-BD19-DOC-015-b-REV1);
- c. Presentation on the Non-Sovereign Loan to Eurasian Development Bank for Renewable Energy Project in Russia (2019-BD19-DOC-015-d); and
- d. Sovereign Guaranteed Loan to Sanral for Upgrade of National Toll Roads in South Africa (2019-BD19-DOC-015-c)

The Board also considered the Note on Project Pipeline (2019-BD19-DOC-016-REV1) and took note thereof.

9. Update on Loan Disbursements and Report on Procurement in Non-Member Countries

The Board considered the Note on Loan Disbursement (2019-BD19-DOC-017) as well as the Report on Project Procurement in Non-Member Countries for Q2 2019 (2019-BD19-DOC-018) and took note thereof.

10. General Conditions

The Board removed this item from the meeting agenda since the revised General Conditions (Loans with Sovereign Guarantees) had been approved by the Board on June 12, 2019.

11. Membership Expansion

The Board considered the Note on Expansion of Membership of the New Development Bank (2019-BD19-DOC-019) and requested further work.

12. Review of Policies

a. Treasury Business Management Policy

The Board considered the Note on Proposed Revisions to the Treasury Business Management Policy (2019-BD19-DOC-020-a), the Schedule of Changes to the Treasury Business Management Policy (2019-BD19-DOC-020-b), the revised Treasury Business Management Policy in track-change mode (2019-BD19-DOC-020-c) and the revised Treasury Business Management Policy in clean version (2019-BD19-DOC-020-d). The Board approved the revised Treasury Business Management Policy.

b. Policy on Loans with Sovereign Guarantee

The Board considered the Note on Proposed Revisions to the Policy on Loans with Sovereign Guarantee (2019-BD19-DOC-021-a), the Schedule of Changes to the Policy on Loans with Sovereign Guarantee (2019-BD19-DOC-021-b), the revised Policy on Loans with Sovereign Guarantee in track-change mode (2019-BD19-DOC-021-c) and the revised Policy on Loans with Sovereign Guarantee in clean version (2019-BD19-DOC-021-d). The Board approved the Policy on Sovereign Loans and Loans with Sovereign Guarantee, subject to further amendments.

c. Policy on Guarantees

The Board considered the Note on the Proposed Revisions to the Policy on Guarantees (2019-BD19-DOC-022-a), Schedule of Changes to the Policy on Guarantees (2019-BD19-DOC-022-b), the revised Policy on Guarantees in track-change mode (2019-BD19-DOC-022-c) and the revised Policy on Guarantees in clean version (2019-BD19-DOC-022-d). The Board approved the revised Policy on Guarantees.

13. Report of the Chairperson of Audit, Risk and Compliance Committee

The Chairperson of the Audit, Risk and Compliance Committee (“ARC”) provided a report on the 11th Meeting of the ARC. The Board approved the following:

- a. The Quarterly Audited Financial Statements for the New Development Bank for the period ended March 31, 2019;
- b. The Quarterly Audited Financial Statements for the Project Preparation Fund of the New Development Bank for the period ended March 31, 2019;
- c. The proposed revisions to the Exchange Rate Risk Management Policy;
- d. The proposed revisions to the Interest Rate Risk Management Policy;
- e. The proposed revisions to the Credit Risk Management Policy;
- f. The proposed revisions to the Liquidity Risk Management Policy, subject to further amendments by the ARC; and
- g. The proposed revisions to the Operational Risk Management Policy.

The Board also took note the following:

- a. The Quarterly Credit Risk Report for the period ended March 31, 2019;
- b. The Quarterly Market and Liquidity Risk Report for the period ended March 31, 2019;
- c. The Quarterly Operational Risk Report for the period ended March 31, 2019;
- d. The Compliance Update;
- e. The Audit Report for Whistleblower Process; and
- a. The Status of Audit Observations Reported from Previous Audit Reports.

14. Report of the Chairperson of the Budget, Human Resources and Compensation Committee

The Chairperson of the Budget, Human Resources and Compensation Committee (“BHRC”) provided a report to the Board on the 6th Meeting of the BHRC. The Board approved the following:

- a. Providing a joining allowance for in-country recruited professional staff and a resettlement allowance for in-country recruited professional staff;
- b. The proposed revisions to the Children Education and Assistance Allowance at the Headquarter; and
- c. The revised Staff Compensation and Benefits Policy, subject to further amendments by the BHRC.

The Board also took note the following:

- a. The Budget Utilisation Report for the period ended March 31, 2019;
- b. The Recruitment and Diversity Update; and
- c. The Ethics Update.

15. NDB's Credit Risk Concentration Limits

The Board considered the Note on NDB's Credit Risk Concentration Limits (2019-BD19-DOC-023). The Board approved the proposed credit risk concentration limits including the updated sector list. The Board also approved that the proposed limits would be applicable from January 1, 2021.

16. Regional Centre Terms of Reference

The Board considered the Note on Draft General Principles for the Terms of Reference for Regional Offices (2019-BD19-DOC-024-a) as well as the General Principles for Terms of Reference for Regional Offices (2019-BD19-DOC-024-b). The Board approved the General Principles for Terms of Reference for Regional Offices.

17. Rotation of Chairmanship of the Board of Directors

The Board considered the Terms of the Chairmanship of the Board of Directors and Committees (2019-BD19-DOC-025). The Board decided on the order of the rotation of the Chairperson of the Board and decided to retain the Chairpersons of the current committees.

18. Date and Venue of the Next Meeting

The Board decided that the next meeting of the Board would take place on September 11-12, 2019 in Shanghai and the Corporate Secretary division would keep the Board updated on any changes.

19. Board of Directors Work Plan

The Board considered the Board of Directors Draft Work Plan (2019-BD19-DOC-026) and took note thereof.

22. Any Other Matters

The Board considered three matters proposed by a Director. The meeting ended with thanks from the Chairperson of the Board.