

**MINUTES OF THE SIXTEENTH AUDIT, RISK AND COMPLIANCE COMMITTEE  
MEETING OF THE NEW DEVELOPMENT BANK (VIDEOCONFERENCE) HELD ON  
SEPTEMBER 28, 2020 AT 19:00 (SHANGHAI TIME)**

PRESENT:

**Members of the Audit, Risk and Compliance Committee**

- i. Mr. Enoch Godongwana (Director for South Africa, Chairperson)
- ii. Mr. Erivaldo Alfredo Gomes (Alternate Director for Brazil)
- iii. Mr. Sergei Storchak (Director for Russia)
- iv. Mr. K. Rajaraman (Director for India)
- v. Mr. Zhongjing Wang (Director for China)
- vi. Mr. Weihua Liu (Alternate Director for China)
- vii. Mr. Marcos Troyjo (President and Committee Member)

**Advisors and other Participants accompanying Committee Members**

- i. Mr. Marcos Guimarães, Deputy Secretary for International Economic Affairs, Ministry of Economy, Brazil
- ii. Ms. Raquel Breda dos Santos, Coordinator for Policies and Funds of Development Finance, Ministry of Economy, Brazil
- iii. Ms. Raquel Porto Ribeiro Mendes, Coordinator for Relationship with Global Development Institutions, Ministry of Economy, Brazil
- iv. Ms. Elena Zamorina, Consultant, Department for International Financial Affairs, Ministry of Finance, Russia
- v. Mr. Prasanna V. Salian, Deputy Secretary, Other Multilateral Institutions Division, Department of Economic Affairs, Ministry of Finance, India
- vi. Mr. Lekhan Thakkar, Counsellor (Economic) of the Embassy of India in Beijing, India
- vii. Mr. Kaviarasan K, Deputy Director, Other Multilateral Institutions Division, Department of Economic Affairs, Ministry of Finance, India
- viii. Mr. Jiangnan Qian, Director, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China

- ix. Ms. Hongna Li, Deputy Director, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- x. Ms. Yangzi Hu, Deputy Director, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- xi. Mr. Yazhou Yan, Staff Member, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- xii. Mr. Mfundo Hlatswayo, Chief Director, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa
- xiii. Ms. Didintle Letsie, Senior Economist, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa
- xiv. Mr. Lesego Ntoahae, Economist, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa
- xv. Mr. Oratilwe Tiesho, Economist, BRICS, Global and Emerging Markets, National Treasury, South Africa

#### **Vice Presidents**

- i. Mr. Vladimir Kazbekov, Vice-President and Chief Administrative Officer (“CAO”)
- ii. Mr. Anil Kishora, Vice-President and Chief Risk Officer (“CRO”)
- 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. Ms. Yolande Dwarika, Director General and Corporate Secretary
- ii. Mr. Weijie Liu, Principal Professional, Corporate Secretary
- iii. Ms. Miya Liu, Junior Professional, Corporate Secretary
- iv. Ms. Helen Shen, Officer, Corporate Secretary

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

- i. Ms. Halima Nazeer, Director General, Finance, Budget and Accounting
- ii. Mr. Jose Luiz Fernandez, Director General, Risk Management
- iii. Mr. Paritosh Pandit, Chief, Finance, Budget and Accounting
- iv. Mr. Bharan Kumar Guntupalli, Chief, Operational Risk
- v. Mr. Srinivas Yanamandra, Chief, Compliance
- vi. Mr. Kamal Ahuja, Chief, Internal Audit
- vii. Mr. Manish Singh, Chief, Human Resources
- viii. Mr. Hanyong Liu, Chief, Front Office of the President
- ix. Mr. Gustavo Mathias, Principal Professional, Legal
- x. Mr. Couto Silva, Senior Professional, Seconded to the Front Office of the President
- xi. Mr. Ningqian Zhang, Executive Assistant to the COO

- xii. Mr. Evgeny Kochkin, Executive Assistant to the CAO
- xiii. Mr. Craig Lai King, Executive Assistant to the CFO
- xiv. Mr. Julien Demeulemeester, Young Professional, Seconded to the Front Office of the President
- xv. Mr. Artur Cardoso de Lacerda, Short Term Consultant (via videoconference)
- xvi. Mr. James Elias, Short Term Consultant
- xvii. Mr. Leon Fan, Independent Auditor, Deloitte
- xviii. Ms. Jessica Li, Independent Auditor, Deloitte
- xix. Ms. Annie Pan, Independent Auditor, Deloitte

## **1. Adoption of the Agenda**

The agenda (2020-ARC16-DOC-001) was considered and adopted by the Audit, Risk and Compliance Committee (“ARC” or “Committee”).

## **2. Leave of Absence**

The Director for Brazil was represented by the Alternate Director for Brazil. The meeting had the requisite quorum.

## **3. Opening Remarks by the NDB President**

The Committee took note of the opening remarks provided by the NDB President.

## **4. Adoption of the Minutes and Summary of the 15<sup>th</sup> ARC Meeting held on May 25, 2020**

The Minutes (2020-ARC16-DOC-003) and Summary (2020-ARC16-DOC-004) of the 15<sup>th</sup> ARC Meeting held on May 25, 2020 were approved by the Committee.

## **5. Matters Arising from the Previous Meeting**

The Committee considered the Matters Arising from the 15<sup>th</sup> ARC Meeting of the New Development Bank (2020-ARC16-DOC-005) and took note thereof.

## **6. Financial Statements**

### **a. Condensed Financial Statements for the New Development Bank for the six months ended June 30, 2020**

The Committee considered the New Development Bank Report on Review of Condensed Financial Statements and Condensed Financial Statements for the six months ended June 30, 2020 (2020-ARC16-DOC-006-b) and recommended that it be submitted to the Board of Directors (“Board”) for approval.

**b. Condensed Financial Statements for the Project Preparation Fund of the New Development Bank for the six months ended June 30, 2020**

The Committee considered the New Development Bank Project Preparation Fund Report on Review of Condensed Financial Statements and Condensed Financial Statements for the six months ended June 30, 2020 (2020-ARC16-DOC-007-b) and recommended that it be submitted to the Board for approval.

**7. Risk Management Report for the period ended June 30, 2020**

The Committee considered the Risk Management Report Q2 2020 (2020-ARC16-DOC-008) and took note thereof.

**8. Compliance**

The Committee considered the Compliance Update (2020-ARC16-DOC-009) and took note thereof.

**9. Internal Audit**

**a. Status of Audit Observations from previous Audit Reports**

The Committee considered the Note from the Internal Audit Division for the Audit, Risk and Compliance Committee (2020-ARC16-DOC-010) and took note of the status of audit observations from the previous audit reports. The Management further requested the Management to take necessary actions to follow up the outstanding internal audit observations.

**b. Internal Audit Report for the period ended June 30, 2020**

The Committee considered and took note of the following reports:

- (i) Report for Q2 2020 Internal Audit of Legal Division;
- (ii) Report for Q2 2020 Internal Audit of Risk Division;
- (iii) Report for Q2 2020 Internal Audit of Administration Division;
- (iv) Report for Q2 2020 Internal Audit of Human Resources Division;
- (v) Report for Q2 2020 Internal Audit of Information Technology and Security Division;
- and
- (vi) Report for Q2 2020 Internal Audit of Corporate Communication Division.

The Committee further requested the Management to take necessary actions to follow up the internal audit observations.

**10. Review of Policies**

**a. Operational Risk Management Policy**

The Committee considered the proposed revisions to the Operational Risk Management Policy and recommended that the revised Operational Risk Management Policy be submitted to the Board for approval.

**b. Capital Management Policy**

The Committee considered the proposed revisions to the Capital Management Policy and recommended that the revised Capital Management Policy be submitted to the Board for approval.

**11. Internal Control Framework**

The Committee considered the Cover Note on Internal Control Framework (2020-ARC16-DOC-013-a) and the Note on Internal Control Framework (2020-ARC16-DOC-013-b) and took note thereof.

**12. Closed Session**

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

**13. Any Other Business**

The Committee raised with the Management to follow up issues from the closed session.

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