
**MINUTES OF THE SEVENTEENTH AUDIT, RISK AND COMPLIANCE COMMITTEE
MEETING OF THE NEW DEVELOPMENT BANK (VIDEOCONFERENCE) HELD ON
DECEMBER 14, 2020 AT 19:00 (SHANGHAI TIME)**

PRESENT:

Members of the Audit, Risk and Compliance Committee

- i. Mr. K. Rajaraman (Director for India, Chairperson)
- ii. Mr. Baldeo Purushartha (Alternate Director for India)
- iii. Mr. Zhongjing Wang (Director for China)
- iv. Mr. Weihua Liu (Alternate Director for China)
- v. Mr. Enoch Godongwana (Director for South Africa)
- vi. Ms. Vuyelwa Vumendlini (Alternate Director for South Africa)
- vii. Mr. Roberto Fendt Junior (Director for Brazil)
- viii. Mr. Sergei Storchak (Director for Russia)
- ix. 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 Porto Ribeiro Mendes, Coordinator for Relationship with Global Development Institutions, Ministry of Economy, Brazil
- iii. Ms. Lívia Batista Maciel Braga, Infrastructure Analyst, Ministry of Economy, Brazil
- iv. Mr. Prasanna V. Salian, Deputy Secretary, Other Multilateral Institutions Division, Department of Economic Affairs, Ministry of Finance, India
- v. Mr. Lekhan Thakkar, Counsellor (Economic) of the Embassy of India in Beijing, India
- vi. Mr. Kaviarasan K, Deputy Director, Other Multilateral Institutions Division, Department of Economic Affairs, Ministry of Finance, India
- vii. Mr. Jiangnan Qian, Director, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- viii. Ms. Hongna Li, Deputy Director, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China

- ix. Mr. Yazhou Yan, Staff Member, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- x. Mr. Mfundo Hlatwayo, Chief Director, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa
- xi. Ms. Didintle Letsie, Senior Economist, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa
- xii. Mr. Lesego Ntoahae, Economist, BRICS, Global and Emerging Markets, International and Regional Economic Policy, 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”)

Secretary to the Committee

- i. Ms. Yolande Dwarika, Director General and Corporate Secretary

Other New Development Bank Staff and Independent Auditors

(Attachment I)

1. Adoption of the Agenda and Opening Remarks by the NDB President

The Agenda (2020-ARC17-DOC-001) was considered and adopted by the Audit, Risk and Compliance Committee (“ARC” or “Committee”).

The Committee took note of the Opening Remarks by the NDB President.

2. Leave of Absence

All Directors were present. The meeting had the requisite quorum.

3. Approval of the Minutes and Summary of the 16th ARC Meeting held on September 28, 2020

The Minutes (2020-ARC17-DOC-003) and Summary (2020-ARC17-DOC-004) of the 16th ARC Meeting held on September 28, 2020 were approved by the Committee.

4. Matters Arising from the Previous Meeting

The Committee considered the Matters Arising from the 16th ARC Meeting of the New Development Bank (2020-ARC17-DOC-005) and took note thereof.

5. Financial Statements

a. Condensed Financial Statements for the New Development Bank for the nine months ended September 30, 2020

The Committee considered the New Development Bank Report on Review of Condensed Financial Statements and Condensed Financial Statements for the nine months ended September 30, 2020 (2020-ARC17-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 nine months ended September 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 nine months ended September 30, 2020 (2020-ARC17-DOC-007-b) and recommended that it be submitted to the Board for approval.

c. Note on Change in Denomination for Financial Statements of New Development Bank

The Committee considered the Note on Change in Denomination for Financial Statements of New Development Bank (2020-ARC17-DOC-008) and took note of the change in presentation from USD thousands to USD millions in the financial statements for the year ended December 31, 2020 and all subsequent financial statements.

6. Fees of the Independent Auditor

The Committee considered the Note on Fees of the Independent Auditor (2020-ARC17-DOC-009) and recommended that the Board approve the proposed fees of the Independent Auditor.

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

The Committee considered the Risk Management Report Q3 2020 (2020-ARC17-DOC-010) and took note thereof.

8. Review of Policies

a. Liquidity Risk Management Policy

The Committee considered the Note and Schedule of Changes on Proposed Amendments to the Liquidity Risk Management Policy (2020-ARC17-DOC-011-a), the revised Liquidity Risk Management Policy in track-change mode (2020-ARC17-DOC-

011-b) and the revised Liquidity Risk Management Policy in clean version (2020-ARC17-DOC-011-c), and recommended that the revised Liquidity Risk Management Policy be submitted to the Board for approval.

b. Credit Risk Management Policy

The Committee considered the Note and Schedule of Changes on Proposed Amendments to the Credit Risk Management Policy (2020-ARC17-DOC-012-a), the revised Liquidity Risk Management Policy in track-change mode (2020-ARC17-DOC-012-b) and the revised Liquidity Risk Management Policy in clean version (2020-ARC17-DOC-012-c), and recommended that the revised Credit Risk Management Policy be submitted to the Board for approval.

c. Enterprise Risk Management and Risk Appetite Framework

The Committee considered the Note and Schedule of Changes on Proposed Amendments to the Enterprise Risk Management and Risk Appetite Framework (2020-ARC17-DOC-013-a), the revised Enterprise Risk Management and Risk Appetite Framework in track-change mode (2020-ARC17-DOC-013-b) and the revised Enterprise Risk Management and Risk Appetite Framework in clean version (2020-ARC17-DOC-013-c), and recommended that the revised Enterprise Risk Management and Risk Appetite Framework be submitted to the Board for approval.

9. Compliance Update

The Committee considered the Compliance Update (2020-ARC17-DOC-014) and took note thereof.

10. 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-ARC17-DOC-015), the Summary for Status of Audit Observations Reported in Previous Audit, Risk and Compliance Committee Meetings as at Q3, 2020 (2020-ARC17-DOC-016) and the Detailed Status of Audit Observations Complied as at Q3, 2020 (2020-ARC17-DOC-017). The Committee took note of the status of audit observations from the previous audit reports and requested the Management to ensure full compliance on all the outstanding internal audit observations.

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

The Committee considered and took note of the Internal Audit Report on Operational Risk Management (2020-ARC17-DOC-018-a) and the Internal Audit Report of the Strategy and Partnerships Division (2020-ARC17-DOC-018-b).

c. Proposal to Conduct the Quality Assurance and Improvement Programme

The Committee considered and took note of the Internal Audit Quality Assurance and Improvement Programme (2020-ARC17-DOC-019) and the supporting annexures concerning the proposals from potential vendors to conduct the Internal Audit Quality Assurance and Improvement Programme. The Committee requested the Internal Audit division to undertake a technical assessment on the proposals of conducting the Internal Audit Quality Assurance and Improvement Programme and follow the procurement process in accordance with the Bank's Corporate Procurement Policy. The Committee requested that the selection of the vendor be submitted to the President for approval and that the Committee shall be informed thereof.

11. Closed Session

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

12. Any Other Business

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

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

Corporate Secretary Division:

- i. Mr. Weijie Liu, Principal Professional
- ii. Ms. Miya Liu, Young Professional
- iii. Ms. Helen Shen, Officer

Front Office of President

- i. Mr. Hanyong Liu, Chief
- ii. Mr. Couto Silva, Senior Professional
- iii. Ms. Jasmin Jakoet, Senior Professional
- iv. Mr. Sidharth Kamani, Professional
- v. Mr. Julien Demeulemeester, Young Professional
- vi. Ms. Lusha Zhuang, Young Professional
- vii. Mr. Artur Cardoso de Lacerda, Short Term Consultant
- viii. Mr. James Elias, Short Term Consultant

Executive Assistants to Vice-Presidents

- i. Mr. Evgeny Kochkin, Executive Assistant to the CAO
- ii. Mr. Abhishek Haridas Pathak, Executive Assistant to the CRO
- iii. Mr. Ningqian Zhang, Executive Assistant to COO
- iv. Mr. Craig Lai King, Executive Assistant to CFO

Other Divisions

- i. Ms. Halima Nazeer, Director General, Finance, Budget and Accounting
- ii. Mr. Jose Luiz Fernandez, Director General, Risk Management
- iii. Mr. Xiangzhi Zhang, Director General, Administration
- iv. Mr. Paritosh Pandit, Chief Financial Controller
- v. Mr. Bharan Kumar Guntupalli, Chief, Enterprise and Operational Risk
- vi. Mr. Srinivas Yanamandra, Chief, Compliance
- vii. Mr. Kamal Ahuja, Chief, Internal Audit
- viii. Mr. Fabio Batista, Chief, Strategy and Partnerships
- ix. Mr. Manish Singh, Chief, Human Resources
- x. Mr. Alexander Baryshnikov, Chief, Information Technology
- xi. Ms. Svetlana Nikitina, Chief, Corporate Communications
- xii. Mr. Qingwei Meng, Professional, Strategy and Partnerships
- xiii. Mr. Chadwin Percy Adams, Young Professional, Finance, Budget and Accounting

Independent Auditors (Deloitte)

- i. Mr. Leon Fan
- ii. Ms. Jessica Li
- iii. Ms. Annie Pan