

---

**MINUTES OF THE NINETEENTH AUDIT, RISK AND COMPLIANCE COMMITTEE  
MEETING OF THE NEW DEVELOPMENT BANK (VIDEOCONFERENCE) HELD ON  
JUNE 28, 2021 AT 19:00 (SHANGHAI TIME)**

PRESENT:

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

- i. Mr. K. Rajaraman (Director for India, Chairperson)
- ii. Mr. Zhijun Cheng (Director for China)
- iii. Mr. Bin Han (Alternate Director for China)
- iv. Mr. Enoch Godongwana (Director for South Africa)
- v. Ms. Vuyelwa Vumendlini (Alternate Director for South Africa)
- vi. Mr. Erivaldo Gomes (Alternate Director for Brazil)
- vii. Mr. Oleg Podomatko (Temporary Alternate Director for Russia)
- viii. Mr. Marcos Troyjo (President and Committee Member)

**Advisors and other Participants accompanying Committee Members**

- i. Ms. Raquel Breda dos Santos, General Coordinator for Global Development Institutions, Ministry of Economy, Brazil
- ii. Ms. Raquel Porto Ribeiro Mendes, Coordinator for Relations with Global Development Institutions, Ministry of Economy, Brazil
- iii. Ms. Elena Zamorina, Advisor, Department for International Financial Affairs, Ministry of Finance of the Russian Federation
- iv. Ms. Manisha Sinha, Joint Secretary, Department of Economic Affairs, Ministry of Finance, India
- v. Mr. Prasanna V. Salian, Deputy Secretary, Department of Economic Affairs, Ministry of Finance, India
- vi. Mr. Jiangnan Qian, Director, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- vii. Ms. Hongna Li, Deputy Director, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China

- viii. Mr. Yazhou Yan, Staff, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- ix. Mr. Mfundo Hlatshwayo, Chief Director, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa
- x. Ms. Didintle Letsie, Economist, BRICS Global and Emerging Market, International and Regional Economic Policy, National Treasury, South Africa
- xi. Mr. Lesego Ntoahae, Economist, BRICS Global and Emerging Market, International and Regional Economic Policy, National Treasury, South Africa
- xii. Ms. Tlangelani Mageza, Staff, BRICS Global and Emerging Market, 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 Operating 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**

The Agenda (2021-ARC19-DOC-001) was considered and adopted by the Audit, Risk and Compliance Committee (“ARC” or “Committee”).

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

The Committee took note of the Opening Remarks by the NDB President and expressed appreciation for the progress made.

#### **3. Leave of Absence**

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

**4. Approval of the Minutes and Summary of the 18<sup>th</sup> ARC Meeting held on March 29, 2021**

The Committee approved the Minutes (2021-ARC19-DOC-003), the Summary of the Open Session (2021-ARC19-DOC-004-a) and the Summary of the Closed Session (2021-ARC19-DOC-004-b) of the 18<sup>th</sup> ARC Meeting held on March 29, 2021.

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

The Committee considered the Matters Arising from the 18<sup>th</sup> ARC Meeting of the New Development Bank (2021-ARC19-DOC-005) and took note thereof.

**6. Financial Statements**

**a. Condensed Financial Statements for the New Development Bank for the three months ended March 31, 2021**

The Committee considered the Note on New Development Bank Condensed Financial Statements for the three months ended March 31, 2021 (2021-ARC19-DOC-006-a) 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 three months ended March 31, 2021**

The Committee considered the Note on Project Preparation Fund (“PPF”) Condensed Financial Statements for the three months ended March 31, 2021 (2021-ARC19-DOC-007-a) and recommended that it be submitted to the Board for approval.

**7. Risk Management Report for the period ended March 31, 2021**

The Committee considered the Risk Management Report Q1 2021 (2021-ARC19-DOC-008) and took note thereof.

**8. Policy Reviews**

**a. Business Continuity Management Policy**

The Committee considered the Note and Schedule of Changes for the Proposed Amendments to Business Continuity Management Policy (2021-ARC19-DOC-009-a), the revised Business Continuity Management Policy in track-change mode (2021-ARC19-DOC-009-b) and the revised Business Continuity Management Policy in clean version (2021-ARC19-DOC-009-c), and recommended that the revised Business Continuity Management Policy be submitted to the Board for approval.

**b. Exchange Rate Risk Management Policy**

The Committee considered the Note and Schedule of Changes for the Proposed Amendments to the Exchange Rate Risk Management Policy (2021-ARC19-DOC-010-a), the revised Exchange Rate Risk Management Policy in track-change mode (2021-ARC19-DOC-010-b) and the revised Exchange Rate Risk Management Policy in clean version (2021-ARC19-DOC-010-c), and recommended that the revised Exchange Rate Risk Management Policy be submitted to the Board for approval.

**c. Interest Rate Risk Management Policy**

The Committee considered the Note and Schedule of Changes for the Proposed Amendments to the Interest Rate Risk Management Policy (2021-ARC19-DOC-011-a), the revised Interest Rate Risk Management Policy in track-change mode (2021-ARC19-DOC-011-b) and the revised Interest Rate Risk Management Policy in clean version (2021-ARC19-DOC-011-c), and recommended that the revised Interest Rate Risk Management Policy be submitted to the Board for approval.

**9. Compliance Update**

The Committee considered the Compliance Update (2021-ARC19-DOC-012) and took note thereof. The Committee requested the Management to review the Bank's process of handling grievances in relation to projects and report of the outcome at the next Committee meeting.

**10. Internal Audit**

**a. Internal Audit Reports**

The Committee considered and took note of the Note on the Internal Audit Reports (2021-ARC19-DOC-013), the Internal Audit Report Q4 2020 of Lending and Operations (2021-ARC19-DOC-014-a), the Internal Audit Report of Africa Regional Centre (2021-ARC19-DOC-014-b) and the Internal Audit Report Q4 2020 of Finance, Budget and Accounting Department (2021-ARC19-DOC-014-c).

**b. Report on Electronic Data Interchange**

The Committee considered the Internal Audit Report of Electronic Data Interchange Platform Project (2021-ARC19-DOC-015) and requested further work on this matter.

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

The Committee considered the Note on the Status of Audit Observations (2021-ARC19-DOC-016-a) and its Annexure (2021-ARC19-DOC-016-b), and took note of the status of audit observations from previous audit reports.

**d. Update on Quality Assurance and Improvement Programme**

The Committee considered and took note of the Note on the Quality Assurance Improvement Program (2021-ARC19-DOC-017-a) and the Final Report on the External Quality Assessment of the Internal Audit Activity in the New Development Bank (2021-ARC19-DOC-017-b).

**11. Closed Session**

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

**12. Any Other Business**

The Committee requested improvement to the system of managing complaints.

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. Mr. Alexander Efimov, Young Professional (via Videoconference)
- iv. Ms. Helen Shen, Officer

Front Office of President

- i. Mr. Hanyong Liu, Chief
- ii. Mr. Couto Silva, Principal Professional
- iii. Ms. Jasmin Jakoet, Senior Professional
- iv. Mr. Sidharth Kamani, Senior Professional
- v. Mr. Julien Demeulemeester, 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 (via Videoconference)
- ii. Mr. Abhishek Haridas Pathak, Executive Assistant to the CRO (via Videoconference)
- iii. Mr. Ningqian Zhang, Executive Assistant to COO

Other Divisions

- i. Mr. Jose Luiz Fernandes, Director General, Risk Management
- ii. Ms. Halima Nazeer, Director General, Finance, Budget and Accounting
- iii. Mr. Paritosh Pandit, Chief and Financial Controller, Finance, Budget and Accounting
- iv. Mr. Kuldeep Goel, Chief, Credit Risk, Risk Management
- v. Mr. Bharan Guntupalli, Chief, Enterprise and Operational Risk, Risk Management
- vi. Mr. Srinivas Yanamandra, Chief, Compliance (via Videoconference)
- vii. Mr. Kamal Ahuja, Chief, Internal Audit
- viii. Mr. Alexander Baryshnikov, Chief, Information Technology (standby)
- ix. Mr. Chao Sun, Senior Professional, Internal Audit
- x. Mr. Huawei Zhang, Professional, Compliance

Independent Auditors

- i. Mr. Leon Fan, Deloitte
- ii. Ms. Jessica Li, Deloitte
- iii. Ms. Annie Pan, Deloitte
- iv. Mr. Jasper Xu, PwC (via Videoconference)
- v. Mr. Speed Wang, PwC
- vi. Ms. Hong Zheng, PwC