
**MINUTES OF THE TWENTIETH AUDIT, RISK AND COMPLIANCE COMMITTEE
MEETING OF THE NEW DEVELOPMENT BANK (VIDEOCONFERENCE) HELD ON
SEPTEMBER 22, 2021 AT 19:00 (CHINA STANDARD TIME)**

PRESENT:

Members of the Audit, Risk and Compliance Committee

- i. Mr. Rajat Kumar Mishra (Director for India, Chairperson)
- ii. Mr. Zhijun Cheng (Director for China)
- iii. Mr. Bo Zhang (Alternate Director for China)
- iv. Ms. Vuyelwa Vumendlini (Alternate Director for South Africa)
- v. Mr. Marcos Machado Guimarães (Temporary Alternate Director for Brazil)
- vi. Mr. Timur Maksimov (Director for Russia)
- vii. 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. Livia Braga, Infrastructure Analyst, Ministry of Economy, Brazil
- iv. Ms. Elena Zamorina, Advisor, Department for International Financial Affairs, Ministry of Finance, Russian Federation
- 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. Lei Zhang, Deputy Director, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China

- ix. Mr. Yazhou Yan, Staff, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- x. Mr. Mfundo Hlatshwayo, Chief Director, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa
- xi. Mr. Marlon Geswint, Chief Director, Country and Thematic Analysis, National Treasury, South Africa
- xii. Ms. Didintle Letsie, Senior Economist, BRICS Global and Emerging Market, International and Regional Economic Policy, National Treasury, South Africa
- xiii. Mr. Oratilwe Teisho, Assistant Director, BRICS Global and Emerging Market, International and Regional Economic Policy, National Treasury, South Africa

Vice Presidents

- i. Mr. Vladimir Kazbekov, Vice-President and Chief Operating Officer (“COO”)
- ii. Mr. Anil Kishora, Vice-President and Chief Risk Officer (“CRO”)
- iii. Mr. Qiangwu Zhou, Vice-President and Chief Administrative Officer (“CAO”)
- 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-ARC20-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.

3. Leave of Absence

The Director for Brazil was represented by a Temporary Alternate Director for Brazil. The Alternate Director for South Africa attended the meeting. The meeting had the requisite quorum.

4. Approval of the Minutes and Summary of the 19th ARC Meeting held on June 28, 2021

The Committee approved the Minutes (2021-ARC20-DOC-003) and the Summary of the 19th ARC Meeting held on June 28, 2021, including the Summary of the Open Session (2021-ARC20-DOC-004-a) as well as the Summary of the Closed Session (2021-ARC20-DOC-004-b).

5. Matters Arising from the Previous Meeting

The Committee considered the Matters Arising from the 19th ARC Meeting of the New Development Bank (2021-ARC20-DOC-005-REV1) and took note thereof.

6. Financial Statements

a. Condensed Financial Statements for the New Development Bank for the six months ended June 30, 2021

The Committee considered the Note on New Development Bank Condensed Financial Statements for the six months ended June 30, 2021 (2021-ARC20-DOC-006-a) and the New Development Bank Report on Review of Condensed Financial Statements and Condensed Financial Statements for the six months ended June 30, 2021 (2021-ARC20-DOC-006-b) and recommended that the New Development Bank Report on Review of Condensed Financial Statements and Condensed Financial Statements for the six months ended June 30, 2021 be submitted to the Board of Directors (“Board”) for approval, as amended.

b. Condensed Financial Statements for the Project Preparation Fund of the New Development Bank for the six months ended June 30, 2021

The Committee considered the Note on Project Preparation Fund (“PPF”) Condensed Financial Statements for the six months ended June 30, 2021 (2021-ARC20-DOC-007-a) and the New Development Bank PPF Report on Review of Condensed Financial Statements and Condensed Financial Statements for the six months ended June 30, 2021 (2021-ARC20-DOC-007-b), and recommended that the New Development Bank PPF Report on Review of Condensed Financial Statements and Condensed Financial Statements for the six months ended June 30, 2021 be submitted to the Board for approval.

7. Risk Management Report for the period ended June 30, 2021

The Committee considered the Risk Management Report Q2 2021 (2021-ARC20-DOC-008) and took note thereof.

8. Bank of International Settlements as a Treasury Counterparty of the New Development Bank

The Committee considered the Note on Onboarding the Bank for International Settlements as a Treasury Counterparty of the New Development Bank (2021-ARC20-DOC-009) and recommended that the Board approve onboarding of the Bank for International Settlements as a treasury counterparty, as an exception to the Credit Risk Management Policy .

9. Policy Reviews

a. Operational Risk Management Policy

The Committee considered the proposed revisions to the Operational Risk Management Policy and recommended that the Board approve the revised Operational Risk Management Policy.

b. Compliance Management Policy

The Committee considered the proposed revisions to the Compliance Management Policy and requested the Management to undertake further work.

c. Code of Business Conduct and Ethics

The Committee considered the proposed revisions to the Code of Business Conduct and Ethics and recommended that the Board approve the revised Code of Conduct and Ethics. The Committee also agreed that a further updated version be submitted to the next Committee meeting.

d. Whistleblower Procedures

The Committee considered the proposed revisions to the Whistleblower Procedures and recommended that the Board approve the revised Whistleblower Procedures. The Committee also agreed that further amendments be submitted to the next Committee meeting.

10. Compliance Update

The Committee considered the Compliance Update (2021-ARC20-DOC-014) and the Status Update on Project Complaint handling (2021-ARC20-DOC-014-b), and took note thereof.

11. Internal Audit

a. Internal Audit Reports

The Committee considered the Note on the Internal Audit Reports (2021-ARC20-DOC-015-a) and the Internal Audit Report Q1 2021 of Treasury and Portfolio Management (2021-ARC20-DOC-015-b), and took note thereof.

b. Status of Audit Observations from previous Audit Reports

The Committee considered the Note on the Status of Audit Observations (2021-ARC20-DOC-016-a) and its Annexures (2021-ARC20-DOC-016-b), and took note thereof.

12. 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.

13. 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. Mr. Alexander Efimov, Young Professional
- iv. Ms. Helen Shen, Officer

Office of President

- i. Mr. Artur Lacerda, Director General
- ii. Mr. Hanyong Liu, Chief
- iii. Mr. Couto Silva, Principal Professional
- iv. Ms. Jasmin Jakoet, Senior Professional
- v. Mr. Sidharth Kamani, Senior Professional
- vi. Mr. Julien Demeulemeester, Professional
- vii. Mr. James Elias, Executive Assistant to the President

Executive Assistants to Vice-Presidents

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

Other Departments/Divisions

- i. Mr. Sergei Kuznetsov, Director General and Legal Counsel
- ii. Ms. Halima Nazeer, Director General, Finance, Budget and Accounting
- iii. Mr. Jose Luiz Fernandes, Director General, Risk Management
- iv. Mr. Yousuf Ali Syed, Director General, Treasury and Portfolio Management
- v. Mr. Bharan Guntupalli, Chief, Loans and Treasury Back Office, Finance, Budget and Accounting
- vi. Mr. Kuldeep Goel, Chief, Credit Risk, Risk Management
- vii. Mr. Srinivas Yanamandra, Chief, Compliance and Investigations
- viii. Mr. Kamal Ahuja, Chief, Internal Audit
- ix. Mr. Abhimanyu Ghosh, Principal Professional, Legal
- x. Mr. Shubham Prakash, Professional, Risk Management
- xi. Mr. Huawei Zhang, Professional, Compliance and Investigations

Independent Auditors

- i. Ms. Jessica Li, Deloitte
- ii. Ms. Annie Pan, Deloitte