
**MINUTES OF THE TWENTY FIRST AUDIT, RISK AND COMPLIANCE COMMITTEE
MEETING OF THE NEW DEVELOPMENT BANK (VIDEOCONFERENCE) HELD ON
DECEMBER 13, 2021 AT 19:00 (CHINA STANDARD TIME)**

PRESENT:

Members of the Audit, Risk and Compliance Committee

- i. Ms. Vuyelwa Vumendlini (Alternate Director for South Africa, Chairperson of the meeting)
- ii. Mr. Eivaldo Gomes (Alternate Director for Brazil)
- iii. Mr. Timur Maksimov (Director for Russia)
- iv. Mr. Pavel Snisorenko (Alternate Director for Russia)
- v. Mr. Prasanna Salian (Temporary Alternate Director for India)
- vi. Mr. Bo Zhang (Alternate Director for China)
- vii. Mr. Md. Shahriar Kader Siddiky (Temporary Additional Director for the Constituency of Bangladesh and the United Arab Emirates)
- viii. Mr. Abdalla Ahmed Al Obeidli (Temporary Additional Alternate Director for the Constituency of Bangladesh and the United Arab Emirates)
- ix. Mr. Marcos Troyjo (President and Committee Member)

Advisors and other Participants accompanying Committee Members

- i. Mr. Marcos Machado Guimarães, Deputy Secretary for International Economic Affairs, 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. Mr. Oleg Podomatko, Deputy Director, Department for International Financial Affairs, Ministry of Finance, Russian Federation
- v. Ms. Elena Zamorina, Advisor, Department for International Financial Affairs, Ministry of Finance, Russian Federation
- vi. Mr. Jiangnan Qian, Director, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China

- vii. Mr. Lei Zhang, Deputy 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, 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)

In the absence of the Chairperson of the Audit, Risk and Compliance Committee (“ARC” or “Committee”), the Alternate Director for South Africa was elected as the Chairperson of the meeting.

1. Adoption of the Agenda

The Committee considered and adopted the Agenda of the 21st Meeting of the Audit, Risk and Compliance Committee (2021-ARC21-DOC-001).

2. Opening Remarks by the NDB President

The Committee took note of the Opening Remarks by the NDB President and welcomed the new Board Members.

3. Leave of Absence

The Directors for Brazil, India and China were absent. They were represented by their Alternates or Temporary Alternates. The Alternate Director for South Africa chaired the meeting. The meeting had the requisite quorum.

4. Approval of the Minutes and Summary of the 20th ARC Meeting held on September 22, 2021

The Committee approved the Minutes (2021-ARC21-DOC-003) and the Summary of the 20th ARC Meeting held on September 22, 2021 (2021-ARC21-DOC-004-a), including the Summary of the Open Session as well as the Summary of the Closed Session (2021-ARC21-DOC-004-b).

5. Matters Arising from the Previous Meeting

The Committee considered the Matters Arising from the 20th ARC Meeting of the New Development Bank (2021-ARC21-DOC-005) and took note thereof.

6. Financial Statements

a. Condensed Financial Statements for the New Development Bank for the nine months ended September 30, 2021

The Committee considered the Note on New Development Bank Condensed Financial Statements for the nine months ended September 30, 2021 (2021-ARC21-DOC-006-a) and the New Development Bank Report on Review of Condensed Financial Statements and Condensed Financial Statements for the nine months ended September 30, 2021 (2021-ARC21-DOC-006-b), and recommended that the New Development Bank Report on Review of Condensed Financial Statements and Condensed Financial Statements for the nine months ended September 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 nine months ended September 30, 2021

The Committee considered the Note on Project Preparation Fund (“PPF”) Condensed Financial Statements for the nine months ended September 30, 2021 (2021-ARC21-DOC-007-a) and the New Development Bank PPF Report on Review of Condensed Financial Statements and Condensed Financial Statements for the nine months ended September 30, 2021 (2021-ARC21-DOC-007-b), and recommended that the New Development Bank PPF Report on Review of Condensed Financial Statements and Condensed Financial Statements for the nine months ended September 30, 2021 be submitted to the Board for approval.

7. Independent Auditor

a. Note on Audit Fees of the Independent Auditors for CY2022

The Committee considered the Note on Audit Fees of the Independent Auditors for CY2022 (2021-ARC21-DOC-008) and recommended that the Board approve the proposed audit fees and out of pocket fees of the Independent Auditor for CY2022.

b. Note on Non-Audit Fees of the Independent Auditors for CY2022

The Committee considered the Note on Non-Audit Fees of the Independent Auditors for CY2022 and recommended that the Board approve the proposed non-audit services and the non-audit fees of the Independent Auditor for CY2022.

8. Risk Management Report for the period ended September 30, 2021

The Committee considered the Risk Management Report Q3 2021 (2021-ARC21-DOC-008) and took note thereof.

9. Policy Reviews

a. Credit Risk Management Policy

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

b. Enterprise Risk Management and Risk Appetite Framework

The Committee considered the proposed revisions to the Enterprise Risk Management and Risk Appetite Framework and recommended that the Board approve the revised Enterprise Risk Management and Risk Appetite Framework.

c. Compliance Management Policy

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

d. 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.

e. Whistleblower Procedures

The Committee considered the Note concerning a Review of Whistleblower Procedures (2021-ARC21-DOC-015-a) and the Uniform Principles and Guidelines for Investigations (2021-ARC21-DOC-015-b) and took note thereof.

f. Information Technology Service Management Policy

The Committee considered the proposed revisions to the Information Technology Service Management Policy and recommended that the Board approve the revised Information Technology Service Management Policy.

10. Compliance Update

The Committee considered the Compliance Update (2021-ARC21-DOC-017) and took note thereof.

11. Update on the Electronic Data Interchange Platform Project

The Committee considered the Update on the Electronic Data Interchange Platform Project (2021-ARC21-DOC-019) and discussed the next steps.

12. Internal Audit

a. Status of Audit Observations from previous Audit Reports

The Committee considered the Note on the Status of Audit Observations (2021-ARC21-DOC-020-a) and its Annexures (2021-ARC21-DOC-020-b), and took note thereof.

b. Internal Audit Reports

The Committee considered the Note on the Internal Audit Reports (2021-ARC21-DOC-021-a), the Internal Audit Report for Corporate Procurement (2021-ARC21-DOC-021-b), the Internal Audit Report for Pricing for Non-Sovereign Lending and Operations, Computation of NDB's Risk Capital, Capital Adequacy Assessment and Reporting (2021-ARC21-DOC-021-c) and the Internal Audit Report for IT Demands, Procurement and Implementation (2021-ARC21-DOC-021-d), and took note thereof.

c. Amendment to the CY2021 Risk-based Internal Audit Plan

The Committee considered the Note on the CY2021 Risk-based Internal Audit Plan (2021-ARC21-DOC-022) and recommended that the Board approve the proposed amendments.

13. Closed Session

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

14. Any Other Business

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

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

Corporate Secretary Department:

- 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 the 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. Ningqian Zhang, Executive Assistant to CAO
- iii. Mr. Kaviarasan Kailasam, Executive Assistant to the CRO, Short Tem Consultant, Strategy, Policies and Partnership

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. Paritosh Pandit, Chief Financial Controller
- vi. Mr. Kuldeep Goel, Chief, Credit Risk, Risk Management
- vii. Mr. Leon Myburgh, Chief, Portfolio Management
- viii. Mr. Srinivas Yanamandra, Chief, Compliance, Interity and Ethics
- ix. Mr. Kamal Ahuja, Chief, Internal Audit
- x. Mr. Alexander Baryshnikov, Chief, Information Technology
- xi. Mr. Marcelo Cardoso, Principal Professional, Legal
- xii. Mr. Abhimanyu Ghosh, Principal Professional, Legal

- xiii. Mr. Qinghua Gu, Principal Professional, Information Technology
- xiv. Ms. Claudia Gongora, Senior Professional, Compliance and Investigations
- xv. Mr. Shubham Prakash, Professional, Enterprise and Operational Risk
- xvi. Mr. Huawei Zhang, Professional, Compliance and Investigations

Independent Auditor

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

External Consultants

- i. Mr. Ray Tan, PwC
- ii. Ms. Tina Lei, PwC
- iii. Ms. Jasmine Dai, PwC