
**MINUTES OF THE TWENTY-THIRD AUDIT, RISK AND COMPLIANCE COMMITTEE
MEETING OF THE NEW DEVELOPMENT BANK (VIDEOCONFERENCE) HELD ON
JUNE 21, 2022 AT 19:00 (CHINA STANDARD TIME)**

PRESENT:

Members of the Audit, Risk and Compliance Committee

- i. Mr. Rajat Kumar Mishra (Director for India and Chairperson of the Committee)
- ii. Mr. Bo Zhang (Alternate Director for China)
- iii. Mr. Dondo Mogajane (Director for South Africa)
- iv. Ms. Nolundi Dikweni (Alternate Director for South Africa)
- v. Mr. Marcos Aurélio dos Santos Rocha (Alternate Director for Brazil)
- vi. Mr. Oleg Podomatko (Temporary Alternate Director for Russia)
- vii. Mr. Marcos Troyjo (President and Committee Member)

Advisors and Other Participants accompanying Committee Members

- i. Ms. Raquel Porto Ribeiro Mendes, Coordinator for Relations with Global Development Institutions, Ministry of Economy, Brazil
- ii. Ms. Livia Batista Maciel Braga, Infrastructure Analyst, Ministry of Economy, Brazil
- iii. Ms. Daria Teterkina, Deputy Head of Division, Department for International Financial Affairs, Ministry of Finance, Russia
- iv. Ms. Elena Zamorina, Advisor, Department for International Financial Affairs, Ministry of Finance, Russia
- v. Mr. Jiangnan Qian, Director, IFI Division IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- vi. Mr. Lei Zhang, Deputy Director, IFI Division IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- vii. Mr. Yazhou Yan, Staff, IFI Division IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- viii. Mr. Mfundo Hlatshwayo, Chief Director, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa

- ix. Mr. Oratilwe Teisho, Assistant Director, BRICS, Global and Emerging Market, International and Regional Economic Policy, National Treasury, South Africa
- x. Mr. Abdul Quader, Economic Relations Division, Ministry of Finance, Bangladesh
- xi. Ms. Marwa Rashid Al Mahmood, Executive International Organizations Section, International Financial Relations and Organizations Department, Ministry of Finance, United Arab Emirates

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 Audit, Risk and Compliance Committee (“Committee” or “ARC”) considered and adopted the Agenda of the 23rd Meeting of the Audit, Risk and Compliance Committee (2022-ARC23-DOC-001).

2. Opening Remarks by the NDB President

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

3. Leave of Absence

The Directors for Brazil, Russia and China were represented by their Alternates or Temporary Alternates. The Temporary Additional Director for the Constituency of Bangladesh and United Arab Emirates did not attend the meeting. The meeting had the requisite quorum.

4. Approval of the Minutes and Summary of the 22nd ARC Meeting held on March 10, 2022

The Committee considered and approved the Minutes (2022-ARC23-DOC-003), the Summary of the Open Session (2022-ARC23-DOC-004-a) and the Summary of the

Closed Session (2022-ARC23-DOC-004-b) of the 22nd ARC Meeting held on March 10, 2022.

5. Record of Inter-Sessional Approvals

The Committee considered the Note on the Inter-Sessional Decisions of the Audit, Risk and Compliance Committee since the 22nd Meeting (2022-ARC23-DOC-005) and took note thereof.

6. Matters Arising from the Previous Meeting

The Committee considered the Matters Arising from the 22nd ARC Meeting (2022-ARC23-DOC-006) and took note thereof.

7. Financial Statements

a. Condensed Financial Statements of the New Development Bank for the three months ended March 31, 2022

The Committee considered the Note on Condensed Financial Statements of New Development Bank (“NDB”) for the three months ended March 31, 2022 (2022-ARC23-DOC-007-a) and the New Development Bank Report on Review of Condensed Financial Statements and Condensed Financial Statements for the three months ended March 31, 2022 (2022-ARC23-DOC-007-b), and recommended that the New Development Bank Report on Review of Condensed Financial Statements and Condensed Financial Statements for the three months ended March 31, 2022 be submitted to the Board of Directors (“Board”) for approval.

b. Condensed Financial Statements of the Project Preparation Fund of the New Development Bank for the three months ended March 31, 2022

The Committee considered the Note on Condensed Financial Statements of the Project Preparation Fund (“PPF”) for the three months ended March 31, 2022 (2022-ARC23-DOC-008-a) and the New Development Bank PPF Report on Review of Condensed Financial Statements and Condensed Financial Statements for the three months ended March 31, 2022 (2022-ARC23-DOC-008-b), and recommended that the New Development Bank PPF Report on Review of Condensed Financial Statements and Condensed Financial Statements for the three months ended March 31, 2022 be submitted to the Board for approval.

8. Risk Management Report for the period ended March 31, 2022

The Committee considered the Risk Management Report Q1_2022 (2022-ARC23-DOC-009) and took note thereof.

9. Policy Reviews

a. Capital Management Policy

The Committee considered the Note and Schedule of Changes of the Proposed Amendments to the Capital Management Policy (2022-ARC23-DOC-010-a), the revised Capital Management Policy in track-change mode (2022-ARC23-DOC-010-b) and the revised Capital Management Policy in clean version (2022-ARC23-DOC-010-c) and recommended that the Board approve the revised Capital Management Policy.

10. Amendments to Treasury Business Management Ratios and Limits

The Committee considered the Note and Schedule of Changes of the Proposed Amendments to the Treasury Business Management Policy (2022-ARC23-DOC-011-a), the revised Treasury Business Management Policy in track-change mode (2022-ARC23-DOC-011-b) and the revised Treasury Business Management Policy in clean version (2022-ARC23-DOC-011-c) and requested the Management to further work on the proposed amendments by engaging with member countries.

11. Treasury Portfolio Diversification and Return

The Committee considered the Note on Treasury and Portfolio Diversification and Return (2022-ARC23-DOC-012) and took note thereof.

12. NDB Project Preparation Fund Investment Strategy in 2022

The Committee considered the Note on NDB Project Preparation Fund Investment Measures in 2022 (2022-ARC23-DOC-013) and took note thereof.

13. Compliance Update

The Committee considered the Compliance Update (2022-ARC23-DOC-014) and took note thereof. The Committee provided guidance for handling complaints.

14. Update on the Electronic Data Interchange Platform Project

The Committee took note of the oral update on the Electronic Data Interchange Platform Project.

15. Internal Audit

a. Internal Audit Reports

The Committee considered the Note on the Internal Audit Reports (2022-ARC23-DOC-016-a), the Internal Audit Report for Basis Rate (Libor) Transition (2022-ARC23-DOC-

016-b) and the Internal Audit Report for Environmental, Social and Governance Department (2022-ARC23-DOC-016-c), and took note thereof. The Committee requested the Management to take actions to address the audit issues.

b. Status of Audit Observations from previous Audit Reports

The Committee considered the Note on the Status of Audit Issues (2022-ARC23-DOC-017-a) and its Annexures (2022-ARC23-DOC-017-b) and provided guidance on the next steps on addressing outstanding audit issues.

c. Roles and Responsibilities between the Audit, Risk and Compliance Committee and the Management

The Committee considered the Note on Update on the Matters Arising (relating to IAD) – Roles and Responsibilities (2022-ARC23-DOC-018) and took note thereof.

d. Appointment of Outsourced Internal Audit Service Providers

The Committee considered the Note on Update on the Matters Arising (relating to IAD) – Outsourcing of Internal Audit Services (2022-ARC23-DOC-019) and took note thereof.

16. Closed Session

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

17. 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 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. Sidharth Kamani, Senior Professional
- iv. Mr. Julien Demeulemeester, Professional

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

Other Departments/Divisions

- i. Mr. Sergei Kuznetsov, Director General and Legal Counsel
- ii. Ms. Halima Nazeer, Director General, Finance, Budget and Accounting
- iii. Ms. Sharmila Govind, Director General, Human Resources
- iv. Mr. Paritosh Pandit, Chief Financial Controller
- v. Mr. Kuldeep Goel, Chief, Credit Risk Management
- vi. Mr. Leon Myburgh, Chief, Portfolio Management
- vii. Mr. Morgan Pillay, Chief, Ethics and Investigations
- viii. Mr. Kamal Ahuja, Chief, Internal Audit
- ix. Mr. Marcelo Cardoso, Chief, Legal
- x. Mr. Gustavo Jerez, Chief, Enterprise & Operational Risk
- xi. Mr. James Zhou, Chief, Integrity and Regulatory Compliance
- xii. Mr. Qinghua Gu, Principal Professional, IT Division
- xiii. Mr. Daniel Freitas, Principal Professional, Human Resources Department
- xiv. Mr. Chao Sun, Senior Professional, Internal Audit Department
- xv. Mr. Alberto Pita, Senior Professional, Credit Risk
- xvi. Mr. Huawei Zhang, Professional, Integrity and Regulatory Compliance

Independent Auditors

- i. Ms. Jerry Su, Deloitte
- ii. Mr. Jason Han, Deloitte