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**MINUTES OF THE TWENTY-FOURTH AUDIT, RISK AND COMPLIANCE  
COMMITTEE MEETING OF THE NEW DEVELOPMENT BANK  
(VIDEOCONFERENCE) HELD ON SEPTEMBER 13, 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. Zhijun Cheng (Director for China)
- iii. Mr. Bo Zhang (Alternate Director for China)
- iv. Mr. Dondo Mogajane (Director for South Africa)
- v. Mr. Lucas Pedreira do Couto Ferraz (Director for Brazil)
- vi. Mr. Marcos Aurélio dos Santos Rocha (Alternate Director for Brazil)
- vii. Mr. Timur Maksimov (Director for Russia)
- viii. Mr. Pavel Snisorenko (Alternate Director for Russia)
- ix. Mr. Md. Shahriar Kader Siddiky (Temporary Additional Director for the Constituency of Bangladesh and the United Arab Emirates)
- x. 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. Daria Teterkina, Deputy Head of Division, Department for International Financial Affairs, Ministry of Finance, Russia
- iii. Ms. Elena Zamorina, Advisor, Department for International Financial Affairs, Ministry of Finance, Russia
- iv. Mr. Jiangnan Qian, Director, IFI Division IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- v. Mr. Lei Zhang, Deputy Director, IFI Division IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China

- vi. Mr. Yazhou Yan, Staff, IFI Division IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- vii. Mr. Mfundo Hlatshwayo, Chief Director, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa
- viii. Mr. Abdul Quader, Economic Relations Division, Ministry of Finance, Bangladesh
- ix. Ms. Marwa Rashid Al Mahmood, Executive International Organizations Section, International Financial Relations and Organizations Department, Ministry of Finance, United Arab Emirates
- x. Ms. Masuma Akter, Joint Secretary, Asia, Joint Economic Commission and Fellowship and Foundation, Economic Relations Division, Ministry of Finance, Bangladesh
- xi. Ms. Debi Chanda, Deputy Secretary, Asia, Joint Economic Commission and Fellowship and Foundation Relations Divisions, Ministry of Finance, Bangladesh

### **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 24<sup>th</sup> Meeting of the Audit, Risk and Compliance Committee (2022-ARC24-DOC-001-REV1).

#### **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 attended part of the meeting and was represented by his Alternate during his absence. The meeting had the requisite quorum.

**4. Approval of the Minutes and Summary of the 23<sup>rd</sup> ARC Meeting held on June 21, 2022**

The Committee considered and approved the Minutes (2022-ARC24-DOC-003-a), the Summary of the Open Session (2022-ARC24-DOC-004-a) and the Summary of the Closed Session (2022-ARC24-DOC-004-b) of the 23<sup>rd</sup> ARC Meeting held on June 21, 2022.

**5. Matters Arising from the Previous Meeting and Inter-Sessional Decisions**

The Committee considered the Matters Arising from the 23<sup>rd</sup> ARC Meeting (2022-ARC24-DOC-005-a) and took note thereof.

The Committee considered the Note on the Inter-Sessional Decisions of the Audit, Risk and Compliance Committee since the 23<sup>rd</sup> Meeting (2022-ARC24-DOC-005-b) and took note thereof.

**6. Financial Statements**

**a. Condensed Financial Statements of the New Development Bank for the six months ended June 30, 2022**

The Committee considered the Note on Condensed Financial Statements of New Development Bank (“NDB”) for the six months ended June 30, 2022 (2022-ARC24-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, 2022 (2022-ARC24-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, 2022 be submitted to the Board of Directors (“Board”) for approval, subject to the inclusion of the subsequent events.

**b. Condensed Financial Statements of the Project Preparation Fund of the New Development Bank for the six months ended June 30, 2022**

The Committee considered the Note on Condensed Financial Statements of the Project Preparation Fund (“PPF”) for the six months ended June 30, 2022 (2022-ARC24-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, 2022 (2022-ARC24-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, 2022 be submitted to the Board for approval, subject to the inclusion of the subsequent events.

**c. Profit or Loss Analysis of the New Development Bank for the six months ended June 30, 2022**

The Committee considered the Profit or Loss Analysis of the New Development Bank for the six months ended June 30, 2022 (2022-ARC24-DOC-008) and took note thereof.

**7. Risk Management Report for the period ended June 30, 2022**

The Committee considered the Risk Management Report Q2\_2022 (2022-ARC24-DOC-009) and took note thereof.

**8. Policy Review**

**a. Credit Risk Management Policy**

The Committee considered the Note and Schedule of Changes of the Proposed Amendments to Credit Risk Management Policy (2022-ARC24-DOC-010-a), the revised Credit Risk Management Policy in track-change mode (2022-ARC24-DOC-010-b) and the revised Credit Risk Management Policy in clean version (2022-ARC24-DOC-010-c), and recommended that the Board approve the proposed amendments to the Credit Risk Management Policy.

**9. Comparative Analysis with Peer MDBs on Treasury Investment Portfolio**

The Committee considered the Note on Comparative Analysis with Peer MDBs on Treasury Investment Portfolio (2022-ARC24-DOC-011) and took note thereof.

**10. Compliance Update**

The Committee considered the Compliance Update (2022-ARC24-DOC-012) and took note thereof.

**11. Update on the Electronic Data Interchange Platform Project**

The Committee took note of the oral update on the NDB Client Portal.

**12. Internal Audit**

**a. Internal Audit Reports**

The Committee considered and took note of the Note on the Internal Audit Reports (2022-ARC24-DOC-013-a), the Internal Audit Report for Lending and Operations (2022-ARC24-DOC-013-b) and the Internal Audit Report for Credit Risk Management Processes (2022-ARC24-DOC-013-c). The Committee requested the Management to take the necessary action to address the audit issues.

**b. Status of Audit Observations from Previous Audit Reports**

The Committee considered and took note of the Note on the Status of Audit Issues as of September 2022 (2022-ARC24-DOC-014) and its Annexures (2022-ARC24-DOC-015).

**c. Interim Review of the Internal Audit Policy**

The Committee considered the Note on the Proposed Amendments to the Internal Audit Policy (2022-ARC24-DOC-016-a), the Schedule of Changes of the Proposed Amendments to the Internal Audit Policy (2022-ARC24-DOC-016-b), the revised Internal Audit Policy in track-change mode (2022-ARC24-DOC-016-c) and the revised Internal Audit Policy in clean version (2022-ARC24-DOC-016-d), and recommended that the Board approve the proposed amendments to the Internal Audit Policy.

**13. 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.

**14. 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. Angela Gu, Senior Officer

Office of the President

- i. Mr. Artur Lacerda, Director General
- ii. Mr. Hanyong Liu, Chief
- iii. Mr. Couto Silva, Principal Professional
- iv. Ms. Melisha Naidoo, Senior Professional
- v. Mr. Julien Demeulemeester, Professional
- vi. 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

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. Abhimanyu Ghosh, Principal Professional, Legal
- xiii. Mr. Qinghua Gu, Principal Professional, IT Division
- xiv. Mr. Daniel Freitas, Principal Professional, Human Resources Department
- xv. Mr. Sidharth Kamani, Senior Professional, Credit Risk

- xvi. Mr. Chao Sun, Senior Professional, Internal Audit Department
- xvii. Mr. Alberto Pita, Senior Professional, Credit Risk
- xviii. Mr. Zhenchen Zhang, Senior Professional, Market Risk
- xix. Mr. Shubham Prakash, Professional, Operational Risk

Independent Auditors

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