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**MINUTES OF THE TWENTY-FIFTH AUDIT, RISK AND COMPLIANCE COMMITTEE  
MEETING OF THE NEW DEVELOPMENT BANK (VIDEOCONFERENCE) HELD ON  
DECEMBER 6, 2022 AT 19:00 (CHINA STANDARD TIME)**

PRESENT:

**Committee Members – Directors and Alternate Directors**

- i. Mr. Zhijun Cheng (Director for China 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. Pavel Snisorenko (Alternate Director for Russia)
- vii. Mr. Md. Shahriar Kader Siddiky (Temporary Additional Director for the Constituency of Bangladesh and the United Arab Emirates)

**Advisors and Other Participants accompanying Directors and Alternate Directors**

- i. Ms. Raquel Porto Ribeiro Mendes, General Coordinator for Relations with Regional Development Institutions and International Commitments, Ministry of Economy, Brazil
- ii. Ms. Silvia Helena Machado Drummond, Coordinator for Relationship with Regional Development Institutions, Ministry of Economy, Brazil
- 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. Victor Luvhengo, Senior Economist, Multilateral Development Banks and Concessional Finance, International and Regional Economic Policy, National Treasury, South Africa
- ix. Mr. Gert Marincowitz, Deputy Director, International Financial Architecture, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa
- x. Mr. Oratilwe Teisho, Assistant Director, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa
- xi. Ms. Marwa Rashid Al Mahmood, Executive International Organizations Section, International Financial Relations and Organizations Department, Ministry of Finance, United Arab Emirates
- xii. Ms. Debi Chanda, Deputy Secretary, Asia, Joint Economic Commission and Fellowship and Foundation Relations Divisions, Ministry of Finance, Bangladesh

### **Senior Management**

- i. Mr. Marcos Troyjo, President and Committee Member
- ii. Mr. Vladimir Kazbekov, Vice-President and Chief Operating Officer (“COO”)
- iii. Mr. Anil Kishora, Vice-President and Chief Risk Officer (“CRO”)
- iv. Mr. Qiangwu Zhou, Vice-President and Chief Administrative Officer (“CAO”)
- v. 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 25<sup>th</sup> Meeting of the Audit, Risk and Compliance Committee (2022-ARC25-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 and Russia were represented by their respective Alternates. The Director for India was absent. The meeting had the requisite quorum.

**4. Approval of the Minutes and Summaries of the 24<sup>th</sup> ARC Meeting held on September 13, 2022**

The Committee considered and approved the Minutes (2022-ARC25-DOC-003-a), the Summary of the Open Session (2022-ARC25-DOC-004-a) and the Summary of the Closed Session (2022-ARC25-DOC-004-b) of the 24<sup>th</sup> ARC Meeting held on September 13, 2022.

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

The Committee considered the Matters Arising from the 24<sup>th</sup> ARC Meeting (2022-ARC25-DOC-005) and took note thereof.

**6. Financial Statements**

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

The Committee considered the Note on Condensed Financial Statements of New Development Bank (“NDB”) for the nine months ended September 30, 2022 (2022-ARC25-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, 2022 (2022-ARC25-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, 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 nine months ended September 30, 2022**

The Committee considered the Note on Condensed Financial Statements of the Project Preparation Fund (“PPF”) for the nine months ended September 30, 2022 (2022-ARC25-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, 2022 (2022-ARC25-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, 2022 be submitted to the Board for approval.

**c. Financial Analysis of the New Development Bank for the nine months ended September 30, 2022**

The Committee considered the Financial Analysis for the nine months ended September 30, 2022 (2022-ARC25-DOC-008) and took note thereof.

**7. Independent Auditor**

**a. Note on Audit Fees of the Independent Auditors for CY 2023**

The Committee considered the Note on Audit Fees of the Independent Auditors for CY2023 (2022-ARC25-DOC-009) and recommended that the Board approve the proposed audit fees and out of pocket fees of the Independent Auditor for CY2023.

**b. Note on Non-Audit Services and Fees of the Independent Auditors for CY 2023**

The Committee considered the Note on Non-Audit Services and Fees of the Independent Auditors for CY2023 (2022-ARC25-DOC-010) and recommended that the Board approve the proposed non-audit services and the non-audit fees of the Independent Auditor for CY2023.

**8. Risk Management Report for the period ended September 30, 2022**

The Committee considered the Risk Management Report Q3\_2022 (2022-ARC25-DOC-011) and took note thereof.

**9. Review of Policies**

**a. Liquidity Risk Management Policy**

The Committee considered the Note and Schedule of Changes for the Proposed Amendments to Liquidity Risk Management Policy (2022-ARC25-DOC-012-a), the revised Liquidity Risk Management Policy in track-change mode (2022-ARC25-DOC-012-b) and the revised Liquidity Risk Management Policy in clean version (2022-ARC25-DOC-012-c) and recommended that the Board approve the proposed amendments to the Liquidity Risk Management Policy.

**10. Note on Treasury Investment Return**

The Committee considered the Note on Treasury Portfolio Investment Return (2022-ARC25-DOC-013) and took note thereof.

**11. Comparative Analysis with Peer MDBs on the Project Preparation Fund Management**

The Committee considered the Note on Comparative Analysis with Peer MDBs on the Project Preparation Fund Management (2022-ARC25-DOC-014) and took note thereof.

## **12. Compliance**

### **a. Compliance Update**

The Committee considered the Compliance Update (2022-ARC25-DOC-015) and took note thereof.

### **b. Report on the First Proactive Integrity Review**

The Committee considered the Report on the Proactive Integrity Review for the Renewable Energy Integration and Transmission Augmentation Project (2022-ARC25-DOC-016) and took note thereof.

### **c. Roadmap concerning Disputes Arising from People Affected by NDB Projects**

The Committee considered the Roadmap: Disputes Arising from People Affected by NDB Projects (2022-ARC25-DOC-017) and took note of the proposal and roadmap for establishing and operationalising the independent accountability mechanism to respond to disputes arising from people affected by NDB Projects.

## **13. Update on the Electronic Data Interchange Platform Project**

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

## **14. Internal Audit**

### **a. Status of Audit Observations from Previous Audit Reports**

The Committee considered the Note from the Internal Audit Department to the Audit, Risk and Compliance Committee as of November 21, 2022 (2022-ARC25-DOC-018-a) and its Annexures (2022-ARC25-DOC-018-b), and took note thereof.

## **15. Closed Session**

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

## **16. Any Other Business**

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

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, 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, Principal Professional
- v. 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

Other Departments/Divisions

- i. Mr. Sergei Kuznetsov, Director General and Legal Counsel
- ii. Ms. Halima Nazeer, Director General, Finance, Budget and Accounting
- iii. Mr. Yousuf Syed, Director General, Treasury and Portfolio Management
- iv. Ms. Sharmila Govind, Director General, Human Resources
- v. Mr. Lourival Rangel De Mattos, Director General, Internal Audit
- vi. Mr. Marcelo Cardoso, Chief, Legal
- vii. Mr. Paritosh Pandit, Chief Financial Controller
- viii. Mr. Kuldeep Goel, Chief, Credit Risk
- ix. Mr. Leon Myburgh, Chief, Portfolio Management
- x. Mr. James Zhou, Chief, Integrity and Regulatory Compliance
- xi. Mr. Morgan Pillay, Chief, Ethics and Investigations
- xii. Mr. Kamal Ahuja, Chief, Internal Audit
- xiii. Mr. Abhimanyu Ghosh, Principal Professional, Legal
- xiv. Mr. Daniel Freitas, Principal Professional, Human Resources
- xv. Mr. Qinghua Gu, Principal Professional, IT Division
- xvi. Mr. Sidharth Kamani, Senior Professional, Risk Management
- xvii. Mr. Chao Sun, Senior Professional, Internal Audit Department

- xviii. Mr. Alberto Pita, Senior Professional, Risk Management
- xix. Mr. Zhenchen Zhang, Senior Professional, Risk Management
- xx. Mr. Yong Tian. Senior Professional, Human Resources
- xxi. Ms. Laurel Zhu, Senior Professional, Ethics and Investigations

Independent Auditor

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