
**MINUTES OF THE THIRTIETH AUDIT, RISK AND COMPLIANCE COMMITTEE
MEETING OF THE NEW DEVELOPMENT BANK HELD ON MARCH 20, 2024 AT
10:00 (CHINA STANDARD TIME)**

PRESENT:

Committee Members - Directors and Alternate Directors

- i. Ms. Tatiana Rosito (Director for Brazil, Chairperson of the Meeting)
- ii. Ms. Ekaterina Guseva (Temporary Alternate Director for Russia) (via video)
- iii. Ms. Manisha Sinha (Director for India)
- iv. Dr. Prasanna Salian (Alternate Director for India)
- v. Mr. Bo Zhang (Alternate Director for China)
- vi. Mr. Dondo Mogajane (Director for South Africa)
- vii. Dr. Duncan Pieterse (Alternate Director for South Africa)
- viii. Ms. Thuraiya Alhashmi (Additional Director for the Constituency of Bangladesh, United Arab Emirates and Egypt)
- ix. Mr. Atter Hannoura (Additional Alternate Director for the Constituency of Bangladesh, United Arab Emirates and Egypt)

Advisors

- i. Ms. Rebeca Gouget Miranda, Coordinator, Ministry of Finance, Brazil
- ii. Ms. Geniana Gazotto Ferreira, Specialist in Public Policy, Ministry of Finance, Brazil (via video)
- iii. Mr. Danil Shamalov, Deputy Head of Division, Department of International Financial Affairs, Ministry of Finance, Russia
- iv. Mr. Junjie Su, Director, Division IFI 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, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- vii. Mr. Marlon Geswint, Acting Director General, International and Regional Economy Division, National Treasury, South Africa

- viii. Mr. Victor Luvhengo, Senior Economist, International and Regional Economic Policy, National Treasury, South Africa (via video)
- ix. Ms. Masuma Akter, Joint Secretary, Economic Relations Divisions, Ministry of Finance, Bangladesh

Senior Management

- i. H.E. Mrs. Dilma Rousseff, 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 Committee considered and adopted the Draft Agenda of the 30th Meeting of the Committee (2024-ARC30-DOC-001-REV1).

2. Opening Remarks by the NDB President

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

3. Leave of Absence

The Director for Russia was absent and represented by the Temporary Alternate Director. The Directors for China was absent and represented by the Alternate Director. The Director and the Alternate Director for India join the meeting in the afternoon on March 20, 2024. The meeting had the requisite quorum.

4. Approval of the Minutes and Summaries of the 29th ARC Meeting held on November 27, 2023

The Committee considered and approved the Minutes (2024-ARC30-DOC-003), the Summary (2024-ARC30-DOC-004-a), and the Summary of the Closed Session (2024-ARC30-DOC-004-b) of the 29th ARC Meeting held on November 27, 2023.

5. Record of Decisions during the Inter-Sessional Period Since the 29th ARC Meeting

The Committee considered and took note of the Note on Inter-sessional Decisions of the Audit, Risk and Compliance Committee since the 29th Meeting (2024-ARC30-DOC-005).

6. Matters Arising from the Previous Meeting

The Committee considered the Matters Arising from the 29th ARC Meeting (2024-ARC30-DOC-006) and took note of the progress of matters arising.

7. Financial Statements

a. Annual Audited Financial Statements for the New Development Bank for the year ended December 31, 2023

The Committee considered the Note on Annual Financial Statements of the New Development Bank for the year ended December 31, 2023 (2024-ARC30-DOC-007-a), the Independent Auditor's Report and Financial Statements of the New Development Bank for the year ended December 31, 2023 (2024-ARC30-DOC-007-b), and the Independent Auditor's Presentation to the Committee on the 2023 Annual Audit of the NDB and NDB PPF (2024-ARC30-DOC-007-c). The Committee recommended that the Board of Directors ("Board") submit the Independent Auditor's Report and Financial Statements of the New Development Bank for the year ended December 31, 2023 to the Board of Governors for approval.

b. Annual Audited Financial Statements of the Project Preparation Fund of the New Development Bank for the year ended December 31, 2023

The Committee considered the Note on the Annual Financial Statements of the Project Preparation Fund ("PPF") for the year ended December 31, 2024 (2024-ARC30-DOC-008-a), and the Independent Auditor's Report and Financial Statements of the Project Preparation Fund of the New Development Bank for the year ended December 31, 2023 (2024-ARC30-DOC-008-b). The Committee recommended that the Board submit the Independent Auditor's Report and Financial Statements of the Project Preparation Fund of the New Development Bank for the year ended December 31, 2023 to the Board of Governors for approval.

c. Financial Statement Analysis of the New Development Bank for the year ended December 31, 2023

The Committee considered the Financial Statement Analysis of the New Development Bank for the year ended December 31, 2023 (2024-ARC30-DOC-009) and took note thereof.

8. Risk Management Report for the period ended December 31, 2023

The Committee considered the Risk Management Report Q4_2023 (2024-ARC30-DOC-010) and took note thereof.

9. Policy Reviews

a. Credit Risk Management Policy

The Committee considered the Note and Schedule of Changes for the Proposed Amendments to the Credit Risk Management Policy (2024-ARC30-DOC-011-a), the revised Credit Risk Management Policy in track-change mode (2024-ARC30-DOC-011-b) and the revised Credit Risk Management Policy in clean version (2024-ARC30-DOC-011-c). The Committee recommended that the Board approve the revised Credit Risk Management Policy.

10. Positioning of the Treasury Investment Portfolio

The Committee considered the Note on Positioning of the Treasury Investment Portfolio (2024-ARC30-DOC-012-REV1) and provided guidance for treasury investment diversification.

11. Compliance

a. Compliance Update

The Committee considered the Note on Compliance Update (2024-ARC30-DOC-013) and took note thereof.

b. Compliance assessment Report and Annual Compliance Management Plan for 2024

The Committee considered the Compliance Assessment Report and Annual Compliance Management Plan for 2024 (2024-ARC30-DOC-014). The Committee took note of the Compliance Assessment Report for 2023 and recommended submission of the Annual Compliance Management Plan for 2024 to the Board for approval.

12. Follow up Note on the Project “Information Security Risks Assessment and Recommendations”

The Committee considered the Follow up Note on the Project “Information Security Risks Assessment and Recommendations” (2024-ARC30-DOC-015) and took note thereof.

13. Note on Data Residency

The Committee considered the Note on Data Residency (2024-ARC30-DOC-016) and took note thereof.

14. Internal Audit

a. Status Update from the Internal Audit Department

The Committee considered the Note from the Internal Audit Department (IAD) to the Committee (2024-ARC30-DOC-017) and took note thereof.

b. Internal Audit Reports

The Committee considered the Note to the Audit, Risk and Compliance Committee on the Internal Audit Reports (2024-ARC30-DOC-018-a), the Internal Audit Report for Finance, Budget and Accounting Department - Lending & Operations (Loan) Disbursement, Collection and Revenue Recognition processes (2024-ARC30-DOC-018-b) and the Internal Audit Report for Market Liquidity Risk Management (2024-ARC30-DOC-018-c). The Committee took note of the aforementioned two internal audit reports.

c. Status of Audit Issues Reported in the Previous ARC Meetings

The Committee considered the Note to the Audit, Risk and Compliance Committee (ARC) on the Status of Audit Issues Reported in the Previous ARC Meetings (2024-ARC30-DOC-019-a), the Issue Dashboard Report (2024-ARC30-DOC-019-b) and the Annexure A: Summary of Outstanding Audit Issues as reported in the previous ARC meetings (2024-ARC30-DOC-019-c). The Committee took note of the status of audit issues reported in the previous ARC meetings.

d. Internal Audit Annual Report for 2023

The Committee considered the Note to the Audit, Risk and Compliance Committee on the CY2023 Internal Audit Annual Report (2024-ARC30-DOC-020-a) and the Internal Audit Department Annual Report CY2023 (2024-ARC30-DOC-020-b). The Committee took note of the Internal Audit Department Annual Report CY2023.

e. Note on the Risk Acceptance of Audit Issue

The Committee considered the Note to the Audit, Risk and Compliance Committee (ARC) for Risk Acceptance of Audit Issue (High risk) (2024-ARC30-DOC-021) and approved the risk acceptance proposal therein.

f. Appointment of Outsourced Internal Auditor for CY2024

The Committee considered the Note to the Audit, Risk and Compliance Committee on Procurement of Internal Audit Services for CY2024 (2024-ARC30-DOC-022) and its annexures. The Committee recommended that the Board approve the proposals concerning appointment of outsourced internal auditors for CY2024.

15. Closed Session

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

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, Professional
- iv. Mr. Alex du Plessis, Young Professional
- v. Ms. Angela Gu, Senior Officer
- vi. Ms. Shuang Zhao, Officer
- vii. Mr. Christopher Newby, Intern

Office of the President

- i. Ms. Daniela Junqueira, Chief
- ii. Mr. Humberto Santana Junior, Young Professional
- iii. Mr. Marco Tulio De Oliveira Mendonca, Short Term Consultant
- iv. Mr. Aguinaldo Barbieri, Short Term Consultant
- v. Mr. Alessandro Teixeira, Short Term Consultant
- vi. Ms. Melissa Yu, Short Term Consultant
- vii. Mr. Henrique Cotrim, Short Term Consultant
- viii. Mr. Douglas Simoes, Interpreter (via video)

Executive Assistants to Vice-Presidents

- i. Mr. Evgeny Kochkin, Executive Assistant to COO
- ii. Ms. Gayathri Chandra Menon, Executive Assistant to 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. Kuldeep Goel, Director General, Risk Management
- iv. Mr. Lourival De Mattos, Director General, Internal Audit
- v. Mr. Yury Surkov, Director General, Public Sector
- vi. Mr. Bin Han, Director General, Private Sector and Non-Sovereign Transactions
- vii. Ms. Sharmila Govind, Director General, Human Resources
- viii. Mr. Ashwani Muthoo, Director General, Independent Evaluation Office
- 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. Paritosh Pandit, Chief, Financial Controller
- xiii. Mr. Marcelo Cardoso, Chief, Legal
- xiv. Mr. Gustavo Jerez, Chief, Enterprise and Operational Risk
- xv. Mr. Qinghua Gu, Chief, IT
- xvi. Ms. Svetlana Radchenko, Chief, Infrastructure
- xvii. Mr. Dusty Botha, Senior Professional, Information Technology
- xviii. Mr. Shubham Prakash, Senior Professional, Enterprise and Operational Risk
- xix. Mr. Sidharth Kamani, Senior Professional, Credit Risk
- xx. Mr. Anderson Goulart, Short Term Consultant, IT

Independent Auditors

- i. Mr. Jason Han, Deloitte
- ii. Ms. Valerie Wang, Deloitte