AUDIT, RISK AND COMPLIANCE COMMITTEE

2026-ARC40-DOC-003

MINUTES OF THE THIRTY-NINTH AUDIT, RISK AND COMPLIANCE COMMITTEE MEETING OF THE NEW DEVELOPMENT BANK HELD ON JUNE 8, 2026 AT 14:00 (CHINA STANDARD TIME)

PRESENT:

Committee Members

i. Ms. Anu P. Mathai (Director for India and Chairperson of the Meeting)
ii. Ms. S. Divyadharshini (Alternate Director for India) (via video)
iii. Mr. Licheng Yao (Alternate Director for China)
iv. Dr. Duncan Pieterse (Director for South Africa)
v. Ms. Wanga Cibi (Alternate Director for South Africa)
vi. Ms. Kawshar Jahan (Additional Alternate Director for Constituency of Bangladesh, UAE, Egypt and Algeria)
vii. Mr. Ivan Tiago Machado Oliveira (Director for Brazil)
viii. Ms. Daria Teterkina (Temporary Alternate Director for Russia)
ix. H.E. Mrs. Dilma Rousseff (NDB President and Committee Member)

Advisors and Other Participants Accompanying Directors and Alternate Directors

i. Ms. Camila Maia Carneiro Costa, Advisor, Director for MDBs, Ministry of Finance, Brazil
ii. Ms. Rachel Pellizzoni da Cruz, Advisor, Ministry of Finance, Brazil (via video)
iii. Ms. Nelya Salakhetdinova, Advisor, Senior Advisor, Department for International Financial Relations, Ministry of Finance, Russia
iv. Mr. Rajeev Sridhar, Advisor, Under Secretary (Other Multilateral Institutions Division), Department of Economic Affairs, Ministry of Finance, India
v. Mr. Weifeng Yang, Advisor, Director, IFI Division IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
vi. Ms. Hui Mao, Advisor, Principal Staff, IFI Division IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
vii. Mr. Oratilwe Teisho, Advisor, Assistant Director/Economist, BRICS, Global and Emerging Markets Chief Directorate, Economic Policy and International Cooperation Division, National Treasury, South Africa

<u>Senior Management</u>

i. Mr. Roman Serov, Vice-President and Chief Operating Officer (“COO”)
ii. Mr. Rajiv Ranjan, Vice-President and Chief Risk Officer (“CRO”)
iii. Mr. Qiangwu Zhou, Vice-President and Chief Administrative Officer (“CAO”)
iv. Mr. Monale Ratsoma, Vice-President and Chief Financial Officer (“CFO”)

<u>Secretary to the Committee</u>

i. Ms. Yolande Dwarika, Director General and Corporate Secretary

<u>Other New Development Bank Staff and Independent Auditors</u>

(Attachment I)

1. Adoption of the Agenda

The Committee considered and adopted the Agenda of the 39th Meeting of the Audit, Risk and Compliance Committee (2026-ARC39-DOC-001).

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 China and the Additional Director for the Constituency of Bangladesh, UAE, Egypt and Algeria were absent and represented by their respective Alternate Directors. The Director for Russia was absent and represented by the Temporary Alternate Director for Russia. The meeting had the requisite quorum.

4. Approval of Minutes and Summaries of the 38th Meeting of the Audit, Risk and Compliance Committee held on March 23, 2026

The Committee considered and approved the Minutes (2026-ARC39-DOC-003), the Summary (2026-ARC39-DOC-004-a), and the Summary of the Closed Session (2026-ARC39-DOC-004-b) of the 38th ARC Meeting held on March 23, 2026.

5. Record of Inter-sessional Decisions since March 11, 2026

The Committee considered and took note of the Note on Inter-sessional Decisions of the Audit, Risk and Compliance Committee since March 11, 2026 (2026-ARC39-DOC-005).

6. Matters Arising

The Committee considered the Matters Arising from the 38th Audit, Risk and Compliance Committee Meeting (2026-ARC39-DOC-006) and took note of the progress of matters arising from previous meetings.

7. Financial Statements

a. Condensed Financial Statements of the New Development Bank for the three months ended March 31, 2026

The Committee considered the Cover Note on the Condensed Financial Statements and the Financial Statements Analysis of the New Development Bank for the three months ended March 31, 2026 (2026-ARC39-DOC-007-a), the KPMG Presentation to ARC 2026 (2026-ARC39-DOC-007-b), and the Report on Review of Condensed Financial Statements and Condensed Financial Statements of the New Development Bank for the three months ended March 31, 2026 (2026-ARC39-DOC-008). The Committee recommended that the Board of Directors approve the Condensed Financial Statements of the NDB for the three months ended March 31, 2026, as amended.

b. Condensed Financial Statements of the Project Preparation Fund of the New Development Bank for the three months ended March 31, 2026

The Committee considered the Report on Review of Condensed Financial Statements and Condensed Financial Statements of the Project Preparation Fund of the New Development Bank for the three months ended March 31, 2026 (2026-ARC39-DOC-009). The Committee recommended that the Board of Directors approve the Condensed Financial Statements of the PPF of NDB for the three months ended March 31, 2026.

c. Financial Statement Analysis for the three months ended March 31, 2026

The Committee considered the Financial Statement Analysis for three months ended March 31, 2026 (2026-ARC39-DOC-010) and took note thereof.

8. Risk Management Report Q1 2026

The Committee considered the Risk Management Report Q1 2026 (2026-ARC39-DOC-011) and took note thereof.

9. Policy Reviews

a. Exchange Rate Risk Management Policy

The Committee considered the Note and Schedule of Changes for the Proposed Amendments to the Exchange Rate Risk Management Policy (2026-ARC39-DOC-012-a), the Exchange Rate Risk Management Policy (track) (2026-ARC39-DOC-012-b), and the Exchange Rate Risk Management Policy (clean) (2026-ARC39-DOC-012-c). The Committee recommended the revised Exchange Rate Risk Management Policy to the Board of Directors for approval.

b. Interest Rate Risk Management Policy

The Committee considered the Note and Schedule of Changes for the Proposed Amendments to the Interest Rate Risk Management Policy (2026-ARC39-DOC-013-a), the Interest Rate Risk Management Policy (track) (2026-ARC39-DOC-013-b), and the Interest Rate Risk Management Policy (clean) (2026-ARC39-DOC-013-c). The Committee recommended the revised Interest Rate Risk Management Policy to the Board of Directors for approval.

c. Liquidity Risk Management Policy

The Committee considered the Note and Schedule of Changes for the Proposed Amendments to the Liquidity Risk Management Policy (2026-ARC39-DOC-014-a), the Liquidity Risk Management Policy (track) (2026-ARC39-DOC-014-b), and the Liquidity Risk Management Policy (clean) (2026-ARC39-DOC-014-c) (clean). The Committee recommended the revised Liquidity Risk Management Policy to the Board of Directors for approval.

10. Compliance Update

The Committee considered the Note on Compliance Update (2026-ARC39-DOC-015) and took note thereof.

11. Internal Audit

a. Status Update from the Internal Audit Department

The Committee considered the Presentation on Internal Audit Department Status Update for the 39th ARC Meeting (2026-ARC39-DOC-016) and took note thereof.

b. Status of Audit Issues Reported in the Previous ARC meeting

The Committee considered the Summary of Outstanding Audit Issues as Reported in the Previous ARC meetings (2026-ARC39-DOC-017) and took note thereof.

12. Closed Session

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

13. Any Other Business

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

Attachment I

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. Mr. Alexander Efimov, Professional
iii. Mr. Christopher James Newby, Junior Professional
iv. Ms. Amrita Nath, Junior Professional
v. Ms. Judith Zhu, Analyst
vi. Ms. Angela Gu, Senior Officer
vii. Ms. Lenien Jamir, Intern

Office of the President:

i. Mr. Fabio Batista, Advisor to the President
ii. Mr. Humberto Santana, Professional
iii. Mr. Marco Túlio de Oliveira Mendonça, Short-Term Consultant
iv. Mr. Mauricio Muniz, Short-Term Consultant
v. Mr. Henrique Cotrim, Short-Term Consultant and Interpreter for the President

Executive Assistants and Advisors to Vice-Presidents:

i. Mr. Simrandeep Singh, Advisor to the CRO
ii. Mr. Evgeny Kochkin, Advisor to the COO
iii. Mr. Ningqian Zhang, Executive Assistant to the CAO
iv. Mr. Vadim Kotov, Short-Term Consultant, Office of the COO
v. Ms. Silindile Kubheka, Short-Term Consultant, Office of the CFO
vi. Ms. Portia Maseogane, Short-Term Consultant, Office of the CFO

Other Departments/Divisions:

i. Ms. Halima Nazeer, Director General, Finance, Budget and Accounting (agenda items 6, 7)
ii. Mr. Kuldeep Goel, Director General, Risk Management
iii. Ms. Xiheng Jiang, Director General, Strategy, Policies and Partnership (agenda item 6)
iv. Mr. Zhongxia Jin, Director General, Treasury and Portfolio Management (agenda item 8)
v. Mr. Bin Han, Director General, Private Sector and Non-Sovereign Transactions (agenda item 6)
vi. Mr. Lourival De Mattos, Director General, Internal Audit (agenda items 11, 12)

vii. Mr. Sergei Kuznetsov, Director General and Legal Counsel
viii. Mr. Leon Myburgh, Chief, Treasury and Portfolio Management (agenda item 6)
ix. Mr. Gustavo Jerez, Chief, Enterprise and Operational Risk (agenda item 8)
x. Mr. Qinghua Gu, Chief, Information Technology (agenda items 6, 8)
xi. Mr. James Zhou, Chief, Integrity and Regulatory Compliance (agenda item 10)
xii. Mr. Morgan Pillay, Chief, Ethics and Investigations (agenda items 6, 12)
xiii. Mr. Kamal Ahuja, Chief, Internal Audit (agenda items 11, 12)
xiv. Mr. Vahan Vasavada, Chief, Finance, Budget and Accounting (agenda items 6, 7)
xv. Ms. Svetlana Radchenko, Chief, Private Sector and Non-Sovereign (agenda item 6)
xvi. Mr. Zhang Xu, Senior Professional, Market Risk (agenda items 8, 9)

Independent Auditors:

i. Mr. Raymond Li, KPMG (agenda items 7, 12)
ii. Ms. Eric Pang, KPMG (agenda items 7, 12)