
**MINUTES OF THE TWENTY-SEVENTH AUDIT, RISK AND COMPLIANCE
COMMITTEE MEETING OF THE NEW DEVELOPMENT BANK HELD ON MAY 29,
2023 AT 08:00 (CHINA STANDARD TIME)**

PRESENT:

Committee Members - Directors and Alternate Directors

- i. Ms. Manisha Sinha (Director for India, Chairperson of the meeting)
- ii. Dr. Prasanna V. Salian (Alternate Director for India)
- iii. Mr. Zhang Lei (Temporary Alternate Director for China)
- iv. Mr. Dondo Mogajane (Director for South Africa)
- v. Mr. Mfundo Hlatshwayo (Temporary Alternate Director)
- vi. Ms. Tatiana Rosito (Director for Brazil)
- vii. Mr. Ivan Tiago Machado Oliveira (Alternate Director for Brazil)
- viii. Mr. Mr. Timur Maksimov (Director for Russia)
- ix. Mr. Md. Shahriar Kader Siddiky (Temporary Additional Director for the Constituency of Bangladesh, United Arab Emirates and Egypt)

Advisors and Other Participants Accompanying Directors and Alternate Directors

- i. Ms. Raquel Mendes, General Coordinator for Global Development Institutions, Secretariat for International Affairs, Ministry of Finance, Brazil (via video)
- ii. Ms. Rebeca Gouget Miranda, Coordinator, Ministry of Finance, Brazil (via video)
- iii. Ms. Ekaterina Guseva, Head of Division, Department of International Financial Affairs, Ministry of Finance, Russia
- iv. Mr. Lekhan Thakkar, Counsellor (Economic) of Embassy of India to China, India
- v. Mr. Victor Luvhengo, Senior Economist, Multilateral Development Banks and Concessional Finance, International and Regional Economic Policy, National Treasury, South Africa
- vi. Ms. Masuma Akter, Joint Secretary, Economic Relations Division, Ministry of Finance, Bangladesh
- vii. Ms. Debi Chanda, Deputy Secretary, Economic Relations Division, 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 Audit, Risk and Compliance Committee (“Committee” or “ARC”) considered and adopted the Agenda of the 27th Meeting of the Committee (2023-ARC27-DOC-001).

2. Opening Remarks by the NDB President

The Committee took note of the Opening Remarks by the President of the New Development Bank (“NDB”).

3. Leave of Absence

The Director for China was represented by his Alternate Director. The meeting had the requisite quorum.

4. Approval of the Minutes and Summary of the 26th ARC Meeting held on April 24, 2023

The Committee considered and approved the Minutes (2023-ARC27-DOC-003), the Summary (2023-ARC27-DOC-004-a), and the Summary of the Closed Session (2023-ARC27-DOC-004-b) of the 26th ARC Meeting held on April 24, 2023.

5. Matters Arising from the Previous Meeting

The Committee considered the Matters Arising from the 26th ARC Meeting (2023-ARC27-DOC-005) and took note of the progress.

6. Financial Statements

a. Condensed Financial Statements of the New Development Bank for the three months ended March 31, 2023

The Committee considered the Note on the Condensed Financial Statements of the New Development Bank for the three months ended March 31, 2023 (2023-ARC27-DOC-006-a), and the Report on Review of Condensed Financial Statements of the New Development Bank for the three months ended March 31, 2023 (2023-ARC27-DOC-006-b). The Committee recommended that the Report on Review of Condensed Financial Statements of the New Development Bank for the three months ended March 31, 2023 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, 2023

The Committee considered the Note on the Condensed Financial Statements of the Project Preparation Fund of the New Development Bank for the three months ended March 31, 2023 (2023-ARC27-DOC-007-a) and the Report on Review of Condensed Financial Statements of the Project Preparation Fund of the New Development Bank for the three months ended March 31, 2023 (2023-ARC27-DOC-007-b). The Committee recommended that the Report on Review of Condensed Financial Statements of the Project Preparation Fund of the New Development Bank for the three months ended March 31, 2023 be submitted to the Board for approval.

c. Financial Analysis of the New Development Bank for the three months ended March 31, 2023

The Committee considered the Financial Analysis of the New Development Bank for the three months ended March 31, 2023 (2023-ARC27-DOC-008) and took note thereof.

7. Risk Management Report for the period ended March 31, 2023

The Committee considered the Risk Management Report Q1 2023 (2023-ARC27-DOC-009) and took note thereof.

8. Policy Reviews

a. Provisioning and Write-Off Policy

The Committee considered the Note and Schedule of Changes for the Proposed Amendments to the Provisioning and Write-Off Policy (2023-ARC27-DOC-010-a), the revised Provisioning and Write-Off Policy in track-change mode (2023-ARC27-DOC-

010-b) and the revised Provisioning and Write-Off Policy in clean version (2023-ARC27-DOC-010-c). The Committee recommended that the Board approve the revised Provisioning and Write-Off Policy.

9. Update on Treasury Investment Portfolio

The Committee deferred the discussion of substance in absence of written document provided by the Management.

10. Compliance Update

The Committee considered the Note on Compliance Update (2023-ARC27-DOC-012) and took note thereof.

11. Internal Audit

a. Status Update from the Internal Audit Department

The Committee considered the Note from the Internal Audit Department to the Committee (2023-ARC27-DOC-013) and took note thereof.

b. Status of Audit Issues Reported in the Previous Committee Meetings

The Committee considered the Note to the Committee for the Status of Audit Issues Reported in the Previous Committee Meetings (2023-ARC27-DOC-014-a) and the Summary of Total Outstanding Audit Issues Reported in the Previous Committee Meetings (2023-ARC27-DOC-014-b). The Committee took note of the status of audit issues reported in the previous Committee meetings.

c. Internal Audit Report

The Committee considered the Note to the Committee for the Internal Audit Report (2023-ARC27-DOC-015-a) and the Internal Audit Report for the Treasury and Portfolio Management Department (2023-ARC27-DOC-015-b) and took note thereof.

d. Note on the Assessment of Inputs Received from ARC Committee Members and Audit Plan

The Committee considered the Note to the Committee for the Risk-based Internal Audit Plan (2023-ARC27-DOC-016-a) together with Annexure I (2023-ARC27-DOC-016-b), and the Risk-based Internal Audit Plan (2023-ARC27-DOC-016-c). The Committee recommended that the Board approve the Risk-based Internal Audit Plan.

12. Closed Session

The Committee met with the Independent Auditors, Director General and Chief, 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 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, Professional
- iii. Mr. Alexander Efimov, Young Professional
- iv. Mr. Alex du Plessis, Young Professional
- v. Ms. Angela Gu, Senior Officer
- vi. Ms. Shuang Zhao, Officer

Office of the President

- i. Mr. Artur Lacerda, Director General
- ii. Mr. Marcelo Takami, Principal Professional
- iii. Ms. Danielle Aguiar, Senior Professional
- iv. Ms. Lusha Zhuang, Professional
- v. Mr. Marco Tulio De Oliveira Mendonca, Short Term Consultant
- vi. Mr. Aguinaldo Barbieri, Short Term Consultant
- vii. Mr. Elias Marco Khalil Jabbour, Short Term Consultant

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. Yousuf Syed, Director General, Treasury and Portfolio Management
- ii. Mr. Sergei Kuznetsov, Director General and Legal Counsel
- iii. Ms. Halima Nazeer, Director General, Finance, Budget and Accounting (via video)
- iv. Mr. Ashwani Muthoo, Director General, Independent Evaluation Office
- v. Mr. Lourival De Mattos, Director General, Internal Audit
- vi. Ms. Sharmila Govind, Director General, Human Resources
- vii. Mr. Paritosh Pandit, Chief, Financial Controller
- viii. Mr. Kuldeep Goel, Chief, Credit Risk
- ix. Mr. Leon Myburgh, Chief, Portfolio Management
- x. Mr. Morgan Pillay, Chief, Ethics and Investigations
- xi. Mr. Kamal Ahuja, Chief, Internal Audit
- xii. Mr. Marcelo Cardoso, Chief, Legal

- xiii. Mr. Gustavo Jerez, Chief, Enterprise and Operational Risk (via video)
- xiv. Mr. James Zhou, Chief, Integrity and Regulatory Compliance
- xv. Mr. Daniel Freitas, Principal Professional, Human Resources Department
- xvi. Ms. Alet Prinsloo, Principal Professional, Ethics and Investigations
- xvii. Mr. Qinghua Gu, Principal Professional, IT
- xviii. Mr. Alberto Pita, Senior Professional, Credit Risk (via video)
- xix. Ms. Laurel Zhu, Senior Professional, Ethics and Investigations
- xx. Mr. Huawei Zhang, Senior Professional, Compliance and Investigations
- xxi. Mr. Zhenchen Zhang, Principal Professional, Market Risk

Independent Auditors

- i. Ms. Jerry Su, Deloitte (via video)
- ii. Mr. Jason Han, Deloitte (via video)