
MINUTES OF THE 6TH MEETING OF THE BOARD OF DIRECTORS OF THE NEW DEVELOPMENT BANK HELD AT THE NEW DEVELOPMENT BANK, SHANGHAI, CHINA ON 20 JULY 2016 AT 09:00AM

PRESENT:

Board of Directors and Alternate Directors Acting for Directors

- i. Mr. Luis Balduino (Director, Brazil, Chairman)
- ii. Mr. Shixin Chen (Director, China)
- iii. Mr. Tito Mboweni (Director, South Africa)
- iv. Mr. Andrey Bokarev (Alternate Director, Russia)
- v. Mr. Raj Kumar (Alternate Director, India)
- vi. Mr. K. V. Kamath (President and Board Member)

Vice Presidents

- i. Mr. Paulo Nogueira Batista
- ii. Mr. Vladimir Kazbekov
- iii. Mr. Xian Zhu
- iv. Mr. Leslie Maasdorp

Alternate Directors

- i. Mr. Guoqi Wu (Alternate Director, China)

Other Attendees

- i. Mr. Marcelo de Lima, Head of Division for Sustainable Development, Secretariat for International Affairs, Ministry of Finance, Brazil
- ii. Ms. Elena Zamorina, Consultant, Department for International Financial Affairs, Ministry of Finance, Russia

- iii. Ms. Aparna Bhatia, Director, Department of Economic Affairs, Ministry of Finance, India
- iv. Mr. Weijie Liu, Deputy Director, Department of International Financial and Economic Cooperation, Ministry of Finance, China
- v. Mr. Ningqian Zhang, Senior Staff, Department of International Financial and Economic Cooperation, Ministry of Finance, China
- vi. Ms. Vuyelwa Vumendlini-Schalk, Chief Director, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa
- vii. Mr. Andile Kuzwayo, Director, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa

New Development Bank

- i. Mr. Gopal Balachandran, Consultant
- ii. Mr. Shu Zhan, Seconded
- iii. Mr. Halady Satish Rao, Consultant
- iv. Mr. Bhavani Tulasidhar Vankina, Consultant
- v. Mr. Ravindranath Menon, Seconded
- vi. Mr. Fabio Batista, Consultant
- vii. Mr. Couto Silva, Consultant
- viii. Mr. Alexey Kosarev, Seconded
- ix. Ms. Yolande Dwarika, Seconded

1. Adoption of the Agenda

The agenda was considered and adopted.

2. Leave of absence

The Directors for India and Russia were not present and were represented by the respective Alternate Directors.

3. Approval of the Minutes and Summary of the 5th meeting of the Board of Directors, 13 April 2016, and the Minutes and Summary of the Teleconference meeting of the Board Directors, 14 June 2016

The Board of Directors approved the Minutes (2016-BD06-DOC002) and Summary (2016-BD06-DOC003) of the 5th meeting of the Board of Directors held on 13 April 2016 and the Minutes (2016-BD06-DOC004) and Summary (2016-BD06-DOC005) of the

teleconference meeting of the Board of Directors concerning the Russian project, held on 14 June 2016.

4. Matters arising from the 5th meeting of the Board of Directors

a) Progress on Local Currency Bond Issuance

The Board of Directors welcomed the progress on the issuance of the first local currency green bond.

b) Brief Update on Strategy of the New Development Bank and Approach to Expansion of New Members

The Board of Directors noted the progress made on the strategy of the New Development Bank and the approach taken on the issue of new members.

5. Approach to International Credit Rating

The Board of Directors noted the presentation on the approach to international credit rating.

6. Project Proposal – Russian project

The Board of Directors considered and approved the proposed loan of USD 100 million without sovereign guarantee, comprising USD 50 million to the Eurasian Development Bank and USD 50 million to the International Investment Bank, for on-lending to renewable energy and green projects in Russia including mainly a 49.8 MW hydro power project being set up by JSC Nord-Hydro-Bely Porog. The Board of Directors adopted Resolution 2016-BD-R010.

7. General Conditions

The Board of Directors considered the draft General Conditions for Loans with Sovereign Guarantee and the draft General Conditions for Loans without Sovereign Guarantees to National Financial Intermediaries. Revised drafts would be circulated to the Board.

8. Policies

a) Policy on Transactions without Sovereign Guarantee

The Board of Directors considered the draft Policy on Transactions without Sovereign Guarantee and provided comments. A revised draft would be circulated to the Board.

b) Information Disclosure Policy

The Board of Directors considered and adopted the interim Information Disclosure Policy.

9. Update on Human Resources

The Board of Directors noted the progress on the recruitment process and the hiring of Director-General positions. The Board agreed with the Management's recommendation contained in the Note to the Board on Background Check to Prospective Staff (2016-BD06-DOC008) and also agreed with the recommendation in the Note to the Board on Amendment of the Organisation Structure (2016-BD06-DOC009). The Board discussed other Human Resource related matters in a closed session.

10. General Agreements for cooperation with International Organisations

The Board of Directors considered the two draft Memoranda of Understanding with the Asian Development Bank (ADB) on General Cooperation and the Corporacion Andina de Fomento (CAF) on Strategic Cooperation. The Board proposed an amendment to the Memorandum of Understanding with CAF. The Board agreed that the drafts, as amended, be submitted to the Board of Governors for consideration and approval.

11. Amendment to the Rules of Procedure

The Board of Directors considered the draft amendment to the Rules of Procedure of the Board of Directors and the draft amendment to the Rules of Procedure of the Board of Governors. Subject to amendments, it was agreed to submit the Amended Rules of Procedure of the Board of Directors and the Amended Rules of Procedure of the Board of Governors, to the Board of Governors for consideration and approval.

12. Delegation of Authority

The Board of Directors considered the Resolution concerning delegation of authority and agreed to submit the same to the Board of Governors for consideration and approval.

13. External Audit Report for the New Development Bank (Shanghai) Preparation and Management LLC

The Board of Directors noted the External Audit Report of the New Development Bank (Shanghai) Preparation and Management LLC.

14. Financial accounts for submission to the Board of Governors

The Board of Directors took note of the financial accounts submitted.

15. Board of Governors resolutions

The Board of Directors considered the draft resolutions and agreed to submit the draft Resolutions for the Board of Governors for consideration and approval.

16. Any other matters

The Board of Directors took note of the Internal Audit Report of the New Development Bank (Shanghai) Preparation and Management LLC for the period from 1 January 2016 to 31 May 2016, and accepted the Internal Audit Report of the New Development Bank for the period from 1 January 2016 to 30 June 2016.

The rotation of Chairmanship of the Board of Governors was considered and it was decided that the Board of Directors, would propose to the Board of Governors that the Chairmanship follow the “BRICS” acronym and that the venue for the annual meeting will follow the country of the Chairman. In this regard it was agreed that the Board of Directors would recommend to the Board of Governors that the next Chairman of the Board of Governors would be India and the Vice-Chairman would be China. The Board of Directors agreed to propose to the Board of Governors that India would host the Second Annual Meeting of the Board of Governors.