

**MINUTES OF THE FIFTEENTH AUDIT, RISK AND COMPLIANCE COMMITTEE
MEETING OF THE NEW DEVELOPMENT BANK (VIDEOCONFERENCE) HELD ON
MAY 25, 2020 AT 19:00 (SHANGHAI TIME)**

PRESENT:

Members of the Audit, Risk and Compliance Committee

- i. Mr. Enoch Godongwana (Director for South Africa, Chairperson)
- ii. Ms. Yana Dumaresq (Director for Brazil)
- iii. Mr. Erivaldo Alfredo Gomes (Alternate Director for Brazil)
- iv. Mr. Sergei Storchak (Director for Russia)
- v. Mr. Andrey Bokarev (Alternate Director for Russia)
- vi. Mr. K. Rajaraman (Director for India)
- vii. Mr. Wencai Zhang (Director for China)
- viii. Mr. Qiangwu Zhou (Alternate Director for China)
- ix. Mr. KV Kamath (President and Board Member)

Advisors and other Participants accompanying Committee Members

- i. Mr. Marcos Guimarães, Deputy Secretary for International Economic Affairs, Ministry of Economy, Brazil
- ii. Mr. Marco Aurélio dos Santos Araújo, General Coordinator for Global Development Institutions, Ministry of Economy, Brazil
- iii. Ms. Raquel Porto Ribeiro Mendes, Coordinator for Relationship with Global Development Institutions, Ministry of Economy, Brazil
- iv. Ms. Elena Zamorina, Consultant, Department for International Financial Affairs, Ministry of Finance, Russia
- v. Mr. Prasanna V. Salian, Deputy Secretary, Other Multilateral Institutions Division, Department of Economic Affairs, Ministry of Finance, India
- vi. Mr. Yuanjie Yang, Director, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- vii. Mr. Jiangnan Qian, Director, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- viii. Ms. Hongna Li, Deputy Director, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China

- ix. Mr. Yazhou Yan, Staff Member, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- x. Mr. Mfundo Hlatwayo, Chief Director, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa
- xi. Mr. Andile Kuzwayo, Director, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa
- xii. Mr. Lesego Ntoahae, Economist, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury, South Africa
- xiii. Mr. Oratilwe Tiesho, Economist, BRICS, Global and Emerging Markets, National Treasury, South Africa

Vice Presidents

- i. Mr. Sarquis Sarquis, Vice-President and Chief Risk Officer (“CRO”)
- ii. Mr. Vladimir Kazbekov, Vice-President and Chief Administrative Officer (“CAO”)
- iii. Mr. Xian Zhu, Vice-President and Chief Operations Officer (“COO”)
- iv. Mr. Leslie Maasdorp, Vice-President and Chief Financial Officer (“CFO”)

New Development Bank Staff and Independent Auditors

- i. Ms. Yolande Dwarika, Director General and Corporate Secretary
- ii. Mr. Weijie Liu, Principal Professional, Corporate Secretary
- iii. Ms. Miya Liu, Junior Professional, Corporate Secretary
- iv. Ms. Helen Shen, Officer, Corporate Secretary

The following staff members and representatives of the Independent Auditor attended the meeting for relevant agenda items with the approval of the Chairperson:

- i. Mr. Jose Luiz Fernandez, Director General, Risk Management
- ii. Ms. Halima Nazeer, Director General, Finance, Budget and Accounting
- iii. Mr. Maxim Choumarov, Chief, Credit Risk
- iv. Mr. Bharan Kumar Guntupalli, Chief, Operational Risk
- v. Mr. Paritosh Pandit, Chief, Finance, Budget and Accounting
- vi. Mr. Srinivas Yanamandra, Chief, Compliance
- vii. Mr. Kamal Ahuja, Chief, Internal Audit
- viii. Mr. Leon Fan, Independent Auditor, Deloitte
- ix. Ms. Jessica Li, Independent Auditor, Deloitte
- x. Ms. Annie Pan, Independent Auditor, Deloitte

1. Adoption of the Agenda

The agenda (2020-ARC15-DOC-001-REV1) was considered and adopted by the Audit, Risk and Compliance Committee (“ARC” or “Committee”).

2. Leave of Absence

All Directors were present. The meeting had the requisite quorum.

3. Adoption of the Minutes and Summary of the 14th ARC Meeting held on March 24, 2020

The Minutes (2020-ARC15-DOC-003) and Summary (2020-ARC15-DOC-004) of the 14th ARC Meeting held on March 24, 2020 were adopted by the Committee.

4. Matters Arising from the Previous Meeting

The Committee considered the Matters Arising from the 14th ARC Meeting of the New Development Bank (2020-ARC15-DOC-005) and took note thereof.

5. Financial Statements

a. Condensed Financial Statements for the New Development Bank for the three months ended March 31, 2020

The Committee considered the New Development Bank Report on Review of Condensed Financial Statements and Condensed Financial Statements for the three months ended March 31, 2020 (2020-ARC15-DOC-006-b) and recommended that it be submitted to the Board of Directors (“Board”) for consideration.

b. Condensed Financial Statements for the Project Preparation Fund of the New Development Bank for the three months ended March 31, 2020

The Committee considered the New Development Bank Project Preparation Fund Report on Review of Condensed Financial Statements and Condensed Financial Statements for the three months ended March 31, 2020 (2020-ARC15-DOC-007-b) and recommended that it be submitted to the Board for consideration.

6. Risk Management Report for the period ended March 31, 2020

The Committee considered the Risk Management Report for the period ended March 31, 2020 (2020-ARC15-DOC-008) and took note thereof.

7. Review of Policies

a. Provisioning and Write-off Policy

The Committee considered the proposed revisions to the Provisioning and Write-off Policy and recommended that the revised Provisioning and Write-off Policy be submitted to the Board for consideration.

b. Accounting Policy and Measurement

The Committee considered the proposed revisions to the Accounting Policy and Measurement and recommended that revised Accounting Policy and Measurement be submitted to the Board for consideration.

8. Compliance

The Committee considered the Compliance Update (2020-ARC15-DOC-011) and took note thereof.

9. Internal Audit

a. Status of Audit Observations from previous Audit Reports

The Committee considered the Note from the Internal Audit Division for the Audit, Risk and Compliance Committee (2020-ARC15-DOC-012) and took note of it and the status of audit observations from the previous audit reports.

b. Internal Audit Report for the period ended March 31, 2020

The Committee considered the Internal Audit Report for Q1, 2020 (2020-ARC15-DOC-013) and took note thereof.

10. Closed Session

The Committee met with the representatives of the Independent Auditor, Deloitte and the Chief, Internal Audit respectively in the respective closed session.

11. Any Other Business

No other matters were discussed. The meeting ended with thanks from the Chairperson of the meeting.