

**Post Issuance Attestation Report of
New Development Bank
2016 Green Financial Bond**

To Management of New Development Bank

We have been entrusted with the certification of the green financial bonds issued by the New Development Bank (hereinafter referred to as "the Bank") in 2016, and have attached Annex I to *the Notes on the use of green financial bond of New Development Bank in 2016 (Reporting period: 1 January 2017 to 18 July 2018)* (hereinafter referred to as the "Description") and expressed a limited assurance opinion on the Description.

Criteria

The Description is prepared in accordance with *the Announcement on the Issuance of Green Financial Bonds in the National Inter-bank Bond Market* (Letter [2015]No.39) (hereinafter referred to as "Announcement") published by the People's Bank of China, *Green Financial Bond Endorsed Project Catalogue* (2015) (hereinafter referred to as "Catalogue") published by Green Finance Committee, *Guidelines for Green Bond Evaluation and Certification* (Letter [2017]No.20) published by People's Bank of China and China Securities Regulatory Commission, *Interim Measures for the Issuance and Management of Foreign Institutional Bonds in the Nationwide* (Letter [2018]No.16) issued by the People's Bank of China and the Ministry of Finance (hereinafter referred to as "Interim Measures"), the *Green Bond Principles* (2018) published by International Capital Market Association (ICMA)(hereinafter referred to as "Principle") and *Notice of The People's Bank of China on Matters Related to Strengthening the Supervision and Management of Green Financial Bonds* (Letter [2018]No.29) (hereinafter referred to as "Notice").

Management's Responsibility

The Management of the Bank (the "Management") is responsible for:

Compiling Annex I the Description in accordance with the requirements of Announcement, Catalogue, Principle, Interim Measures and Notice, and ensuring the authenticity, legitimacy and completeness, without any false records, misleading statements or major omissions for the content;

To approve and ensure necessary internal control, to ensure decision-making, selection and placement of green project, the storage, use and management of green bond financing, and the

disclosure and reporting of relevant information shall comply with the requirements of Announcement, Catalogue, Principle, Interim Measures, Notice and relevant regulations.

Assurance Practitioner's Responsibility

Our responsibility is to express an independent limited assurance conclusion on Annex I, the "Description", in accordance with the procedures we have implemented.

We conducted our limited assurance engagement in accordance with *International Standard on Assurance Engagements 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000") issued by the International Auditing and Assurance Standards Board and *Guidelines for Assessment and Certification of Green Bonds (the Interim)* (hereinafter referred to as "the Guidelines") issued by the People's Bank of China and the China Securities Regulatory Commission. ISAE3000 and the Guidelines require us to plan and implement verification to obtain limited assurance that there is no material misstatement in Annex I.

Our Procedures

The assurance procedures performed by us include, but are not limited to:

- Review guidelines and procedures for the issuance of New Development Bank's 2016 Green Financial Bond approved by management;
- Interview the selected department to understand the way to identify any risks that fail to meet the assurance principles as well as to understand the risk policies and procedures of the New Development Bank;
- Review policies related to the management of New Development Bank's 2016 Green Financial Bond;
- Review policies and procedures related to the evaluation and screening of projects for New Development Bank's 2016 Green Financial Bond;
- Review compliance documents for projects of New Development Bank's 2016 Green Financial Bond;
- Review the environmental benefits and related supporting documents generated by projects of New Development Bank's 2016 Green Financial Bond;
- Review the accuracy of environmental benefits calculation of green financial bonds issued by New Development Bank;
- Review the Bank's policies and procedures in relation to how management compiled information and disclosed appropriately in the relevant documentation for New Development Bank's 2016 Green Financial Bond;
- Review policies and procedures of New Development Bank management relating to disclosure and reporting on 2016 Green Financial Bond.

Assurance Conclusion

Based on our limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Annex 1 of the New Development Bank's 2016 Green Bond, in all material respects, does not meet the criteria as set out in the Announcement, Catalogue, Principles, Interim Measures and Notice's post-issuance requirements.

Limitations

There are inherent limitations in performing assurance, for example, assurance engagements are based on selective testing of the information being examined and it is possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, the Description can be subjective to a certain extent and be interpreted differently by different stakeholder groups.

Our work is substantially less in scope than an audit conducted in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. Accordingly, we do not express an audit opinion.

Our assurance work and report will not express an opinion on the effective and performance of the Bank's management system and procedure.

Our assurance was limited to the New Development Bank's 2016 Green Financial Bond issuance, and did not include statutory financial statements. Our assurance is limited to policies and procedures in place as at 18 July 2018, ahead of the issuance of the New Development Bank's 2016 Green Financial Bond.

Use of Report

This report is only for the purpose of annual disclosure as required by Announcement, Interim Measures and Notice. It shall not be used for other purposes without our written authorization.

Our Independence, Quality Control and Assurance Team

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. We have complied with the quality control requirements of the International Standard on Quality Control 1 issued by the International Auditing and Assurance Standards Board. Our team has required competencies and experience for this assurance engagement.

Ernst & Young Hua Ming LLP

Beijing, China

11 November 2018