

## Management Representation Letter

11 November 2018

Ernst & Young Hua Ming LLP  
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Beijing  
China 100738

Ernst & Young Hua Ming LLP (“EY”) have been engaged by the New Development Bank (“NDB”) to perform a limited assurance engagement on NDB’s post issuance attestation of the 2016 Green Bond (the “Service”) for fair presentation in all material respects as of the year of 2016 and prepared *the Statement on the use of funds raised by the New Development Bank in 2016 Green Bonds* (reporting period: from 1 January 2017 to 18 July 2018). The Service is conducted based upon *Assurance Engagements 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000”)* and *Green Financial Bonds Assessment Certification Act Guidelines (Interim Measures)* (hereinafter referred to as “the Guideline”) issued by the People’s Bank of China and the China Securities Regulatory Commission. *The Announcement on the Issuance of Green Financial Bonds in the National Inter-bank Bond Market* (Letter [2015]No.39), *Green Bond Endorsed Project Catalogue* (2015) (hereinafter referred to as “Catalogue”) published by Green Finance Committee, *Interim Measures for the Issuance and Management of Foreign Institutional Bonds in the Nationwide*(hereinafter referred to as “Interim Measure”) issued by the People’s Bank of China and the Ministry of Finance (Letter [2018]No.16) (hereinafter referred to as “Interim Measure”), 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”).

We understand that obtaining below disclaimer from our management is an important procedure for your firm to issue the verification opinion. We understand your purpose for issuing the Description is to express limited assurance opinion, instead of identifying the potential frauds, management defects, errors or other non-compliance issues of our bank.

Accordingly, we make the following representations in relation to our responsibilities which are true to the best of our knowledge and belief:

### A. Green Bond Management

1. As management of the Bank, we acknowledge the design, execution and maintenance of necessary internal control. We also ensure the decision, screening and delivery of green projects, as well as the storage, use and management of green bond raising funds. We also ensure that the relevant information disclosure meets the regulatory requirements from the Announcement, Catalogue, Principles, Interim Measures and Notice, and ensure that the environmental benefits of green projects meeting the expected objectives is our responsibility. Unallocated capital will be invested in money market tools with good credit rates and stronger market liquidities.
2. As management of the bank, we acknowledge that the Description is expressed according to the requirement of the Announcement, Catalogue, Principles, Interim Measures and Notice, and we will take responsibility for the content’s authenticity, legitimacy and integrity, and we ensure that there is no false record, misleading statement nor significant omission.
3. We believe that NDB meets the requirement of the Announcement, Catalogue, Principles, Interim Measures and Notice, authentically and fairly reflect the 2016 Green Bond duration (from 1 January 2017 to 18 July 2018). The Description is under authorization of NDB.

4. We believe that NDB has established adequate internal control which enables us to process the internal management in the bond duration and prepare the Description for the post issuance duration according to the requirement of the Announcement, Principles, Interim Measures and Notice, and *New Development Bank Green Financial Bonds Internal Guideline*.

**B. Fraud and Error**

1. We acknowledge that we are responsible to design and execute internal controls to prevent and identify fraud and error, and take responsibility in protecting the safety and completeness of the assets.
2. To the best of our knowledge there is no fraud or suspected fraud in which the fraud is reasonably likely to have a material effect on NDB's management during the 2016 Green Bond post issuance period. We have no knowledge of any allegations of improprieties against the management of NDB's 2016 Green Bond during the post issuance period, including fraud or suspected fraud (regardless of the source or form and including without limitation, any allegations by "whistle blowers") which are reasonably likely to result in a material misstatement of this information.

**C. Compliance with Laws and Regulations and Other Schemes**

1. There has been no material non-compliance with laws and regulations that need to be disclosed, of which we are aware, whose effects should reasonably be considered when preparing the Description and claims in the New Development Bank.
2. NDB has not received notice from the regulators or government that they have made investigations, accusations or penalties which concerning serious violation to national laws or regulations in the 2016 Green Bond duration.

**D. Completeness and Accuracy of Information**

1. We have made available to you those relevant records and related data, other information, explanations and assistance as requested by you and reasonably necessary for the conduct of your assurance engagement. These data in all significant respects truly and completely reflect the key information involved in the management of the 2016 Green Bond.

**E. Contingent Events**

1. We have disclosed all and contingent events regarding to NDB's management during the 2016 Green Bond post issuance period.

**F. Subsequent Events**

1. To the best of our knowledge there is no subsequent event related to NDB's management from the deadline of the reporting period (18 July 2018) to the date of the assurance report apart from events listed in the Description.

For and on behalf

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Authorized representative of legal representative

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The New Development Bank

11 November 2018