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Independent Limited Assurance Report in relation to Bank for Agriculture and Agricultural Cooperatives' (BAAC) 2020 Green Bond to the Management of BAAC

Assurance conclusion

Based on our limited assurance procedures, as described in this statement as of 17 July 2020, nothing has come to our attention that causes us to believe that Bank for Agriculture and Agricultural Cooperatives' 2020 Green Bond pre-issuance process does not meet the requirements of the ASEAN Green Bond Standard (October 2018) and Green Bond Principles (July 2018), in all material aspects.

Scope

Ernst & Young LLP Singapore ("we" or "EY LLP Singapore") have performed a limited assurance engagement in relation to the pre-issuance of BAAC's 2020 Green Bond ('the Bond' or 'Green Bond'), in order to provide a conclusion as to whether anything has come to our attention that causes us to believe that the subject matter detailed below ('Subject Matter') does not meet, in all material respects, the criteria as presented below, as at 17 July 2020.

Subject Matter and Criteria

The subject matter and associated criteria for this limited assurance engagement are set out in the table below:

Subject Matter	Criteria
<p>BAAC's 2020 Green Bond pre-issuance process, as described in BAAC's Green Bond Framework ("the Framework") and associated documentations, that sets out:</p> <ul style="list-style-type: none">▶ Policies and procedures related to the use of proceeds, the process for project evaluation and selection, and the management of proceeds▶ Procedures for reporting on the use of proceeds and eligible investment associated with the Green Bond	<ul style="list-style-type: none">▶ Green Bond Principle's ("GBP") (June 2018) requirements on:<ul style="list-style-type: none">▶ Use of Proceeds▶ Process for Project Evaluation and Selection▶ Management of Proceeds▶ Reporting <p>Criteria found at this link: https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-June-2018-270520.pdf</p> <ul style="list-style-type: none">▶ ASEAN Green Bond Standard ("GBS") (October 2018) requirements on:<ul style="list-style-type: none">▶ Use of Proceeds▶ Process for Project Evaluation and Selection▶ Management of Proceeds▶ Reporting <p>Criteria found at this link: https://www.sc.com.my/api/documentms/download.ashx?id=75136194-3ce3-43a2-b562-3952b04b93f4</p>

Management's Responsibilities

The management of BAAC ('Management') is responsible for the collection, preparation, and presentation of the Subject Matter in accordance with the criteria and for maintaining adequate records and internal controls that are designed to support the Green Bond issuance process.

Assurance Practitioner's Responsibilities

Our responsibility is to express a limited assurance opinion as to whether the subject matter is presented in accordance with the criteria, in all material aspects. Our assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements 3000 (revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000').

Level of Assurance

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. A limited assurance engagement consists of making enquiries and applying analytical and other limited assurance procedures. Our procedures were designed to provide a limited level of assurance and as such do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures performed depend on the assurance practitioner's judgement, including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our procedures were not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Approach

Our limited assurance engagement was limited to the Subject Matter set out in the Subject Matter and Criteria section above and did not include statutory financial statements of BAAC. We designed our procedures in order to form a conclusion whether we are aware of any material amendments that need to be made to the Subject Matter to be in accordance with the GBP and ASEAN GBS. Our assurance procedures performed included, but were not limited to:

- ▶ Reviewing BAAC's Green Bond Framework ("the Framework") to understand the policies, procedures and criteria
- ▶ Interviewing selected management and team members to understand the key issues in relation to the Framework
- ▶ Reviewing policies and procedures of project evaluation and selection, management of proceeds, information disclosure and reporting for BAAC's 2020 Green Bond
- ▶ Confirming eligibility of nominated projects for inclusion in BAAC's 2020 Green Bond against the GBP and ASEAN GBS and BAAC's Green Bond Framework criteria
- ▶ Reviewing documents supporting eligibility of the nominated projects
- ▶ Obtaining and reviewing evidence to support key assumptions and other data
- ▶ Seeking management representation on key assertions

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. 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, adherence to ISAE 3000, ASEAN GBS, GBP and the Framework is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the Green Bond pre-issuance and did not include statutory financial statements. Our assurance is limited to the policies and procedures in place and information set out within the Green Bond Framework as of 17 July 2020, ahead of the issuance of BAAC's 2020 Green Bond.

Use of Report

As part of the ASEAN Low Carbon Energy Programme, the Foreign and Commonwealth Office of United Kingdom has contracted Ernst & Young LLP UK, and in turn, Ernst & Young LLP Singapore to provide assurance support in relation to BAAC's Green Bond. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation, including to you. Any reliance any such third party may place on the Green Bond issuance is entirely at its own risk. No statement is made as to whether the reporting criteria are appropriate for any third-party purpose.

Our Independence and Assurance Team

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our team has the required competencies and experience for this assurance engagement.



Ernst & Young LLP
Signed for Ernst & Young LLP by
Simon Yeo, Partner Climate Change and Sustainability Services
Singapore
17 July 2020