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## **Independent Assurance Statement**

To the management of IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400 005, Maharashtra, India.

### **Introduction**

We were engaged by IDBI Bank Limited ('Company') to provide independent assurance on their Green Bond Framework ('framework'). Our responsibility was to provide "limited assurance" on conformance of their framework with the requirements of the Green Bond Principles, 2016.

### **Assurance Standards**

We conducted our engagement in accordance with requirements of 'Limited Assurance' as per International Federation of Accountants' (IFAC) International Standard on Assurance Engagements [ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information].

### **Assurance scope and level of assurance**

Our scope of assurance included providing assurance on the information on material aspects of the green bond framework based on the requirements of the Green Bond Principles, 2016 as listed below:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

### **Specific limitations and exclusions**

Our assurance process was subject to the following limitations as we have not been engaged to:

- Determine which, if any, recommendations should be implemented
- Provide assurance on information outside the defined reporting boundary and period
- Verify the Company's financial statements & economic performance
- Verify the Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic and environmental aspects provided by the Company

### **Work undertaken**

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary to obtain a meaningful level of assurance in relation to the above scope. The procedures we performed, which are set out in more detail below, were based on our professional judgment and included, as appropriate, inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of reporting policies and agreement or reconciliation with underlying records. We believe that the procedures we have performed and the evidence we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.



To reach our conclusion we:

- Conducted interviews with management and key staff responsible for the green bond to obtain an understanding of the processes, systems and controls in place for management of bond funds;
- Checked the Company's green bond framework that includes processes, systems and controls in place for management of bond proceeds; investment areas for green bond proceeds and intended types of temporary investment instruments for the management of unallocated proceeds;
- Read sections of the bond disclosure documentation that also support the objects of the green bond issue, investment areas for proceeds and intended types of temporary investment instruments for the management of unallocated proceeds; and
- Checked the list of type of projects which are proposed to be associated with the green bond and their conformance with eligible green projects categories specified under Use of Proceeds component of the Green Bond Principles, 2016.

### **Conclusions**

The following conclusion is based on the work performed and evidence obtained and the scope of our assurance engagement described above.

Nothing has come to our attention to suggest that the framework, is not, in all material respects, conforming to the requirements of the Green Bond Principles, 2016.

### **Independence**

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies ISQC 1 and the practitioner complies with the applicable independence and other ethical requirements of the IESBA code.

### **Management's responsibility**

The Management of the Company is responsible for ensuring that the Company and their green bond complies with the requirements of the Green Bond Principles, 2016. This responsibility includes designing, implementing and maintaining systems and processes relevant for the management of green bond proceeds.

The Management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that Company complies with laws and regulations applicable to its activities.

### **Our responsibility**

Our responsibility is to report in the form of an independent limited assurance conclusion in relation to the above scope based on the procedures performed and the evidence obtained. We conducted our engagement with a multidisciplinary team which included professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard.



This assurance report is made solely to Company in accordance with the terms of our engagement, which include agreed arrangements for disclosure. Our work has been undertaken so that we might state to Company those matters we have been engaged to state in this assurance report and for no other purpose. Our assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Company for any purpose or in any context. Any party other than Company who obtains access to our assurance report or a copy thereof and chooses to rely on our assurance report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

A handwritten signature in black ink, appearing to read 'Santhosh Jayaram', with a long, sweeping horizontal stroke extending to the right.

**Santhosh Jayaram**

Partner

KPMG India

29 September 2016