



The Group Managing Director/CEO
Access Bank plc
Plot 999C, Danmole Street,
Victoria Island,
Lagos, Nigeria

28 November 2018

Dear Sir,

Report of findings arising from agreed upon procedures with respect to Access Bank plc's submission of information under the pre-issuance requirements of the Climate Bond Standard (version 2.1)

This report is produced in accordance with the terms of our agreement dated 2 November 2018.

The Directors of Access Bank plc (the "company") have prepared the attached statement of conformance with the pre-issuance requirements of the Climate Bond Standard (version 2.1) (the "Standard"), issued by the Climate Bond Initiative (CBI), and will remain solely responsible for it and for the creation and maintenance of all accounting and other records supporting its contents. The Directors are also responsible for ensuring their compliance with the requirements of the Standard.

The procedures were designed by the CBI as a certifying body and you and the CBI remain responsible for determining whether the scope of these services are sufficient for your respective purposes. Our work was performed in accordance with the International Standard on Related Services (ISRS) 4400 'Engagements to perform agreed-upon procedures regarding financial information'.

Our procedures were performed solely to assist you to satisfy your obligation to obtain a report from a CBI Licenced Verifier on your statement of conformance with the pre-issuance requirements of the Standard. We performed the procedures listed in Appendix 1 and our findings are also included in Appendix 1.

Our procedures, as stated in our agreement, did not constitute an examination made in accordance with generally accepted auditing standards, the objective of which would be to report conformance with the pre-issuance requirements of the Standard. Had we performed additional procedures or had we performed an audit or review of the company's pre-issuance reporting in accordance with generally accepted auditing standards, other matters might have come to our attention that we would have reported to you. This report relates only to the testing of the Company's compliance with the pre-issuance requirements of the Standard.

This report is solely for your use in connection with the purpose specified above and as set out in our agreement. No part of this report is to be copied or distributed to any other party except as permitted under the terms of our agreement. We do not accept any liability or responsibility to any third party save where terms are expressly agreed in writing.

Yours faithfully,

PricewaterhouseCoopers LLP
Chartered Accountants

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Appendix 1 – agreed upon procedures performed and results of those procedures

Clause	Requirement	PwC procedures performed	Results
Selection of Nominated Projects & Assets			
1.1	The Issuer shall establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets. This includes, without limitation (see 1.1.1 & 1.1.2 below):	<p>Testing required as per the Clause:</p> <ul style="list-style-type: none"> Obtain and read the documented decision-making process used to determine the eligibility of Nominated Projects & Assets. <p>Additional procedures:</p> <ul style="list-style-type: none"> Understand through inquiry where formal responsibility for ensuring the eligibility of Nominated Projects & Assets lies, and obtain evidence to demonstrate this (e.g. Committee Terms of Reference, job specifications). Understand whether the process has followed the Standard internal framework for developing new systems, processes and controls, and has been approved by the board of directors or designated Committee. Understand whether the processes are considered in standard risk management and internal audit frameworks. 	<p>Access Bank has developed a green bond framework which specifies the approach to be followed in the eligibility assessment of Nominated Projects and Assets. The green bond framework has been approved by Green Bond Committee (GBC).</p> <p>In line with the green bond framework, eligible assets are reviewed and approved by the GBC. The GBC has been set up through an internal memo which specifies the roles and responsibilities of the committee and this has been approved by the senior management of the Bank.</p>
1.1.1	A statement on the environmental objectives of the bond.	<p>Testing required per the Clause:</p> <ul style="list-style-type: none"> Obtain and read the statement on the environmental objectives of the bond. <p>Additional procedures:</p> <ul style="list-style-type: none"> Check whether the statement has been approved by the required delegated/authorised personnel i.e. the board of directors or designated Committee. 	<p>The environmental objective of the Bond is embedded in the green bond framework. It is to finance projects or assets that deliver positive environmental outcomes or refinance corporate debt that support these projects or assets. This objective is also in line with the Bank’s sustainability agenda and commitment towards the transition to a low carbon economy.</p> <p>The environmental objectives have been approved by the</p>



Clause	Requirement	PwC procedures performed	Results
			GBC during its inaugural meeting on 9 Nov 2018.
1.1.2	A process to determine whether the Nominated Projects & Assets meet eligibility requirements specified in Part B of the Climate Bond Standard.	<p>Testing required as per the Clause:</p> <ul style="list-style-type: none"> Obtain and read the process documentation determining whether the Nominated Projects & Assets meet the eligibility requirements specified in Part B of the Climate Bond Standard. Check whether the process documentation includes the process for determining whether Nominated Projects & Assets meet eligibility requirements specified in Part B of the Climate Bond Standard. <p>Additional procedures:</p> <ul style="list-style-type: none"> Confirm that the process and process documentation have been approved by the required delegated/authorised personnel i.e. board of directors or designated Committee. 	<p>Access Bank has provided the list of nominated assets and these have been classified based on the CBI climate bonds taxonomy and assessed in line with the eligibility requirements specified in part B of the Standard.</p> <p>The proposed list of assets, and the applicable CBI taxonomy are highlighted below:</p> <p>Energy - Solar</p> <ul style="list-style-type: none"> Blusea Investment Daybreak Power Solutions <p>Water - Flood defense</p> <ul style="list-style-type: none"> Southern Energyx – Eko Atlantic project <p>Water - Irrigation</p> <ul style="list-style-type: none"> Coscharis Farm <p>Whilst the green bond framework does not explicitly include specific details around CBI eligibility assessment, the nominated projects and assets listed above have been assessed in line with the eligibility criteria specified in part B of the Standard.</p>
1.2	The Issuer shall assess that all proposed Nominated Projects & Assets to be associated with the bond meet the bond's documented objectives as stated under Clause 1.1	<p>Testing required as per the Clause:</p> <ul style="list-style-type: none"> Obtain the complete list of proposed and actual Nominated Projects & Assets. Obtain supporting evidence to show that the Nominated Project/Asset has been assessed as per the documented process, including 	The Bank has provided a list of all proposed nominated projects and assets. This list includes projects that are proposed as fully qualified and those partly qualified subject to additional data collection.



Clause	Requirement	PwC procedures performed	Results
	and are likely to confirm with relevant eligibility requirements under Part B of the Climate Bond Standard.	<p>the work of relevant environmental experts as appropriate, and determined by management to meet the bond's documented objectives as stated in Clause 1.1.</p> <ul style="list-style-type: none"> • Re-perform management assessment determining whether the bond meets the documented objectives stated in Clause 1.1 and conclude on whether we agree with their conclusion, based on the evidence provided. • Obtain evidence to show that the Nominated Project/Asset has been assessed and determined to be likely to meet the relevant category eligibility and technical requirements as specified in Part B of the Climate Bond Standard. • Re-perform management assessment determining whether the bond is likely to meet the relevant category eligibility and technical requirements as specified in Part B of the Climate Bond Standard and conclude on whether we agree with their conclusion, based on the evidence provided. 	<p>The environmental impact assessments by third parties and internal assessments of the Bank were provided for nominated projects and assets to demonstrate their environmental objectives are in line with that in the green bond framework.</p> <p>The assessment evidence provided for the proposed nominated projects and assets are in line with the eligibility and technical requirements as specified by Part B of the Standard.</p> <p>For one of the projects (Coscharis Farm), final evidence of the technical assessment against the requirements of the Standard are undergoing final review by the Bank.</p>
1.3	The Issuer shall document the Nominated Projects & Assets which are proposed to be associated with the bond and which have been assessed as likely to be Eligible Projects & Assets. The Issuer shall establish a list of Nominated Projects & Assets which can be kept up-to-date during	<p>Testing required as per the Clause:</p> <ul style="list-style-type: none"> • Obtain the 'List of proposed Nominated Projects & Assets'. • Confirm that the 'List of proposed Nominated Projects & Assets' is up-to-date, and has been formally agreed and signed off by the required responsible personnel/Committee, to indicate that all Nominated Projects & Assets listed have followed the process outlined in Clause 1.1.2 and have been assessed, as per Clause 1.2. 	<p>The Access Bank Green Bond is planned to refinance four existing assets and this will be fully deployed at issuance, the assets are listed in section 1.1.2 above.</p> <p>Proposed nominated assets have been signed off by the GBC as part of the inaugural meeting on 9 Nov 2018. Subsequent assets/projects for which funds will be allocated will be subject to the approval of the committee in line with the CBI standard eligibility requirements.</p>



Clause	Requirement	PwC procedures performed	Results
	the term of the bond.		
1.4	Nominated Projects & Assets shall not be nominated to other Climate Bonds unless it is demonstrated by the Issuer that distinct portions of the Nominated Projects & Assets are being funded by different Climate Bonds or that the existing Climate Bond is being refinanced via another Climate Bond.	<p>Testing required as per the Clause:</p> <ul style="list-style-type: none"> Enquire and obtain evidence as to the process or control applied by management to ensure that the Nominated Projects or Assets are not nominated to other Climate Bonds unless it is demonstrated by the Issuer that distinct portions are being funded by different Climate Bonds or that the existing Climate Bond is being refinanced via another Climate Bond. This may be via the List in 1.3 and / or via another process or control that can be tested such that the Issuer is able to demonstrate how they have satisfied the requirement. If the Nominated Project or Asset is already nominated for another Climate Bond, obtain evidence to show that the funding is for a portion of the Nominated Project or Asset that is clearly distinct from the previous funding e.g. contractual agreements with the recipient of funds, other Issuer documentation. 	<p>The GBC is responsible for the monitoring of the green bond proceeds allocation, through periodic reporting from the Corporate Finance (CF) team. The committee is also responsible for ensuring that nominated assets only apply to one climate bond and these will be signed off by the GBC as described in section 1.3.</p> <p>One of the GBC roles and responsibilities involves monitoring the proceeds and assets allocation, and the CF team will monitor nominated projects and assets through products codes used for loan bookings by the Credit Risk Management (CRM) team to ensure that they are not allocated to another Climate Bond. This will ensure the projects and assets are only allocated to one Climate Bond.</p>
1.5	The expected Net Proceeds of the bond shall be no greater than the Issuer's debt obligation to the proposed Nominated Projects & Assets, or the Fair Market Value of the proposed Nominated Projects & Assets.	<p>Testing required as per the Clause:</p> <ul style="list-style-type: none"> Obtain evidence to show expected Net Proceeds of the bond – i.e. look for some formal proposal and agreement on the planned issuance amount involving the designated, authorised personnel as per 1.1, or review of the CBI application form. For each Nominated Project or Asset, obtain evidence of the proposed debt obligation / Fair Market Value, and where relevant, if Fair Market Value 	<p>The net proceeds of the bond is \$40m and this is contained in both the CBI application form and the bond prospectus.</p> <p>The approved loan value of each nominated project and asset is included in the facility approval memo (FAM) which is part of the Bank's credit application and subject to senior management approval.</p>



Clause	Requirement	PwC procedures performed	Results
		<p>is being used, obtain and inspect a current, independent, fair market valuation for the Nominated Asset or Projects.</p> <ul style="list-style-type: none"> • Check that the proposed Net Proceeds of the bond, net of any additional funds raised to cover costs, is not greater than sum of the Issuer’s debt obligation or Fair Market Valuations of all of the Nominated Projects or Assets. 	<p>Proposed net proceeds is lower than the total allocated amount of \$44m for the proposed nominated assets and projects listed below:</p> <ul style="list-style-type: none"> • Blusea Investment - \$7m • Daybreak Power Solutions - \$1m • Southern Energyx – Eko Atlantic project - \$35m • Coscharis Farm - \$1m
Internal Processes and Controls			
2.1	<p>The systems, policies and processes to be used for management of bond funds and investments made shall be documented by the Issuer and disclosed to the Verifier, and shall include arrangements for the following activities (see 2.1.1 – 2.1.3 below):</p>	<p>Testing required per the Clause:</p> <ul style="list-style-type: none"> • Obtain and read the documented policies and processes on the management of bond funds and investments. • Obtain an understanding of the systems planned to be used/used in the management of the bond funds and investments. • Confirm that our understanding of the systems, policies and processes feature as described in the policies and process documents. <p>Additional procedures:</p> <ul style="list-style-type: none"> • Understand through inquiry where formal responsibility for the management of bond funds and investments, post-issuance, lies. • Obtain evidence to demonstrate that the formal responsibility is appropriate (e.g. Committee Terms of Reference, job specifications). • Understand whether the process to be used for management of bond funds and investments has followed the Standard internal framework for developing new 	<p>The CF team of the Bank is responsible for the management and tracking of proceeds. A draft policy specific for green bond proceeds tracking was provided at the time of the review, however the CF team was able to demonstrate the existence of a similar process through provision standard operating procedures (SOPs) for multilateral financing and of sample reports to Development/International Finance Institutions (DFIs/IFIs) on use of funds. The draft policy has been submitted for approval by the senior management of the Bank.</p> <p>Net proceeds are to be managed through a separate green bond proceeds account. Funds allocated to nominated projects and assets will be managed through a specific product code by the CRM team and unallocated funds will be invested in money market</p>



Clause	Requirement	PwC procedures performed	Results
		<p>systems, processes and controls, and has been approved by the board of directors or designated Committee.</p> <ul style="list-style-type: none"> • Understand, and if applicable obtain evidence, on whether the processes to be used for management of bond funds and investments are considered in standard risk management and internal audit frameworks. 	<p>instruments by the Trustees – in line with the Securities and Exchange Commission (SEC) rules on green bonds.</p>
2.1.1.	Tracking of proceeds: The Net Proceeds of the bond can be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and documented.	<p>Testing required per the Clause:</p> <ul style="list-style-type: none"> • Obtain and read the documented policies and processes on the proposed tracking of proceeds. • Confirm that there is a description of the process for tracking proceeds in. 	<p>A draft policy on management of green bond proceeds was provided at the time of the review. The policy includes the details of the approach to track net proceeds through product codes managed by the CRM team within the Bank. The CRM team will produce periodic reports on the product codes for monitoring. This will be produced by the CF team.</p>
2.1.2	Managing unallocated proceeds: The balance of unallocated Net Proceeds can be managed as per the requirements in Clause 6.2.	<p>Testing required per the Clause:</p> <ul style="list-style-type: none"> • Obtain and read the documented policies and processes on managing unallocated proceeds. • Confirm in the documented policies and processes that there is a description of the process for management of unallocated proceeds. • Confirm that the intended temporary instruments for holding unallocated cash are either cash or cash equivalents, or, if other investments are proposed, confirm that they are not in greenhouse gas intensive projects (which should be defined by the client). 	<p>In line with the CBI standard requirements, the management of proceeds policy includes details of how unallocated funds will be invested in money market instruments. This will be managed by the trustees of the Bank who will be joint signatory to the account where the net proceeds will be deposited.</p> <p>According to the policy, unallocated funds will not be invested in any greenhouse gas intensive projects.</p>
2.1.3	Earmarking funds to Nominated Projects & Assets: An earmarking	<p>Testing required per the Clause:</p> <ul style="list-style-type: none"> • Obtain and read the documented policies and 	<p>Funds will be earmarked to nominated projects and assets through product codes to be managed by the CRM</p>



Clause	Requirement	PwC procedures performed	Results
	<p>process that can be used to manage and account for funding to the Nominated Projects & Assets and enables estimation of the share of the Net Proceeds being used for financing and refinancing.</p>	<p>processes on the earmarking of Nominated Projects & Assets.</p> <ul style="list-style-type: none"> • Confirm in the documented policies and processes that there is a description of the process for earmarking the proceeds to account for funding to the Nominated Projects & Assets and that this involves estimation of the share of the Net Proceeds being used for financing and refinancing. <p>A good process may involve:</p> <ul style="list-style-type: none"> • Monthly/quarterly/annual (depending on the number and nature of Nominated Projects & Assets funded) MI that is reviewed by appropriately personnel/Committee who have accountability for the eligibility of projects and the management of the bond. • MI would include information on the balance of proceeds or funds received versus allocated, with supporting evidence showing location of funds and status update on the existence and continued validity of the Nominated Projects & Assets. • Periodic review of the eligibility criteria to ensure that it is still being met. • A sub-process to deal with projects that: have defaulted or early repaid; are at risk of default, or may no longer meet the eligibility criteria. 	<p>team. The management of proceeds policy also included details on use of funds for financing new green project or refinancing existing green projects.</p> <p>The CF team responsible for the managing of proceeds provided sample quarterly/biannual reports that have been provided to existing DFIs to demonstrate the existence of a reporting mechanism.</p> <p>Ongoing eligibility of nominated projects and assets is a responsibility of the GBC and the CF will rely on the attestation from the Environmental and Social Risk Management (ESRM) team. There are also existing procedures within the Bank's credit risk policy and ESRM policy on the approach to manage defaults.</p>
Reporting Prior to Issuance			
3.1	<p>The Issuer shall disclose in the Bond Disclosure Documentation (see 3.1.1 – 3.1.4 below):</p>		<p>At the time of the reporting, the bond prospectus is yet to be finalised, however the information obtained to complete this section were based on the draft version obtained from the Bank.</p>



Clause	Requirement	PwC procedures performed	Results
3.1.1.	The investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall.	Testing required as per the Clause: <ul style="list-style-type: none"> Obtain and read the document containing details of the investment areas in which the Nominated Projects & Assets fall and confirm that this is consistent with Clause 9.1. 	Section 10 of the bond prospectus includes the details of the proposed nominated assets and these are also listed in section 1.1.2 above and are consistent with clause 9.1 of the Standard.
3.1.2	The intended types of temporary investment instruments for the management of unallocated proceeds in accordance with Clause 2.1.2.	Testing required as per the Clause: <ul style="list-style-type: none"> Obtain and read the document explaining the intended types of temporary investment instruments. Confirm that the intended types of temporary investment instruments for the management of proceeds are listed. Confirm that the intended types of temporary investment instruments match the proposed temporary investment instruments described in the process in Clause 2.1.2. 	Section 7 of the bond prospectus includes the details of the approach to manage unallocated proceeds and this is in line with the evidence obtained in section 2.1.2 above.
3.1.3	The approach the Verifier has taken to pre-issuance procedures (i.e., whether an Assurance Engagement or an Agreed-Upon Procedures Engagement was undertaken).	Testing required as per the Clause: <ul style="list-style-type: none"> Obtain and read the Bond Disclosure Documentation and confirm that it includes the approach taken to pre-issuance procedures and that this is consistent with the engagement we will be providing. 	Section 7 of the bond prospectus includes the details of the verification exercise performed by PwC prior to the issue of the bond.
3.1.4	Whether periodic Assurance Engagements will be undertaken during the term of the bond to reaffirm conformance with the Climate Bonds Standard, and the	Testing required as per the Clause: <ul style="list-style-type: none"> Obtain and read the Bond Disclosure Documentation and confirm that it includes the approach around periodic Assurance Engagements and the expected frequency of any periodic Assurance Engagements. 	Section 7 of the bond prospectus includes the details of the annual reporting to be produced by the Bank and the role of an independent third party to provide assurance on the report.



Clause	Requirement	PwC procedures performed	Results
	expected frequency of any periodic Assurance Engagements.		

End of report