



2021 ANNUAL REPORT ON CHINA DEVELOPMENT BANK'S 2017 GREEN BOND





CDB Inaugural International Green Bond

In November 2017, China Development Bank (“CDB”) issued its inaugural international green bond denominated in both USD and EUR. The total amount equated to CNY11,121.90 million, assuming the foreign exchange rate given below as of the settlement date of the bond¹. We hereby provide the 2021 Annual Report on our 2017 Green Bond, disclosing the allocation of the bond proceeds as well as the expected environmental impacts of the Eligible Green Projects as of 31 December 2021.

ISIN code	Currency	Tenor(year)	Coupon type	Amount(million)	CNY Equivalent Amount (million)	FX rate
XS1711039591	USD	5	Fixed	500	3,314.30	6.6286
XS1711173218	EUR	4 Expired	Fixed	1,000	7,807.60	7.8076

CDB Green Bond Framework

Use of proceeds

- **Clean transportation:** electric, hybrid, public, rail, non-motorized and multi-modal transportation, infrastructure for clean energy vehicles
- **Renewable energy:** wind power, photovoltaics, and hydroelectric power generation;
- **Pollution prevention and control:** waste water treatment, reduction of air emissions and waste recycling
- **Energy efficiency:** industrial energy saving and water saving
- **Environmentally sustainable management of living natural resources and land use:** environmentally sustainable agriculture, animal husbandry, fishery, forestry, climate smart farm inputs
- **Climate change adaptation:** disaster prevention, control systems
- **Land and aquatic biodiversity conservation:** coastal, marine and river basin protection
- **Exclusion list**
 - Clean coal and fossil fuel-related technologies;
 - Nuclear and nuclear-related technologies
 - Large hydropower dams (> than 25 MW)

Process for Project Evaluation and Selection

- **Selection principle:**
 - Alignment with Government policies and regulatory requirements in China
 - Consideration of international standards and conventions
 - Respect of related system of CDB
- **Selection process:**
 - Creation of a dedicated Green Credit Projects by relevant Project Appraisal Department
 - Review and selection of the projects for each issuance
 - Final selection of the Green Credit Project

Management of proceeds

- Allocation the Green Bond Proceeds within 24 months after issuance
- Disclosure of financing and refinancing ratio and the Green Projects refinanced
- Tracking and monitoring of the environmental benefits
- Earmark of the unallocated proceeds and holding in form of temporary investment instruments such as cash or cash equivalent

Reporting

- **Allocation Reporting:**
 - Details of the allocation of the Green Bond Proceeds with a list of the Green Credit Projects and the relevant loan amount
- **Environmental Reporting:**
 - Expected environmental benefits of the selected Green Projects using impact indicators

Third Party Verification

- Ernst & Young Hua Ming LLP expressed a limited assurance opinion on the 2021 Annual Report.



Certification

- CDB’s Green Bond is certified by Climate Bond Initiative against the CBS.



¹. refer to the central parity rate published by the People’s Bank of China as of November 16, 2017²

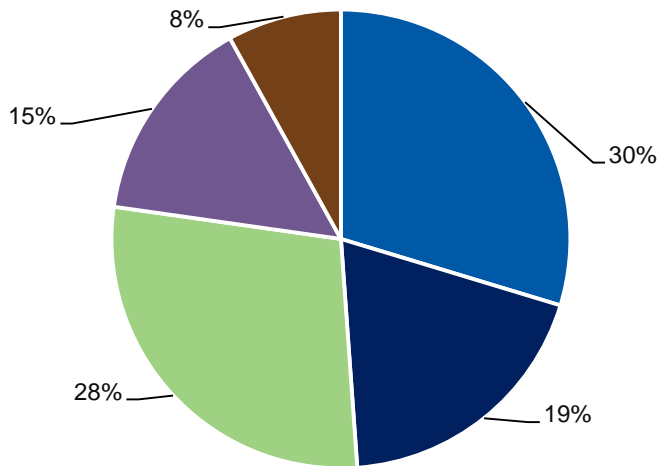
Allocation of proceeds reporting

After deducting the up-front costs in the course of issuance, the net proceeds of the 2017 Green Bond equivalents to CNY 3,294.36 million. As of December 31, 2021, 100% of the net proceeds had been utilized to fund the Eligible Green Projects in Renewable Energy. There is no unallocated proceeds.

Category	Amount (CNY Million)	Proportion of Total	Number of Projects
Renewable Energy	3,294.36	100.00%	10
Total	3,294.36	100.00%	10

Breakdown by Geography

For illustration purposes only



■ Xinjiang, China ■ Pakistan ■ Qinghai, China ■ Fujian, China ■ Ningxia, China

Impact Reporting

Category	Impact indicators*			
Renewable Energy	997,667 tonnes of standard-coal reductions per year on the whole projects basis	2,302,154 tonnes of CO ₂ emissions reductions per year on the whole projects basis	2,849 tonnes of SO ₂ emissions reductions per year on the whole projects basis	4,609 tonnes of NOx emission reductions per year on the whole projects basis
	236,499 tonnes of standard-coal reductions per year by loan percentage per year	560,495 tonnes of CO ₂ emissions reductions per year by loan percentage per year	675 tonnes of SO ₂ emissions reductions per year by loan percentage per year	1,093 tonnes of NOx emission reductions per year by loan percentage per year

Project Example

Case Study

A Hydro-Photovoltaic Complementary Power Project II Located in Qinghai, China

- A hydro-photovoltaic complementary power project II located in northwest China. The project, with total capacity of 530 MW, generates in-grid electricity of about 889,490 MWh annually, which will result in standard-coal reduction about 273,963 tonnes per year, the CO₂ emissions reduction about 693,180 tonnes per year, SO₂ emission reduction about 782 tonnes per year, NOx emission reduction about 1,266 tonnes per year.
- CDB's loan accounted for approximately 13.77% of the total project investment, which will result in in standard-coal reduction about 37,715 tonnes per year, the CO₂ emission reduction about 95,426 tons per year, SO₂ emission reduction about 108 tonnes per year, NOx emission reduction about 174 tonnes per year.
- **Capacity installed:** 530 MW
- **Annual electricity produced:** 889,490 MWh

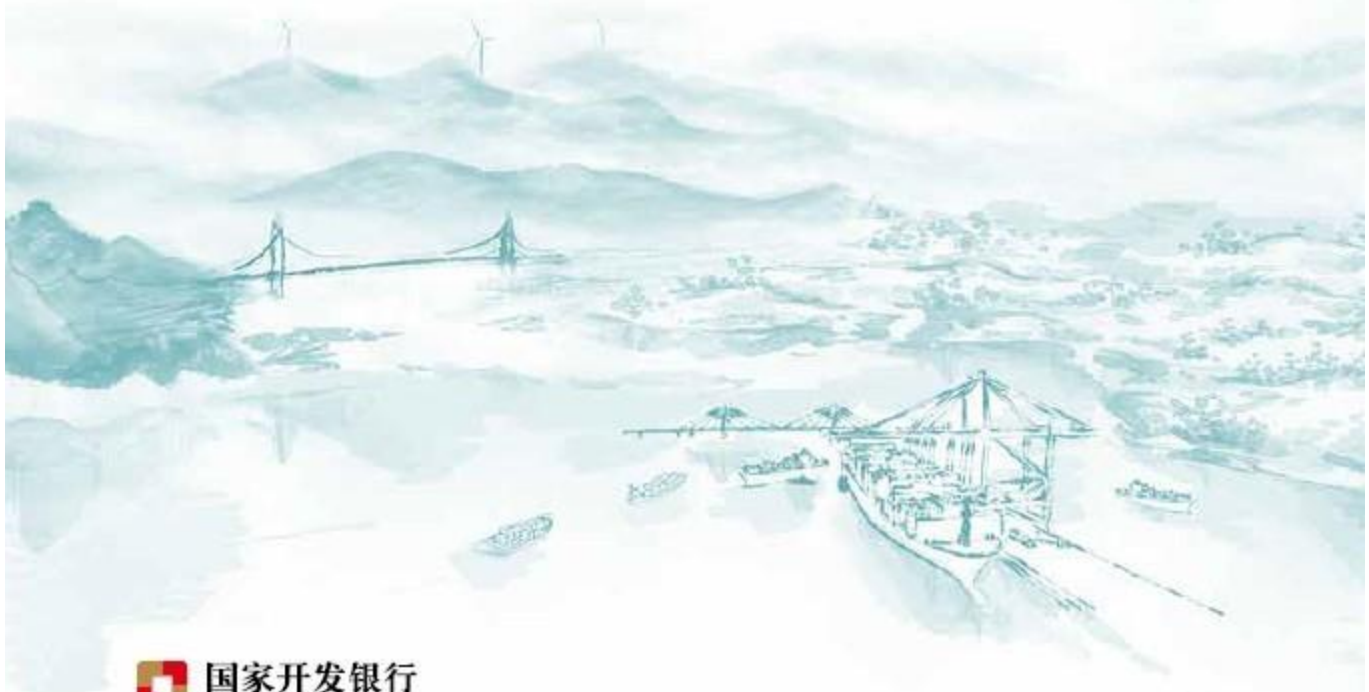


Impact Assessment Methodology

The impact assessment methodology of the Renewable Energy Projects refer to the UNFCCC CDM methodology ACM 0002 Grid-connected electricity generation from renewable sources (version 19.0) . Available at : <https://cdm.unfccc.int/methodologies/DB/VJI9AX539D9MLOPXN2AY9UR1N4IYGD>

The impact assessment methodology of the Clean Transportation Projects refer to Green Credit Energy Saving and Emission Reduction Measurement Guidelines issued by China Banking and Insurance Regulatory Commission.

* Impacts have been calculated with consideration of share of the total project cost that is financed by the issuer



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