国家开发银行
CHINA DEVELOPMENT BANK

2020 ANNUAL REPORT ON CHINA DEVELOPMENT BANK'S 2017 GREEN BOND

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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 bond [1]. We hereby provide the 2020 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 2020.

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	Fixed	1,000	7,807.60	7.8076

CDB Green Bond Framework

The issuance of green bond under this CDB Green Bond Framework is in line with the *Green Bond Principles 2018* published by the International Capital Market Association (ICMA), the *Climate Bonds Standards* (V3) published by the Climate Bonds Initiative.

Use of proceeds

- **Clean transportation**: electric, hybrid, public, rail, non-motorised 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

1. Refer to the central parity rate published by the People's Bank of China as of November 16, 2017.

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Third Party Verification	Certification
▪ Ernst & Young Hua Ming LLP expressed a limited assurance opinion on the 2020 Annual Report.	▪ CDB's Green Bond is certified by Climate Bond Initiative against the CBS.

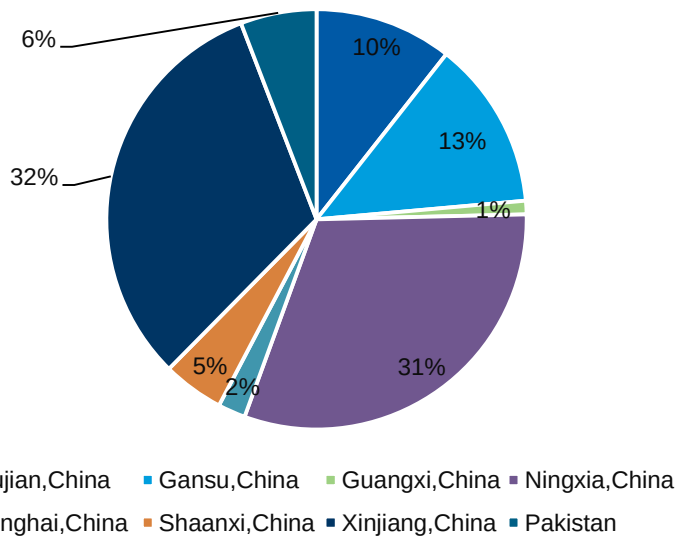
Allocation of proceeds reporting

After deducting the up-front costs in the course of issuance, the net proceeds of the 2017 Green Bond equivalents to CNY 11,055 million. As of December 31, 2020, 100% of the net proceeds had been utilized to fund the Eligible Green Projects in Renewable Energy and Clean Transportation. There is no unallocated proceeds.

Category	Amount CNY million	Proportion of Total	Projects Amount
Clean Transportation	8,465.42	76.58%	6
Renewable Energy	2,589.58	23.42%	11
Total	11,055.00	100%	17

Breakdown by geography

For illustration purposes only



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Impact reporting

Category	Impact indicators*	
Renewable Energy	2,246,070 MWh of power generation per year	384,788 tonnes of annual GHG emissions reductions per year
Clean Transportation	3,198 kilometers of railway construction	371,068 tonnes of annual GHG emissions reductions per year

Project example

Case study

A wind project located in Qinghai, China

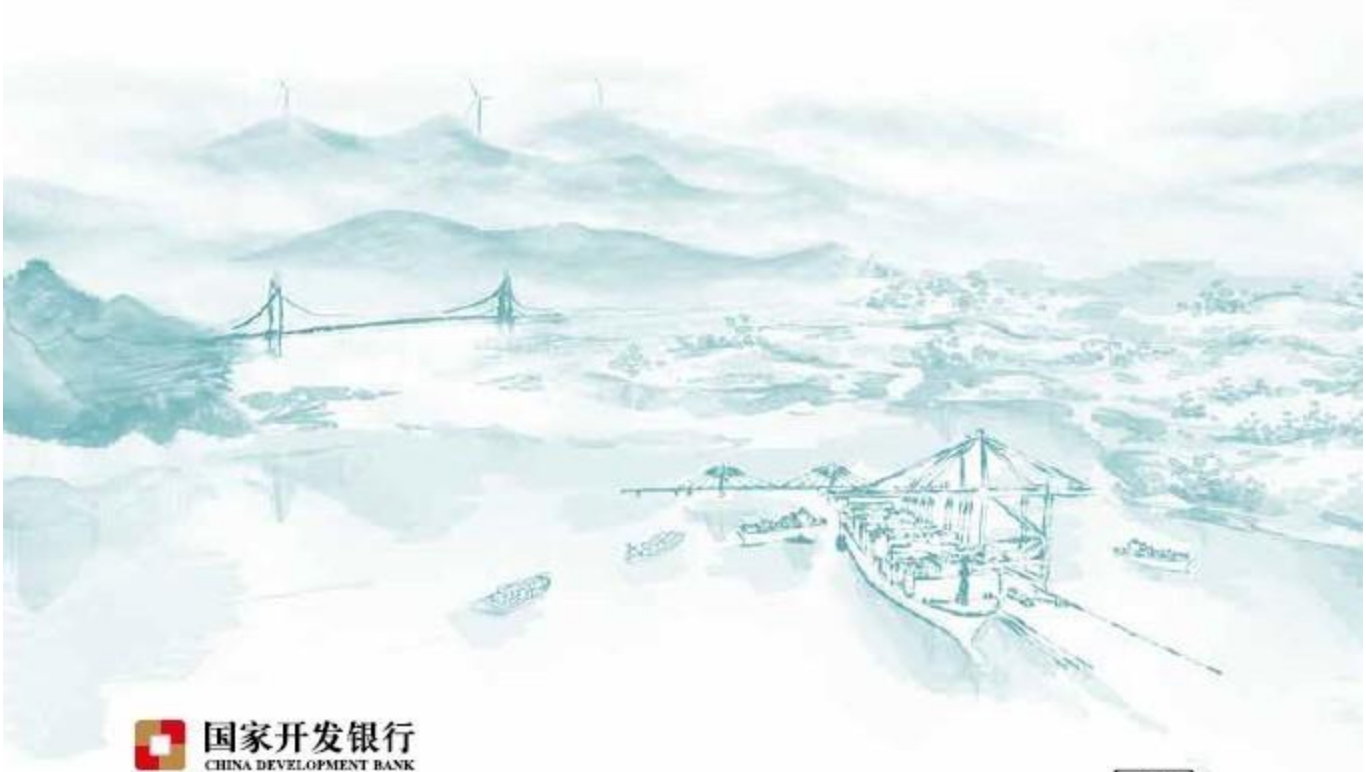
- A wind power project located in Qinghai. The project, with total capacity of 50MW, consists of 25 wind turbines with per capacity of 2,000 kW and electricity generation of about 70,060 MWh annually, which will result in the CO_2 emissions reduction about 53,766 tons/year. CDB's loan accounted for approximately 66.10% of the total project investment, which will result in the CO_2 emission reduction about 35,541 tons/year
- **Capacity installed**: 50 MW
- **Annual electricity produced:** 70,060 MWh
- **Emissions avoided**: 35,541 tons of CO_2 .

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 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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No.18 Fuxingmennei Street, Xicheng District, Beijing, P.R. China 100031
TEL: 86-10-6830 6789
FAX: 86-10-6830 6699
E-MALL: csr@cdb.cn
WEBSITE: www.cdb.com.cn