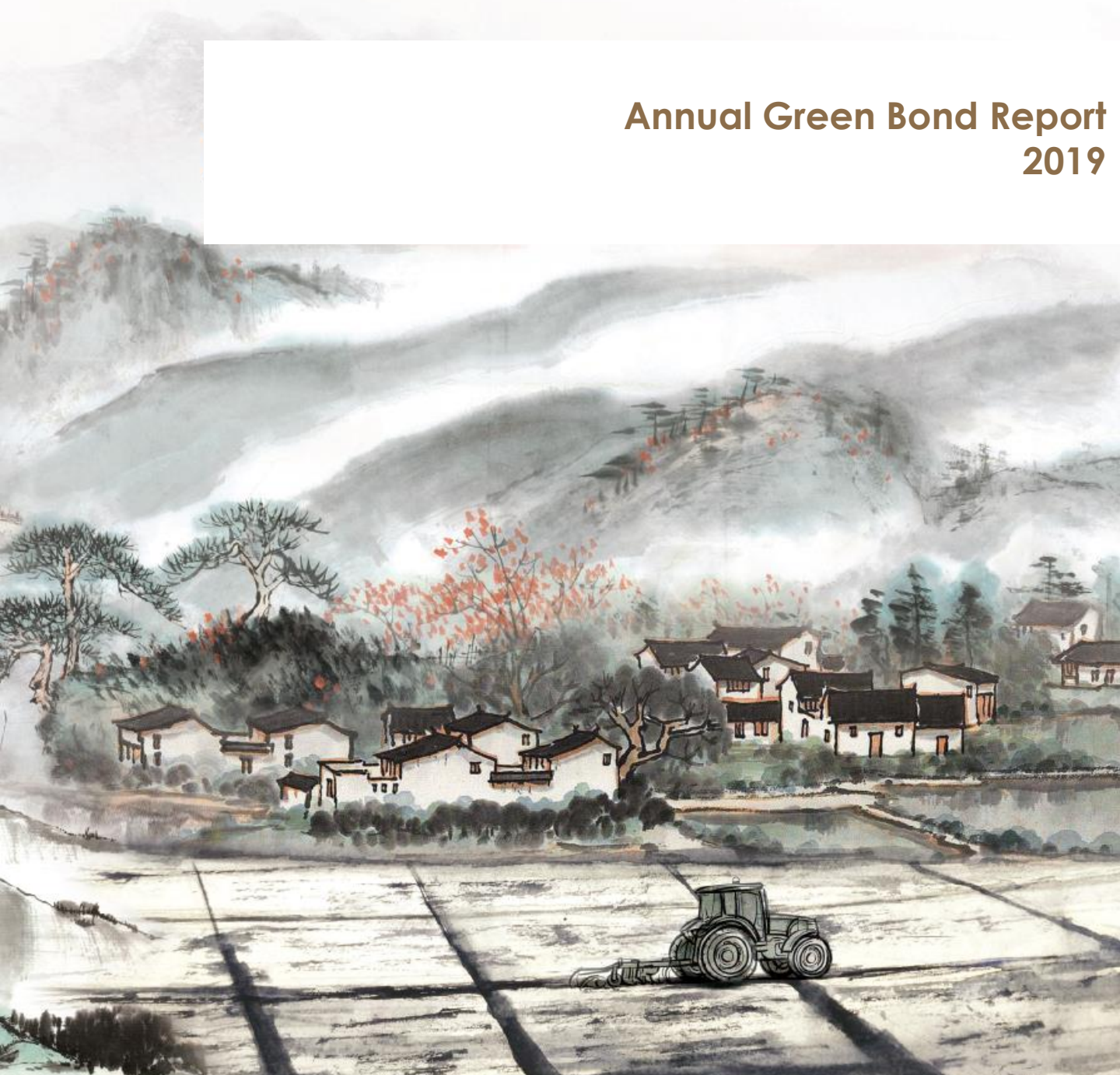




中国农业发展银行
AGRICULTURAL DEVELOPMENT BANK OF CHINA

Annual Green Bond Report 2019





ADBC's Inaugural International Green Bond – Transaction highlights

Issuer	Agricultural Development Bank of China (“ADBC”)
Issue Date	26 th November 2018
Tenor	3 years
Currency and Size	EUR 500 million
Issuer rating	A1 / A+ / - (Moody's / S&P / Fitch)
Coupon	3mE+48bps
External Review	Second Party Opinion jointly issued by CICERO and IISD Verification Report by CECEP Consulting Group

ADBC's Inaugural International Green Bond – Key Highlights

ADBC's Green and Sustainability Bond Framework has set a new far as best market practice

- It is the first-ever framework to receive second party opinion jointly issued by the Centre for International Climate and Environmental Research (CICERO) and the International Institute for Sustainable Development (IISD)
- Eligible Green Asset Categories in the Framework are rated “Dark Green” and the Eligible Social Asset Categories in the Framework are rated “Medium Green”
- The use of proceeds complies with both Chinese and international standards as confirmed by double external reviews by CICERO with IISD, and CECEP Consulting Group.
- The Framework was listed in Best Practices 2019 report of CICERO, and was published on Environmental Finance.

The green bond proceeds have supported the development of agriculture, rural areas and farmers (“Three Rurals”) in China

- The three Eligible Green Asset Categories selected for the green bond issuance: sustainable water and wastewater management, environmentally sustainable management of living natural resources and land-use, and renewable energy, are expected to generate significant environmental benefits while contributing to improve the livelihood and living environment for people in the rural areas in China.

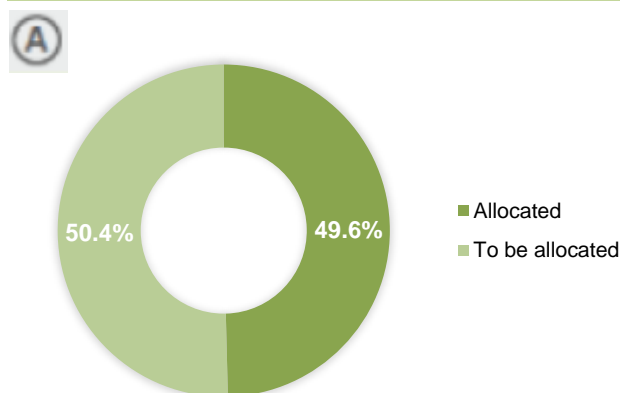
Positive reception by international investors

- The transaction benefited from high quality orderbook with a investor base consisting of central banks, sovereign funds, banks, brokers, funds managers and asset managers.
- The final orderbook stood at EUR 1.68 billion, representing a 3.4 time over-subscription ratio.
- European investors accounted more than 58% of total allocation.

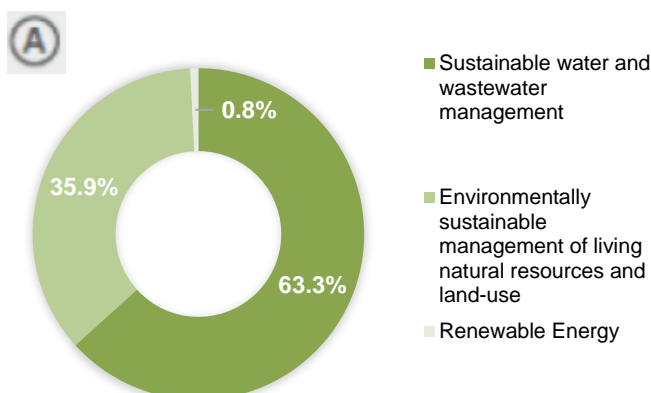
Allocation Reporting





- As of 31st of October 2019, CNY 1,959 million, or 49.6% of the proceeds of the 2019 ADBC EUR Green Bond were allocated to Eligible Green Asset Categories as defined in the ADBC Green and Sustainability Bond Framework⁽¹⁾.
- Allocation information by type of project and sector are as follows:

By Allocation Status



By Eligible Green Asset Categories



Eligible Green Asset Categories	UNSDGs Alignment	Number of Projects	Amount Allocated (CNY)	Amount Allocated (EUR equ.) ⁽²⁾
Sustainable water and wastewater management		5	1,240 million	157.1 million
Environmentally sustainable management of living natural resources and land-use	 	3	703 million	89.1 million
Renewable Energy		1	16 million	2.0 million
Total		9	1,959 million	248.2 million

Description of projects supported

- Sustainable water and wastewater management:** proceeds supporting 2 sewage treatment plant projects; 1 new sewerage tunnel; 1 river ecological management project to improve the water quality and surrounding wetlands; and 1 reservoir reinforcement project for flood prevention purpose.
- Environmentally sustainable management of living natural resources and land-use:** proceeds supporting 2 sustainable agriculture projects aiming to recover soil quality of agricultural lands; and 1 urban greening project.
- Renewable Energy:** supporting 1 project of photovoltaic generation facilities.

Geographical distribution of the projects



(1) <http://www.adbc.com.cn/en/n1061/c26588/part/12323.pdf>

(2) EURCNY used: 7.8943

Impact Reporting

- According to the Green and Sustainability Bond Framework of the ADBC, the expected environmental impact for the Eligible Green Asset financed are consolidated as below. ADBC has engaged CECEP, an independent environmental agency, to assess and verify the below figures. The CECEP post-issuance report can be publicly assessed via ADBC's official website.

Eligible Green Asset Categories	Subcategories	Expected Environmental Output / Benefits
Sustainable water and wastewater management	<ul style="list-style-type: none"> Sewage treatment plant projects 	<ul style="list-style-type: none"> Wastewater treatment capacity of 64.79 million tons/year Reducing chemical oxygen demand by 20,650 tons/year Reducing biochemical oxygen demand by 10,780 tons/year Reducing ammonia nitrogen by 1,900 tons/year
	<ul style="list-style-type: none"> Sewerage tunnel 	<ul style="list-style-type: none"> New sewage tunnel with length 19.16 km
	<ul style="list-style-type: none"> River ecological management project to improve the water quality and surrounding wetlands; 	<ul style="list-style-type: none"> Treating 9.6km of river ecology Adding 600,000sqm ecological wetlands
	<ul style="list-style-type: none"> Reservoir reinforcement project for flood prevention purpose 	<ul style="list-style-type: none"> Strengthened flood prevention capability of the reservoir (flood control standard is once every 50 years)
Environmentally sustainable management of living natural resources and land-use	<ul style="list-style-type: none"> Sustainable agriculture 	<ul style="list-style-type: none"> 6 million sqm of additional High Standard Farmland 109 million sqm of High Standard Farmland maintained 609,500 sqm of polluted land rehabilitated
	<ul style="list-style-type: none"> Urban greening 	<ul style="list-style-type: none"> New urban green areas of 2.3 million sqm Additional carbon sink capacity of 69,000 tons
Renewable Energy	<ul style="list-style-type: none"> Solar photovoltaic power generation facilities 	<ul style="list-style-type: none"> Installed capacity: 18MW Expected generation capacity: 21.06 million kWh/year Estimated carbon dioxide emission avoided: 18,926 tons/year

Methodology of Impact Assessment

- For the estimated carbon dioxide emission avoided for renewable energy projects, CECEP takes reference from the EIB Carbon Footprint Methodology and CDM Methodology.

Project Examples

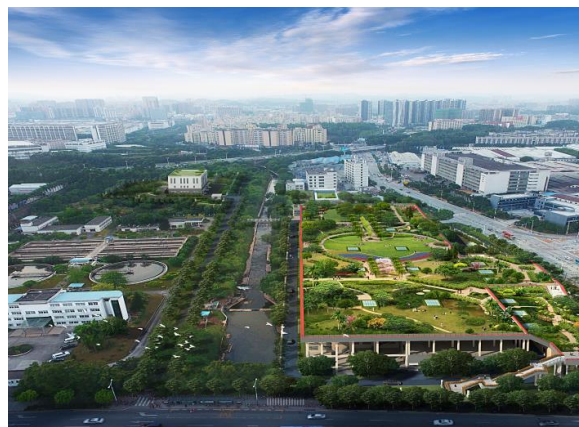
Banxuegang Sewage Treatment Plant (Phase II)

Eligible Green Asset Category: Sustainable water and wastewater management

Project Location: Shenzhen

Project Highlights:

- The second phase of Banxuegang Sewage Treatment Plant has a sewage treatment capacity of 120,000 cubic meters per day, with the total project investment amount of RMB 339 million. Construction started in February 2018, the main body construction is completed.
- The conventional monitoring indicators for water pollution emissions will meet the "Quality Standard for Surface Water Environment" (GB3838-2) Class IV standards, and other control indicators will meet the "Emission Standards for Pollutants from Urban Sewage Treatment Plants" (GB18918-2002). Level A standard requirements.
- After the project is put into operation, the sewage treatment capacity in the local area will be significantly improved, which will help improve the ecological environment of the Guanlan River Basin.



Illustrative vision of the project upon completion



Photo of the project site

Photovoltaic power generation facilities located in Guangxi

Eligible Green Asset Category: Renewable Energy

Project Location: Yuliangku District in Guangxi

Project Highlights:

- This project is located in the flooded area of the reservoir at Ganliangou, making full use of the land in the reservoir submerged area and effectively uses the local stability of solar energy resources to meet local electricity demand, and to optimize energy structure locally.
- The project started construction in March 2008. It has been completed and already in operation. Total project investment size is RMB 129 million. The installed capacity is 18 MW, with an annual power generation about 21.06 million kWh, corresponding to the replacement of fossil energy 6,634 tons of standard coal per year, equivalent to carbon dioxide emission reduction of 18,926 tons per year.

External Review

- ADBC engaged PwC to perform a limited assurance process on selected allocation reporting. The selected information subject to limited assurance procedures are set out below as indicated in this report with the mark "A".



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