

Industrial Bank Co., Ltd. Hong Kong Branch

Industrial Bank COVID-19 Response Bond 2020 (“COVID-19 Bond”)

兴业银行 2020 年疫情防控债券

HKQAA Reference Number: 14731493-CA, 14731524-CA

Industrial Bank Co., Ltd. (hereinafter referred to as Industrial Bank) was established in Fuzhou City, Fujian Province in 1988 with a registered capital of 20.774 billion yuan and listed on the Shanghai Stock Exchange in 2007 (stock code: 601166). It's one of the first joint-stock commercial banks approved by the State Council and the People's Bank of China, and it's also the first Equator Bank in China. Now it has grown into a mainstream commercial banking group with banking as its main business and multiple fields such as trust, financial lease, funds, futures, asset management, consumer finance, research and consulting, and digital finance covered, ranking among the top 30 banks in the world and Fortune Global 500.

Use of Proceeds			
Overall			
Percentage of proceeds committed for COVID-19 resilience	100%		
Eligible Project Category for COVID-19 resilience	<ul style="list-style-type: none"> Support the working capital of hospitals or medical service providers Support the production of preventive medical clothing, medical masks and disinfectants Support pharmaceutical companies and for the production, R&D and distribution of medicines or vaccination Support the production of medical equipment / vehicles Support a stable supply of essentials during the pandemics Support renovation work of hospitals 		
The use of the remaining proceeds	%	Use of proceeds	
	0%	N/A, as 100% of the proceeds will be committed for COVID-19 resilience	
Refinancing	<input checked="" type="checkbox"/> Yes, refinancing involved		
	An estimate of the share of proceeds for re-financing	Which investments or project portfolios may be refinanced	Expected look-back period¹ for refinanced project
	100%	Loans to Eligible Project Categories for COVID-19 resilience as defined in "Use of Proceeds" section of this COVID-19 Resilience Finance Certification Scheme Framework Statement Template (the "Template")	The value date of all eligible loans is after 1 st February 2020
	<input type="checkbox"/> No, refinancing not involved.		
Declaration	<input checked="" type="checkbox"/> We committed that proceeds will not be allocated to activities stated in Project Exclusion List (reference with IFC Exclusion List)		
<i>(Replicate the table below for more than one eligible project category)</i>			
Name of Eligible Project Category: Support the working capital of hospitals or medical service providers			

¹ Look back period refers to a maximum period in the past that an Issuer will look back to identify assets/earlier disbursements to such eligible projects that will be included in the reporting

Intended benefit to resilience of COVID-19	Corresponding SDG	SDG 3
	Social issues	The COVID-19 outbreak threatens the well-being of the world's population, especially those with limited access to health and medical services
	Target Population (i.e. the beneficiary)	Given the widespread nature of the COVID-19 pandemic, the asset is expected to benefit the general populace. Benefits would be especially expected for those most vulnerable to the COVID-19, including those with limited access to health and medical services
	Intended Social Outcome	The eligible loans are expected to create positive health outcomes potentially as a result of improved access to health and medical service
Eligibility criteria	<ul style="list-style-type: none"> Loans to support the working capital of hospitals or medical service providers 	
Key Performance Indicator (KPI)	KPI (unit)	How to measure the KPI (Key underlying methodology and/or assumptions, e.g. baseline)
	Number of companies supported Overall objective: Increase access to essential health care services	When IB identify the potential eligible loan portfolio, all of the Eligible loans under the portfolio already align with the overall objective KPIs (e.g. maintenance original service level / expansion the production capacity). The overall objective KPIs will be recorded in the Eligible Loan list. Relevant branches or departments will check if there are any material changes on the Eligible Loan, and report to the working group. The material changes will be recorded in the Eligible Loan list.
KPI measurement – Reference standard	<input type="checkbox"/> International Standard <input type="checkbox"/> National Standard <input type="checkbox"/> Industry Standard <input checked="" type="checkbox"/> Self-development Standard <input type="checkbox"/> Others, Please specify: _____	
Any significant environmental and social risk constituted by this type of project activities	<input type="checkbox"/> Yes, please specify the risk and mitigation measure: <input checked="" type="checkbox"/> No significant environmental and social risk identified	
Name of Eligible Project Category: Support the production of preventive medical clothing, medical masks and disinfectants		
Intended benefit to resilience of COVID-19	Corresponding SDG	SDG 3
	Social issues	The COVID-19 outbreak threatens the well-being of the world's population, especially those with limited access to medical and preventive equipment
	Target Population (i.e. the beneficiary)	Given the widespread nature of the COVID-19 pandemic, the asset is expected to benefit the general populace. Benefits would be especially expected for those most vulnerable to the COVID-19, including those with limited access medical and preventive equipment
	Intended Social Outcome	The Eligible loans are expected to create positive health outcomes potentially as a result of reduction in the spread of the virus among users of the medicine, equipment and supplies
Eligibility criteria	<ul style="list-style-type: none"> Loans to support the production of preventive medical clothing, medical masks and disinfectants 	
Key Performance Indicator (KPI)	KPI (unit)	How to measure the KPI (Key underlying methodology and/or assumptions, e.g. baseline)
	Number of companies	When IB identify the potential eligible loan portfolio, all of

	supported Overall objective: Increase the production capacity of preventive medical clothing, medical masks and disinfectants	the Eligible loans under the portfolio already align with the overall objective KPIs (e.g. maintenance original service level / expansion the production capacity). The overall objective KPIs will be recorded in the Eligible Loan list. Relevant branches or departments will check if there are any material changes on the Eligible Loan, and report to the working group. The material changes will be recorded in the Eligible Loan list.
KPI measurement – Reference standard	<input type="checkbox"/> International Standard <input type="checkbox"/> National Standard <input type="checkbox"/> Industry Standard <input checked="" type="checkbox"/> Self-development Standard <input type="checkbox"/> Others, Please specify: _____	
Any significant environmental and social risk constituted by this type of project activities	<input type="checkbox"/> Yes, please specify the risk and mitigation measure: <input checked="" type="checkbox"/> No significant environmental and social risk identified	
Name of Eligible Project Category: Support pharmaceutical companies and for the production, R&D and distribution of medicines or vaccination		
Intended benefit to resilience of COVID-19	Corresponding SDG	SDG 3
	Social issues	The COVID-19 outbreak threatens the well-being of the world's population, especially those with limited access to medicine or vaccination
	Target Population (i.e. the beneficiary)	Given the widespread nature of the COVID-19 pandemic, the asset is expected to benefit the general populace. Benefits would be especially expected for those most vulnerable to the COVID-19, including those with limited access to medicine or vaccination
	Intended Social Outcome	The Eligible loans are expected to create positive health outcomes potentially as a result of the pharmaceutical, medical and vaccine research and development
Eligibility criteria	<ul style="list-style-type: none"> Loans to support pharmaceutical companies and for the production, R&D and distribution of medicines or vaccination 	
Key Performance Indicator (KPI)	KPI (unit)	How to measure the KPI (Key underlying methodology and/or assumptions, e.g.? baseline)
	Number of companies supported Overall objective: Contribute to medical and pharmaceutical research and development, including but not limited to COVID-19 test, vaccines and/or other medications intended to alleviate symptoms of the infectious virus	When IB identify the potential eligible loan portfolio, all of the Eligible loans under the portfolio already align with the overall objective KPIs (e.g. maintenance original service level / expansion the production capacity). The overall objective KPIs will be recorded in the Eligible Loan list. Relevant branches or departments will check if there are any material changes on the Eligible Loan, and report to the working group. The material changes will be recorded in the Eligible Loan list.
KPI measurement – Reference standard	<input type="checkbox"/> International Standard <input type="checkbox"/> National Standard <input type="checkbox"/> Industry Standard <input checked="" type="checkbox"/> Self-development Standard <input type="checkbox"/> Others, Please specify: _____	
Any significant environmental and social risk constituted by this type of project activities	<input type="checkbox"/> Yes, please specify the risk and mitigation measure: <input checked="" type="checkbox"/> No significant environmental and social risk identified	
Name of Eligible Project Category: Support the production of medical equipment / vehicles		

Intended benefit to resilience of COVID-19	Corresponding SDG	SDG 3
	Social issues	The COVID-19 outbreak threatens the well-being of the world's population, especially those with limited access to medical equipment / vehicles
	Target Population (i.e. the beneficiary)	Given the widespread nature of the COVID-19 pandemic, the asset is expected to benefit the general populace. Benefits would be especially expected for those most vulnerable to the COVID-19, including those with limited access to medical equipment / vehicles
	Intended Social Outcome	The Eligible loans are expected to create positive health outcomes potentially as a result of the improved access to medical equipment / vehicles
Eligibility criteria	<ul style="list-style-type: none"> Loans to support the production of medical equipment / vehicles 	
Key Performance Indicator (KPI)	KPI (unit)	How to measure the KPI (Key underlying methodology and/or assumptions, e.g. baseline)
	Number of companies supported	When IB identify the potential eligible loan portfolio, all of the Eligible loans under the portfolio already align with the overall objective KPIs (e.g. maintenance original service level / expansion the production capacity). The overall objective KPIs will be recorded in the Eligible Loan list. Relevant branches or departments will check if there are any material changes on the Eligible Loan, and report to the working group. The material changes will be recorded in the Eligible Loan list.
	Overall objective: Increase the production capacity of medical equipment / vehicles	
KPI measurement – Reference standard	<input type="checkbox"/> International Standard <input type="checkbox"/> National Standard <input type="checkbox"/> Industry Standard <input checked="" type="checkbox"/> Self-development Standard <input type="checkbox"/> Others, Please specify: _____	
Any significant environmental and social risk constituted by this type of project activities	<input type="checkbox"/> Yes, please specify the risk and mitigation measure: <input checked="" type="checkbox"/> No significant environmental and social risk identified	
Name of Eligible Project Category: Support a stable supply of essentials during the pandemics		
Intended benefit to resilience of COVID-19	Corresponding SDG	SDG 2, 6, 7
	Social issues	The COVID-19 outbreak threatens the well-being of the world's population, especially those with limited access to the essentials during the pandemics
	Target Population (i.e. the beneficiary)	Given the widespread nature of the COVID-19 pandemic, the asset is expected to benefit the general populace. Benefits would be especially expected for those most vulnerable to the COVID-19, including those with limited access to the essentials during the pandemics
	Intended Social Outcome	The Eligible loans are expected to create positive health outcomes potentially as a result of a stable supply of essentials during the pandemics
Eligibility criteria	<ul style="list-style-type: none"> Loans to support a stable supply of essentials during the pandemics (food, energy, water, etc.) 	
Key Performance Indicator (KPI)	KPI (unit)	How to measure the KPI (Key underlying methodology and/or assumptions, e.g. baseline)
	Number of companies supported	When IB identify the potential eligible loan portfolio, all of the Eligible loans under the portfolio already align with the

	Overall objective: Increase the access to the essentials during the pandemics (food, energy, water, etc.)	overall objective KPIs (e.g. maintenance original service level / expansion the production capacity). The overall objective KPIs will be recorded in the Eligible Loan list. Relevant branches or departments will check if there are any material changes on the Eligible Loan, and report to the working group. The material changes will be recorded in the Eligible Loan list.
KPI measurement – Reference standard	<input type="checkbox"/> International Standard <input type="checkbox"/> National Standard <input type="checkbox"/> Industry Standard <input checked="" type="checkbox"/> Self-development Standard <input type="checkbox"/> Others, Please specify: _____	
Any significant environmental and social risk constituted by this type of project activities	<input type="checkbox"/> Yes, please specify the risk and mitigation measure: <input checked="" type="checkbox"/> No significant environmental and social risk identified	
Name of Eligible Project Category: Support renovation work of hospitals		
Intended benefit to resilience of COVID-19	Corresponding SDG	SDG 3, 8
	Social issues	The COVID-19 outbreak threatens the well-being of the world's population, especially those with limited access to the health and medical services
	Target Population (i.e. the beneficiary)	Given the widespread nature of the COVID-19 pandemic, the asset is expected to benefit the general populace. Benefits would be especially expected for those most vulnerable to the COVID-19, including those with limited access to the health and medical services
	Intended Social Outcome	The Eligible loans are expected to create positive health outcomes potentially as a result of improved access to health and medical services
Eligibility criteria	<ul style="list-style-type: none"> Loans to support renovation work of hospitals 	
Key Performance Indicator (KPI)	KPI (unit)	How to measure the KPI (Key underlying methodology and/or assumptions, e.g. baseline)
	Number of companies supported Overall objective: Renovation of facilities related to prevention and control of COVID-19	When IB identify the potential eligible loan portfolio, all of the Eligible loans under the portfolio already align with the overall objective KPIs (e.g. maintenance original service level / expansion the production capacity). The overall objective KPIs will be recorded in the Eligible Loan list. Relevant branches or departments will check if there are any material changes on the Eligible Loan, and report to the working group. The material changes will be recorded in the Eligible Loan list.
KPI measurement – Reference standard	<input type="checkbox"/> International Standard <input type="checkbox"/> National Standard <input type="checkbox"/> Industry Standard <input checked="" type="checkbox"/> Self-development Standard <input type="checkbox"/> Others, Please specify: _____	
Any significant environmental and social risk constituted by this type of project activities	<input type="checkbox"/> Yes, please specify the risk and mitigation measure: <input checked="" type="checkbox"/> No significant environmental and social risk identified	
Project Evaluation and Selection		
Who will conduct the evaluation and selection	A working group shall be led by senior representatives from the IB HK Branch and formed by representatives from the following departments at Industrial Bank Co., Ltd. ("Working Group"):	

	<ul style="list-style-type: none"> • Senior representatives from the IB HK Branch • Asset and Liability Management Center • Large Customer Department • Legal and Compliance Department • Small and Medium Enterprise Department
<p>Evaluation Method</p>	<p>1. Preliminary Screening</p> <p>Relevant branches or departments of IB shall carry responsibility for a preliminary screening of potential assets in accordance with the criteria and standards set out in IB's internal regulations and the "Eligibility Criteria" defined in this Template. Potential assets will then be submitted to working group for review and approval.</p> <p>2. Review and Approval</p> <p>The working group will review all potential projects or loans to determine their compliance with IB's internal regulations and the "Eligibility Criteria" defined in this Template and form an Eligible Loan list. The decision by each representative of the working group to form the Eligible Loan list must be unanimous. Each expert enjoys a veto power to the final decision on the selection. The assets vetoed by any representative shall be excluded from the Eligible Loan list. IB HK Branch will approve the Eligible Loan list.</p>
<p>Process by which the issuer determines how the projects fit within the eligible project categories identified above</p>	<p>Please refers to "Evaluation Method"</p>
<p>Management of Proceeds</p>	
<p>Process for tracking proceeds for COVID-19 resilience</p>	<p>1. Planning for Use of Proceeds</p> <p>Prior to the issuance of the COVID-19 Bond, IB shall evaluate the recent and pipeline capital spending and develop a preliminary Eligible Loan list in accordance with the procedures as described in the Project Evaluation and Selection section in this Template to ensure that the COVID-19 Bond proceeds can be allocated to the Eligible loans in accordance with "Eligibility Criteria" defined in this Template.</p> <p>2. Management of Separate Ledger</p> <p>IB shall establish a Ledger to record the allocation of proceeds to ensure that all net proceeds of the COVID-19 Bond are used to finance and / or re-finance Eligible loans in accordance with "Eligibility Criteria" defined in this Template. The proceeds of the COVID-19 Bond will be deposited in the general funding account. The Ledger will contain following information:</p> <p>a) Details of the bond: ISIN, date of issuance, maturity date, amount of issuance, currency, coupon rate, etc.</p> <p>b) Proceeds allocation to Eligible loans, including:</p> <ul style="list-style-type: none"> • Names of borrowers • Loan amount • Amount of bond proceeds allocated • Loan purpose descriptions (if any) • Eligible Project Categories

	<ul style="list-style-type: none"> • Release date (s) • Repayment date (s) • Other necessary information
Intended type of temporary investment instruments	Unallocated proceeds will be held in accordance with IB's prudent liquidity management policy. For example, it could be temporarily invested in money market instruments with good credit rating and market liquidity.
Declaration	<input checked="" type="checkbox"/> We committed to engage an internal or external qualified auditor or accountant who shall be a Certified Public Accountant (CPA) on financial period basis to verify the amount of proceeds allocated to eligible projects and earmarking of proceeds is maintained with a documented conclusion.
Information Disclosure and Reporting	
Types of information will be reported	<p>1. Use of Proceeds Reporting</p> <p>Information will be provided on the allocation of the COVID-19 Bond proceeds:</p> <p>(1) Aggregate amount and percentage allocated to the different Eligible Project Categories</p> <p>2. Impact Reporting</p> <p>When possible and relevant, IB shall report the expected social impact by Eligible Project Categories</p>
Method to disclose information	IB intends to publish a COVID-19 Bond report on its official website (www.cib.com.cn).
Reporting frequency	IB intends to publish a COVID-19 Bond report within 1 year after the COVID-19 Bond issuance date.
Project Monitoring	
Responsible party	The Working Group led by IB Hong Kong branch (please refer to "Project Evaluation and Selection")
When will the monitoring, measurement and review take place, i.e. in what project stage and the frequency	The Working Group shall review the Eligible Loan list on a semi-annual basis and when necessary.
Process and method to measure and review the effectiveness of eligible projects contributing to COVID-19 resilience	<p>Relevant branches or departments will check if there are any material changes on the Eligible Loan, and report to the working group. The material changes will be recorded in the Eligible Loan list.</p> <p>The working group will review the Eligible Loan list to determine their compliance with the "Eligibility Criteria" defined in this Template, the "Overall Objective" as defined under "Key Performance Indicator" in this Template, and the potential environmental and social risk of the project, to ensure the Eligible loans contribute to the COVID-19 resilience.</p> <p>In addition, the working group will review the Eligible Loan list to determine their compliance with IFC exclusion list, which excludes activity considered as illegal under host country laws or regulations or international conventions and agreements, or subject to international bans.</p> <p>Working group shall determine if any changes are necessary if there is any material changes or compliance issues on the Eligible Loan.</p>
Impact Assessment	
Responsible party	N/A – the proceeds of the COVID-19 Bond would not support large-scale infrastructure

	project
When to conduct Impact Assessment	N/A – the proceeds of the COVID-19 Bond would not support large-scale infrastructure project
Method to conduct Impact Assessment	N/A – the proceeds of the COVID-19 Bond would not support large-scale infrastructure project
Stakeholder Engagement	
Responsible party to conduct Stakeholder Engagement	N/A – the proceeds of the COVID-19 Bond would not support large-scale infrastructure project
When to conduct Stakeholder Engagement	N/A – the proceeds of the COVID-19 Bond would not support large-scale infrastructure project
Method to conduct Stakeholder Engagement and approach in response to key concerns raised	N/A – the proceeds of the COVID-19 Bond would not support large-scale infrastructure project
Identified stakeholders	N/A – the proceeds of the COVID-19 Bond would not support large-scale infrastructure project