

CHINA DEVELOPMENT BANK

(Company incorporated in the People's Republic of China with limited liability)



RMB 20,000,000,000 3.07%

Green Financial Bonds due 2024 (Bond Connect)

Application has been made for the admission on the Securities Official List held by the Luxembourg Stock Exchange (LuxSE SOL) of the RMB 20,000,000,000 3.07 per cent Green Financial Bonds due 2024 (Bond Connect) (the “**Bonds**”) issued by China Development Bank (the “**Issuer**”).

The listing of the bonds on LuxSE SOL without admission to trading on one of the securities markets operated by the Luxembourg Stock Exchange will become effective on March 29, 2021.

The LuxSE assumes no responsibility on the correctness of any of the statements made or opinions expressed in this document. The admission to listing on the Official List of the LuxSE is not to be taken as an indication of the merits of the Issuer or the Bonds. The issuer accepts the responsibility for the information contained in this document.

The date of this Information Notice is March 29, 2021

Should there be any discrepancy between the English version and the Chinese, the Chinese shall prevail.

IMPORTANT NOTICE

This Information Notice as well as all information contained herein (the “Information Notice”) is meant to provide details on the securities and the issuer in relation to the admission of the securities onto the securities official list held by the Luxembourg Stock Exchange without admission to trading on one of the securities markets operated by LuxSE (LuxSE SOL). The Information Notice has been prepared for the sole goal of being admitted and displayed on LuxSE SOL. It does not provide any key information to be used for making investment decisions.

The Information Notice is provided for information purposes only. It does not constitute and is not construed as any advice, solicitation, offer, endorsement, commitment or recommendation to invest in the securities described herein. The provision of the Information Notice is not and shall not be a substitute for your own researches, investigations, verifications, checks or consultation for professional or investment advice. You are using the Information Notice at your own risks.

The Issuer accepts responsibility for the information contained in this Information Notice. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Information Notice is in accordance with the facts and does not omit anything likely to affect the import of such information.

INFORMATION ON THE ISSUER

China Development Bank was founded in 1994 as a policy financial institution under the direct leadership of the State Council. It was incorporated as China Development Bank Corporation in December 2008, and officially defined by the State Council as a Development Finance Institution in March 2015. In April 2017, The Issuer adopted its current name, China Development Bank, and changed from a joint-stock company to a limited liability company.

The Issuer has a registered capital of RMB 421.248 billion. Its shareholders include the Ministry of Finance of the People's Republic of China (36.54%), Central Huijin Investment Ltd. (34.68%), Phoenix Tree Investment Platform Co., Ltd. (27.19%) and the National Council for Social Security Fund (1.59%).

The Issuer is mainly engaged in medium and long-term facilities and investment to support the implementation of major strategies for medium- and long-term development of China's national economy. By the end of 2019, its assets have grown to RMB 16.5 trillion, a balance of loans of RMB 12.20 trillion. With enhanced sustainability and optimized risk management system, the Issuer delivered a net profit of RMB 118.5 billion. Its return on assets, return on equity, and capital adequacy ratio had respectively reached 0.73%, 8.80%, and 11.71%.

The Issuer is the largest Development Finance Institution all over the world and the largest bank specialized in medium- and long-term lending and bond issuance in China.

The Issuer currently has 37 primary branches and 4 secondary branches in mainland China, 1 offshore branch in Hong Kong and 10 representative offices in Cairo, Moscow, Rio de Janeiro, Caracas, London, Vientiane, Astana, Minsk, Jakarta and Sydney, with more than 9,000 staff. Its subsidiaries include China Development Bank Capital Co.,Ltd., China Development Bank Securities Co.,Ltd., China Development Bank Leasing Co.,Ltd. and China-Africa Development Fund.

Professional rating agencies including Moody's and Standard & Poor's have retained the Issuer's ratings in line with China's sovereign rating for consecutive years.

In 2020, Moody's, Standard & Poor and Fitch re-rated the Issuer at the sovereign level. The details of the rating results are set out as below:

	Rating Company	PRC sovereign rating	CDB rating
2020	Moody's	A1	A1
	Standard & Poor's	A+	A+
	Fitch	A+	A+

DESCRIPTION OF THE ISSUER'S PRINCIPAL ACTIVITIES

As a state-funded and state-owned Development Finance Institution, the Issuer shoulders the duty of supporting national development and delivering a better life for the people. Leveraging its strength as a leading bank for medium- and long-term financing and comprehensive financial services, it mobilizes economic resources and channels towards below key areas:

- (1) Socioeconomic development, such as infrastructure, basic industries, pillar industries, public services and management;
- (2) Urbanization, urban-rural integration and balanced regional development;
- (3) Programs essential for national competitiveness, including the transformation, upgrading and restructuring of traditional industries, energy conservation, environmental protection, advanced equipment manufacturing;
- (4) Public welfare, including affordable housing, poverty alleviation, student loans, and inclusive finance;
- (5) Areas of strategic importance, including science and technology, culture, and people-to-people exchange;
- (6) The Belt and Road Initiative (BRI) and other international cooperation programs in industrial capacity, equipment manufacturing, infrastructure connectivity, energy and resources, and for Chinese enterprises to “go global”;
- (7) Initiatives in support of development and economic and financial reforms;
- (8) Other areas encouraged by national development strategies and policies.

Placing great importance on reform and innovation and tapping into its strengths as a Development Finance Institution, the Issuer keeps closely to national development strategies, operates on market principles with the backing of sovereign credit and ensures principal safety and modest profitability.

As set forth in the Issuer’s articles of association approved by the CBIRC, the scope of its principal business activities includes:

- Non-resident public deposit;
- Short-, medium- and long-term loans;
- Domestic and international settlement of foreign exchange;
- Acceptance and discounting of negotiable instruments;
- Issuance of financial bonds;
- Agency for the issuance, repayment and underwriting of government bonds, financial bonds and credit bonds;
- Government bonds, financial bonds, credit bonds and derivatives trading;
- Interbank lending and borrowing;
- Agency for sale and purchase of foreign exchange;
- Issuance of credit letter and guarantee;
- Coffer service;

- Agency for collection and payment;
- Agency for insurance service;
- Investment services provided by the Issuer's subsidiaries;
- Other business permitted by banking regulatory authorities under the State Council

SELECTED FINANCIAL INFORMATION OF THE ISSUER

The selected financial information set forth below has been extracted from the Issuer's audited consolidated financial statements as at and for the years ended 31 December 2018 and 2019, which have been incorporated by reference into this Information Notice (see "Documents incorporated by reference").

	<u>As of 31 December</u>	
	2019	2018
	<i>(in millions of RMB)</i>	
Income Statement Data Summary		
Interest income	630,661	617,161
Interest expense	-456,712	-434,213
Profit before income tax	145,552	131,560
Profit for the year	118,511	112,056
Balance Sheet Data		
Cash and balance with the central bank	189,237	275,168
Deposits with banks and other financial institutions	522,571	758,539
Loans and advances to customers, net	11,713,333	11,198,375
Total assets	16,504,575	16,179,820
Total liabilities	15,110,840	14,879,097
Total equity	1,393,735	1,300,723

There has been no material adverse change in the prospects of the Issuer since 31 December 2019. There has been no significant change in the financial position or trading position of the Issuer since 31 December 2019.

No profit forecast or estimate is made by the Issuer.

The audited consolidated financial statements for the year ended 31 December 2019 has been prepared by EY and does not include any qualifications.

The Annual Report for the year of 2020 is not yet available and the Issuer does not publish interim financial statements.

There is no recent event particular to the Issuer which leads to a material extent relevant to its solvency.

DESCRIPTION OF THE BONDS

Issuer	CHINA DEVELOPMENT BANK.
Bonds Issued	RMB 20,000,000,000 "Bond Connect" Green Financial Bonds in denominations of RMB 100.
Issue Date	24 March 2021.
Issue Price	RMB 100.00.
Interest Rate	3.07% per annum, payable annually.
Day Count.....	Act/Act.
Interest Payment Date	24 March in each year. Interest on the Bonds will accrue from their date of issue.
Maturity Date	24 March 2024.
Redemption	The Bonds will be redeemed at par on 24 March 2024.
Ranking	The Bonds constitute direct, general, unsubordinated, unconditional and unsecured obligations of the relevant Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligation of the relevant Issuer under the Bonds shall, save for such obligation as may be preferred by provision of law that are both, at all times rank at least <i>pari passu</i> with all of its other present and future unsecured and unsubordinated obligations.
Transfer Restrictions	The Bonds may be traded and circulated in the secondary market through the Bond Connect Regime.
Identification number	ISIN CND1000458V7.

Listing An application has been made to the Luxembourg Stock Exchange for the Bonds to be listed on the Securities Official List.

Trading The Bonds may be traded in the China Interbank Market and OTC.

Governing Law The Bonds are governed by the laws of the People's Republic of China.

RISK FACTORS

As a state-owned policy financial institution directly led by the State Council and rated in line with China's sovereign rating, the sovereign risk would be the key risk of the Issuer.

USE OF PROCEEDS

The net proceeds from the issuance of the Bonds were approximately RMB 20 billion (after deducting the counsel fee, third party assessment fee and commission fee).

The proceeds will be used under the permission of regulatory authorities and in alignment with relevant laws. To achieve the strategic goal of “CO2 Emission Peak” and “Carbon Neutrality”, the net proceeds will be allocated in eligible green projects. The major fields of those eligible green projects mainly include environment protection, energy conversation, pollution prevention and control. All invested projects will further ameliorate China green financial system and strengthen the force of capital in contributing to the sustainable development of China.

The eligible projects, on which the proceeds of the Bonds would be allocated, have been assessed by an independent third-party, China Lianhe Equator Environment Rating Co.Ltd. The assessment was led in alignment with People's Bank of China Public Notice [2015] No.39, the Green Bond Principles and the Climate Bonds Standard. Also, the Issuer will make disclosure in relation to the eligible projects' proceeds allocation and environmental impacts on an annual basis while the Bonds remain outstanding. Moreover, the Issuer will publish statement on a quarterly basis to confirm that the utilization of proceeds of the Bonds. For the unallocated proceeds, it could be temporarily invested in the Green Bonds issued by non-financial institutions in domestic capital markets and in money market instruments with good credits and market liquidity.

DOCUMENTS INCORPORATED BY REFERENCE

The Information Notice should be read and construed in conjunction with the documents incorporated by reference into this Information Notice. The information contained in the following document(s) is hereby incorporated by reference into this Information Notice and deemed to form a part of this Information Notice:

- the Annual Report as of 31 December 2019
- the Attestation Report of China Development Bank “Carbon Neutrality” Green Financial Bond by China Lianhe Equator Environment Rating Co.Ltd.
- Certification from Climate Bonds Initiative

**CHINA DEVELOPMENT BANK
BOND CONNECT
CARBON NEUTRALITY GREEN BOND ISSUANCE
PROGRAMME
TENDER ANNOUNCEMENT**

11 March 2021

Issue Number	2102001
Tender Type	New Issue
Tender Date	18 March 2021
Interest Type	Fixed
Coupon Rate	3.07%
Interest Payment Frequency	Annually
Interest Payment Date	24 March
Original Tenor	Three Years
Maturity Date	24 March 2024
Issue and Settlement Date	24 March 2021
Dated Date(Value Date)	24 March 2021

Code	2102001QF.IB	2102001.BC
Tender Time	14:30 pm to 15:30 pm	16:00 pm to 16:30 pm
Offering Amount	Renminbi 19.2 Billion	Renminbi 0.8 Billion
Listing Date	25 March 2021	26 March 2021
Clearing House	Shanghai CH	CCDC
Market	CIB	OTC
Rating	Exempted for issuance in CIB	

For offshore issuance, China's Quasi-sovereign, i.e. Moody's: A1 (Stable), S&P: A+ (Stable)

***Disclaimer**

The information provided here is for reference only. China Development Bank does not warrant that all, or any part of, the information provided is accurate in all respects. For more information, please refer to the Chinese Version Announcement available on official website at <http://www.cdb.com.cn>. CDB's bond yield curve available at <http://www.cdb.com.c>