

2020

Annual COVID-19 Response Bond Report

Industrial Bank Co., Ltd



Industrial Bank Shenzhen Branch provided anti-epidemic loan to support the production of COVID-19 nucleic acid test kit



Industrial Bank Nanning Branch donated medical supplies to support front-line anti-epidemic personnel





Introduction and COVID-19 Responses of IB

Founded in 1988 with a registered capital of RMB 20.774 billion and headquartered in Fuzhou, Fujian Province, Industrial Bank Co., Ltd. (hereinafter referred to as Industrial Bank or IB) was 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. Ranking among the top 30 banks in the world¹ and Fortune Global 500² in 2020, IB has grown into a mainstream commercial bank group in China with banking as its main business while also covering trust, financial leasing, funds, futures, asset management, consumer finance, research and consultation, and digital finance. IB is also one of the first commercial financial institutions to innovatively issue USD 450 million Blue Bond³ (ISIN: XS2244313685) in October 2020 to support marine pollution prevention and sustainable blue economic development.

Since the COVID-19 outbreak, IB has established a leading group for COVID-19 response, and issued the "Industrial Bank Leading Group for COVID-19 Work Plan" and other guiding documents. The leading group has been actively adopting specific epidemic prevention measure - donation of medical supplies to support front-line anti-epidemic personnel, and financial services policy - provision of anti-epidemic loan to support the production of COVID-19 nucleic acid test kit. In October 2020, IB issued a COVID-19 Response Bond, the world's first bond that meets the Hong Kong Quality Assurance Agency COVID-19 Resilience Finance Certification Scheme, confirming IB's financing support to COVID-19 response.

Banking as Its Main Business



Trust



Financial Lease



Funds



Futures



Asset Management



Consumer Finance



Research and Consulting



Digital Finance Covered

¹ Source: [The Banker](#); ² Source: [Fortune](#); ³ For more information on this transaction, please refer to the [media report published by Environmental Finance](#)

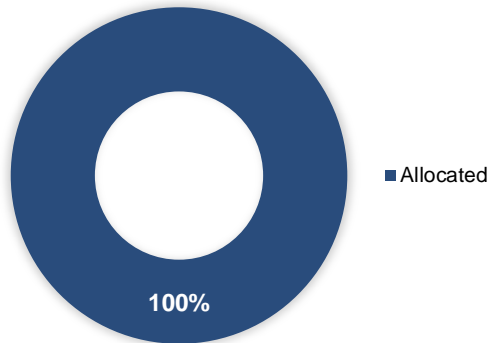


Issuer	Industrial Bank Co., Ltd. Hong Kong Branch
ISIN	HK0000659513
Issue Date	6 th November 2020
Maturity Date	6 th November 2022
Currency and Size	HKD \$3 billion
Issue Rating	Baa2 (Moody's)
Coupon	1.100%
Listing Venue	Hong Kong Stock Exchange Chongwa (Macao) Financial Asset Exchange
Framework	COVID-19 Resilience Finance Certification Scheme Framework Statement ¹
External Review	Certification Document by Hong Kong Quality Assurance Agency ("HKQAA") ²
Use of Proceeds	To finance and / or refinance SME loans or loans with the purpose of enabling resilience against pandemics, and which fulfil the Eligible Project Classification of the HKQAA COVID-19 Resilience Finance Certification Scheme
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
Key Highlights	This COVID-19 Response Bond offering is the world's first bond that meets the Hong Kong Quality Assurance Agency ("HKQAA") COVID-19 Resilience Finance Certification Scheme

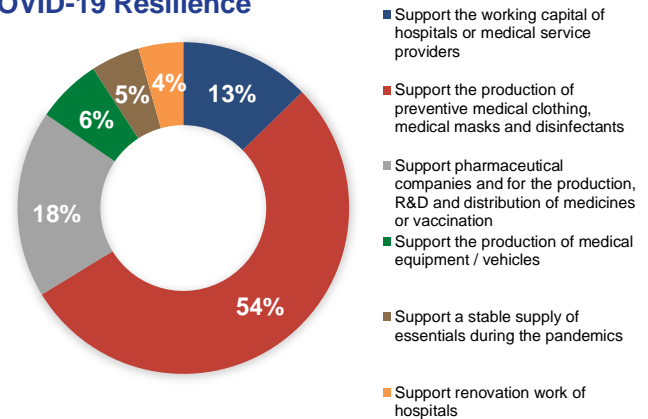
¹ [COVID-19 Response Bond Framework](#); ² [COVID-19 Response Bond Certification](#)

- As of 28 February 2021, the proceeds of the 2020 IB HKD 3 billion COVID-19 Response Bond has been fully allocated. Allocation information by Eligible Project Category for COVID-19 Resilience is as below:

Proceeds By Allocation Status












Proceeds By Eligible Project Category for COVID-19 Resilience



Eligible Project Category for COVID-19 Resilience	Number of projects	Amount Allocated (HKD)*	Amount Allocated (RMB equ.)	% of Total
Support the working capital of hospitals or medical service providers	9	0.38 billion	0.32 billion	13%
Support the production of preventive medical clothing, medical masks and disinfectants	13	1.61 billion	1.35 billion	54%
Support pharmaceutical companies and for the production, R&D and distribution of medicines or vaccination	18	0.55 billion	0.46 billion	18%
Support the production of medical equipment / vehicles	9	0.19 billion	0.16 billion	6%
Support a stable supply of essentials during the pandemics	3	0.14 billion	0.12 billion	5%
Support renovation work of hospitals	3	0.13 billion	0.11 billion	4%
Total	55	3 billion	2.51 billion	100%

* RMBHKD conversion rate used: 1.195

- The expected social benefits of the Eligible COVID-19 Resilience Projects financed are aggregated by category and reported as below:

Eligible Project Category for COVID-19 Resilience	Number of Loans	Number of Beneficiary Companies	Description of Social Impact	Contribution to UN Sustainable Development Goals
Support the working capital of hospitals or medical service providers	9	8	Designated hospitals have been supported to offer intensive care to COVID-19 patents and improve their access to special health and medical services	
Support the production of preventive medical clothing, medical masks and disinfectants	13	9	Supply of medical gears such as protective clothing, masks, and disinfectants have been increased to reduce the spread of the COVID-19 among medical staff and the general public	
Support pharmaceutical companies and for the production, R&D and distribution of medicines or vaccination	18	14	Research, development and procurement of medicines and vaccines have been financed during the COVID-19 pandemic	
Support the production of medical equipment / vehicles	9	6	The supply of critical medical surgical equipment and vehicles, such as laparoscope and body temperature patrol robots, has been increased during the COVID-19 pandemic	
Support a stable supply of essentials during the pandemics	3	3	Essentials, such as clean drinking water, have been consistently supplied to ensure the safety of water supply during the COVID-19 pandemic	  
Support renovation work of hospitals	3	1	Renovation works to key emergency specialty field hospitals to improve medical services and access to COVID-19 patents	 
Total	55	41		



Source of the Image: Unsplash

Eligible Project Category for COVID-19 Resilience

Support the production of preventive medical clothing, medical masks and disinfectants

Project Description

- Produced medical protective masks, solutions to preserve test samples, integrated molecular diagnostic workstations, and new COVID-19 monitoring kits



Source of the Image: Wikimedia Commons

Eligible Project Category for COVID-19 Resilience

Support renovation work of hospitals

Project Description

- Contributed to the waterproofing work during the construction of the Leishenshan and Huoshenshan Hospitals*. This project is supported by a corporate based in Guangzhou



Source of the Image: Unsplash

Eligible Project Category for COVID-19 Resilience

Support pharmaceutical companies and for the production, R&D and distribution of medicines or vaccination

Project Description

- Provided funds to purchase medical supplies such as anti-bacterial medicines for a pharmaceutical enterprise



Source of the Image: Unsplash

Eligible Project Category for COVID-19 Resilience

Support the working capital of hospitals or medical service providers

Project Description

- Support the operation of a COVID-19 designated admission hospital to provide intensive care to patients and improve clinical management

* Leishenshan and Huoshenshan Hospitals are emergency specialty field hospitals built in response to the COVID-19 pandemic in China



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We welcome your feedback and views on this report.

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