

Base Prospectus



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

Up to RMB 8,000,000,000,000

Bond Listing Programme (the “Programme”)

This Base Prospectus has been prepared solely in connection with an application for the listing of Bonds on the Securities Official List (“**SOL**”) of the Luxembourg Stock Exchange (“**LuxSE**”), without admission to trading on one of the securities markets operated by the LuxSE.

Bonds may be listed on SOL for the period of one year following the date of this Base Prospectus. This Base Prospectus shall become invalid after the expiry of one year following the date hereof.

This Base Prospectus should be read and understood in conjunction with the documents incorporated herein by reference. Full information on the Issuer and any Bonds listed under the Programme is only available on the basis of the combination of this Base Prospectus (including any document incorporated by reference herein) and the relevant specific terms specified in an Information Notice.

Luxembourg Stock Exchange takes no responsibility for the contents of this Base Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the contents of this document.

The date of this Base Prospectus is 16 December 2020.

IMPORTANT NOTICE

This Base Prospectus (including any document incorporated by reference herein) as well as all information contained herein is meant to provide general details on the securities and the issuer in relation to the admission of the securities onto SOL. The Base Prospectus has been prepared for the sole goal of being displayed, and to list Bonds by means of an Information Notice, on SOL. It does not provide any key information to be used for making investment decisions.

The maximum aggregate principal amount of all Bonds from time to time outstanding under the Programme will not exceed RMB 8,000,000,000,000.

The specific terms of each issue will be set forth in the applicable Information Notice.

This Base Prospectus 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 Base Prospectus 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 Base Prospectus at your own risks.

The Issuer accepts responsibility for the information contained in this Base Prospectus. 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 Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

INFORMATION ON THE ISSUER

Agricultural Development Bank of China (ADBC or the Bank) was established in November 1994 as limited liability company and operates under its articles of association and regulation.

ADBC is headquartered in Beijing in the People's Republic of China (PRC). The registered office is located at A2 Yuetanbeijie Street, Xicheng District, Beijing.

Agricultural Development Bank of China is a state-owned agricultural policy bank under the direct leadership of the State Council of the People's Republic of China.

ADBC is the only agricultural policy-oriented bank established with the funds of the Chinese government and put under the direct authority of the State Council.

The main responsibility of the Bank is to bring into play its role as the main entity and backbone of the rural financial system in accordance with national laws.

The Bank is not dependent upon other entities.

The Ministry of Finance (MOF) of the People's Republic of China is the sole shareholder of ADBC.

The Bank has a registered capital of RMB 57 billion.

Currently, ADBC has a total of 31 provincial-level branches, 338 second-level branches and 1,693 county-level sub-branches with a staff of more than 50,000 and a service network covering the whole country.

The Bank enjoys a credit rating same as that of the PRC sovereign entity.

The Bank has been rated A+ by Standard & Poor's and A1 by Moodys.

DESCRIPTION OF THE ISSUER'S PRINCIPAL ACTIVITIES

The Bank's principal activities include providing loans for various agricultural and infrastructure projects in rural areas, namely loans for purchase, stockpiling, regulation, and distribution of key agricultural products such as grain, cotton, edible oil, sugar, pork, and chemical fertilizer, loans in support of the construction of agricultural and rural infrastructure projects, water conservancy projects and circulation systems, loans for projects in support of integrated agricultural development, means of production and

agricultural science and technology, loans for projects in support of renovation of shantytown areas and construction of concentrated housing for farmers, loans in support of anti-poverty through relocation, infrastructure in poor areas, development of special industries and special poverty alleviation projects, loans in support of town construction, land purchase and stockpiling in counties, as well as loans in support of small agricultural enterprises and leading industrial enterprises. In addition, we engage in organizing and participating in syndicated loans, bill acceptance and discounting and other credit businesses; absorbing deposits from client enterprises and public institutions within the business scope, public deposits in counties other than residential savings and fiscal deposits, issuance of financial bonds, conducting settlement, foreign exchange settlement and sale, and foreign exchange trading for customers, opening special accounts for fiscal funds for assisting agriculture as required and disbursing fiscal agriculture-related subsidies, trading, acting as an agent to trade and underwriting bonds, as well as the inter-bank borrowing and placement, agency collection and payment, agency insurance, asset securitization, corporate finance advisory service, and agriculture-related business by way of cooperation with any lease company, agriculture-related guarantee company and agriculture-related investment company or through other methods upon approval, in addition to other services approved by the banking regulatory authority under the State Council.

As at the end of 2019, total assets of ADBC amounted to RMB 7.01trillion, representing an increase of 2.27% from the beginning of the year. The aggregate amount of loans granted throughout the year amounted to RMB1.79trillion and the outstanding loan balance at the end of the year amounted to RMB 5.58trillion.

For ADBC, both deposit and loan scales increase steadily, the growth rate of net profit remains stable, and credit asset quality is relatively sound in the banking industry. Overall, the banking industry is running smoothly.

SELECTED FINANCIAL INFORMATION OF THE ISSUER

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

Financial Highlights

Unit: RMB100 million

■ 2018 ■ 2019



Notes:

1. This data is presented on a consolidated basis.
2. Both return on assets and return on owner's equity were calculated based on net profit.
3. Balance of loans for 2018 was adjusted according to the current year's disclosure.

Business Data

Balance of Loans (RMB100 million)



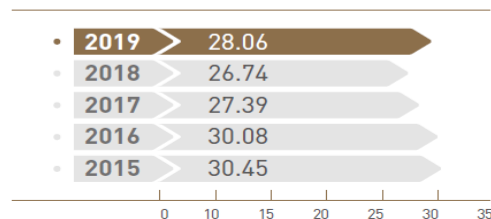
Interest Collection Rate (%)



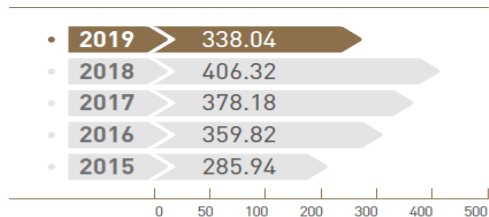
Net Profits (RMB100 million)



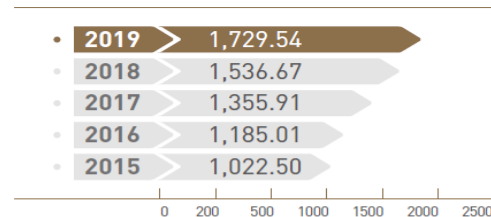
Cost to Income Ratio (%)



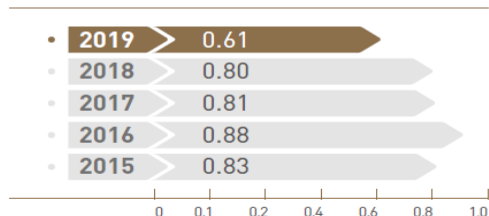
Balance of Non-performing Loans (RMB100 million)



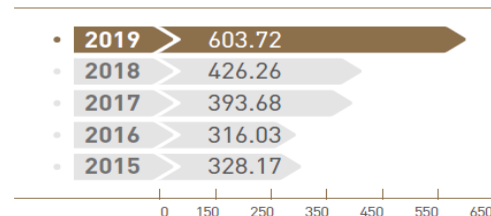
Owner's Equity (RMB100 million)



Non-performing Loan Ratio (%)



Provision Coverage Ratio (%)



Note: Balance of loans for 2017 and 2018 was adjusted according to the current year's disclosure.

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

No profit forecast or estimate is made by ADBC.

The audit report for the year ended 31 December 2019 has been prepared by Grant Thornton and does not include any qualifications.

There are no recent events particular to ADBC which are to a material extent relevant to its solvency.

GENERAL TERMS AND CONDITIONS OF THE BONDS

The following are the Terms and Conditions for the Bonds, which (subject to completion and amendment in accordance with the provisions of the applicable Information Notice) will be applicable to each Series of Bonds provided that the applicable Information Notice in relation to any Series of Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace and/or supplement the following Terms and Conditions for the purposes of such Series of Bonds.

References herein to the “applicable Information Notice” are to the Information Notice(s) prepared in relation to the Bonds of the relevant Series, which complete these Terms and Conditions.

1. Bonds Issued

RMB denominated Bonds as indicated in the applicable Information Notice, issued by Agricultural Development Bank of China.

2. Denominations

The Bonds will be in the denomination(s) specified in the applicable Information Notice.

3. Issue Date

Any issue date on which the Bonds will be issued as indicated in the applicable Information Notice.

4. Issue Price

The Bonds may be issued at an issue price which is equal to, less than or more than their principal amount as indicated in the applicable Information Notice.

5. Interest Rate

5.1. Fixed Rate Bonds

The Issuer will pay interest on Fixed Rate Bonds on the dates specified in the applicable Information Notice.

5.2. Floating Rate Bonds

The Issuer will pay interest on Floating Rate Bonds on the dates specified in the applicable Information Notice. Each Series of Floating Rate Bonds will have one or more interest rate bases as indicated in the applicable Information Notice.

5.3. Zero Coupon Bonds

The Bonds may bear no interest as indicated in the applicable Information Notice.

6. Interest Commencement Date

Interest on the Bonds will accrue from their date of issuance or from any other date as specified in the applicable Information Notice.

7. Interest Payment Date

Interest on the Bonds will be payable on the dates and periods as indicated in the applicable Information Notice.

8. Accrual of Interest

Interest shall accrue on the principal amount of each Bond or otherwise as indicated in the applicable. Interest will cease to accrue as from the due date for redemption.

9. Maturity Date

Any maturity as indicated in the applicable Information Notice.

10. Redemption at Maturity

The Bonds will be redeemed (i) at par or (ii) at any other redemption price as specified in the applicable Information Notice on the Maturity Date.

11. Optional Redemption

The Bonds may be redeemed (i) at the option of the issuer (Call) or (ii) at the option of the bondholders (Put) as indicated in the applicable Information Notice.

12. Ranking

The Bonds constitute direct, unsecured and unsubordinated obligations of the Bank ranking *pari passu*, without any preference or priority of payment among themselves, with all other unsecured and unsubordinated indebtedness of the Bank.

13. Transfer Restrictions

The Bonds may be traded and circulated in the secondary market under the framework of Bond Connect.

14. Identification number

Any ISIN Code allocated to the Bonds as indicated in the applicable Information Notice.

15. Listing

Application has been made to list the Bonds on the Securities Official List without admission to trading on one of the markets operated by the Luxembourg Stock Exchange.

The issuer may also apply for the Bonds to be displayed on the Luxembourg Green Exchange (LGX).

16. Trading

The Bonds may be traded in the China Interbank Market.

17. Governing Law

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

FORM OF INFORMATION NOTICE

Set out below is the form of Information Notice which will be completed for each Series to be listed under the Programme. The Information Notice substantially in the below following form will be completed to reflect the particular terms of the Bonds.

Information Notice dated [•]



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

RMB [•] [[•] %] [Floating Rate] [Zero Coupon] [] Bonds due [•]

under the up to RMB 8,000,000,000,000

Bond Listing Programme dated [insert date of the Base Prospectus]

Application has been made for the admission on the Securities Official List held by the Luxembourg Stock Exchange (LuxSE SOL) of the RMB [•] [[•] %] [Floating Rate] [Zero Coupon] Bonds due [•].

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 [•].

Luxembourg Stock Exchange takes no responsibility for the contents of this Information Notice, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the contents of this document.

Terms of the Bonds

Issuer	Agricultural Development Bank of China.
Principal Amount	RMB [•]. [The Bonds will be consolidated and form a single series with RMB[•]]
Specified Denominations	RMB [•].
Initial Issue Date	[•].
Initial Issue Price	[•] % of principal amount.
Interest Rate	[[[•] % Fixed Rate.] [[Benchmark to be specified] +/- [•] % Floating Rate.] [Zero Coupon.]]
Interest Commencement Date	[•].
Interest Payment Date(s)	[[Annually, on [•].] [Semi-annually, on [•] and [•].] [Quarterly, on [•], [•], [•] and [•].] [Monthly, on the [•] of each month.] [Specify if other]]
Maturity Date	[•].
Redemption at Maturity	The Bonds will be redeemed [at par] [at [•] %] on the Maturity Date.
Ranking	The Bonds constitute direct, unsecured and unsubordinated obligations of the Bank ranking <i>pari passu</i> , without any preference or priority of payment among themselves, with all other unsecured and unsubordinated indebtedness of the Bank.

Transfer Restrictions	The Bonds may be traded and circulated in the secondary market under the framework of Bond Connect.
Identification number	ISIN Code [•].
Governing Law	The Bonds are governed by the laws of the People's Republic of China.

Listing and Trading

Listing	Application has been made to list the Bonds on the Securities Official List without admission to trading on one of the markets operated by the Luxembourg Stock Exchange.
Trading	The Bonds may be traded in the China Interbank Market.

Use of Proceeds

Use of Proceeds	[The Bank intends to use the proceeds from the issue of the Bonds for funding the general credit business, working capital and general corporate purpose.] [other]
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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.

RISK FACTORS

As ADBC is a state-owned policy bank under the direct leadership of the State Council of the People's Republic of China, country risk is the key risk since the credit ratings of ADBC are in line with China's sovereign ratings.

USE OF PROCEEDS

Generally, the Bank uses the proceeds from the issue of the Bonds listed under this Programme for funding the general credit business, working capital and general corporate purpose.

Where the proceeds are used for other purposes than mentioned here above, appropriate information will be included in the Information Notice applicable to a particular issue of the Bonds.

DOCUMENTS INCORPORATED BY REFERENCE

The Base Prospectus should be read and construed in conjunction with the document incorporated by reference into this Base Prospectus. The information contained in the following document is hereby incorporated by reference into this Base Prospectus and deemed to form a part of this Base Prospectus:

- the Annual Report as of 31 December 2019