



Annual Sustainability
Report 2015



Bamboo has special meanings in traditional Chinese culture: Evergreen bamboo symbolizes indomitable life and everlasting youth; its hollowness represents the open-minded character; its branches that are bendy but not easily broken symbolize the life principle of being both unyielding and flexible; its exposed nodes symbolize nobleness. Bamboo's perseverance, vitality and sustainability are also the targets that Industrial Bank has been pursuing unceasingly.

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Comprehensive financial group turning into a butterfly from a cocoon

Industrial Bank has obtained licenses for 9 major services including banking, trust, leasing, funds, consumer finance, futures, asset management, research and consulting and digital finance to be one of domestic commercial banks that possess most financial licenses.



30

Actions to serve free trade

Our bank-wide cross-border settlement amounted to USD 122.394 billion and cross-border trade finance business reached RMB 118.145 billion.

42

Internet finance changing life

Agent-based counter settlement through the "Bank-to-Bank Platform" linked over 36,200 outlets cumulatively, helping residents and small and micro customers in cities in third and fourth tiers, rural areas and remote areas to enjoy same modern financial services.

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Actively responding to the aging society with "Enjoyable Life"

The bank-wide number of "Enjoyable Life" customers exceeded 1.2 million and customers' integrated financial assets under management reached RMB 557.913 billion.



54

Environment

Industrial Bank has provided numerous energy-saving enterprises or projects with green finance for a cumulative amount of RMB 800 billion, including finance balance of RMB 394.2 billion, and green finance customers have grown rapidly.

70

Neighborhood "financial keeper"

In December 2015, Industrial Bank launched the Enjoyable Life Trust, a pension product for customers with high net worth and China's first financial pension trust product in true sense.



80

Practice

In 2015, Industrial Bank judged 45 projects for the applicability of Equator Principles and identified 41 projects to which the Equator Principles are applicable, which involves a total project investment of RMB 138 billion.



CHAIRMAN'S STATEMENT

“Explore ways of financial reform to make more contributions to economic development”

”

The past five years is worth rejoicing for people of Industrial Bank. Compared to those at the end of 2010, our total assets have been multiplied by 2.86 with a compound growth rate of 23.42% and after-tax profit has been multiplied by 2.71 with a compound growth rate of 22.10%. We have become the mainstream urbanization finance competitor, green finance pioneer, interbank finance leader and pension finance advocator.

Enhance corporate governance to embrace five-level leap.

Since establishment, Industrial Bank has always been adhering to the market-oriented operation direction by taking the opportunity of introduction of foreign investors and public offering to constantly improve corporate governance, actively build a good governance pattern with clear powers and duties, effective checks and balances and coordinated operation, and promote the constant upgrade in corporate governance objective from “put shareholders’ interest first” to “give consideration to various stakeholders’ interest” and then to “fully consider demands of multiple interested parties”, hence comprehensively establishing the corporate governance concept of “sustainable development”. In particular, we creatively put forward the approach of “integrating righteousness into profitability” to fulfill the social responsibility, which means to incorporate corporate social responsibility and sustainable development concept into operating management, and, through innovation in business models, build a good situation where humans, nature, environment and society coexist in harmony, achieve harmonious development of comprehensive economic benefits and social and environmental benefits, and finally achieve the five-level leap from local bank, regional bank, national bank, listed public bank and then to bank-based comprehensive financial service group.

Embrace “new normal” to stimulate entrepreneurial enthusiasm.

With adherence to the priorities of “stabilize development, safeguard safety and promote transformation”, we have achieved bank-wide total assets of over RMB 5 trillion, whole-group customer assets under management of over RMB 3 trillion and net annual profit of over RMB 50 billion. In 2015, we continued to adhere to the strategy of differentiated operation, deepen transformation, make constant innovation, vigorously promote comprehensive and group-oriented operation and

actively build the business pattern of “big investment bank, big fortune and big asset management” to turn into a “light-asset, light-capital and high-efficiency” bank. Despite difficulties in the economic downturn, we kept moving forward resolutely and maintained steady development of various business, becoming the leader of domestic joint-stock commercial banks and one of commercial banks with most financial licenses, steadily ranking among top 10 banks in China, top 50 banks in the world and top 500 enterprises in the world, and gaining a foothold in China’s and even the global financial industry.

Bear in mind enterprise foundation and sincerely repay customers.

In 2015, we emphasized “customer-centricity” more than ever, continued to incorporate “warm services” into “one-kilometer financial needs” of community residents, integrated social responsibility fulfillment and bank product services, created the model of “vital finance + sports and healthy industry”, incorporated Internet’s “network-oriented, information-oriented and electronically-oriented” genes into financial services, built a comprehensive network-based financial ecosystem, supported “mass entrepreneurship and innovation”, realized small and micro enterprise financial services’ full coverage of small and micro enterprise lifecycle...

Home culture results in core competitiveness; the home culture of simplicity, harmony, solidarity and fraternity is the most valuable asset of Industrial Bank; the fine tradition of “make joint efforts for joint intentions” makes us more treasure such culture; the persistent pursuit and steadfast dream of the great cause of “a first-class bank, a long-flourishing CIB” is our motivation. In 2016 as the first year of the “thirteenth five-year period”, we will be more robust, more innovative, more interactive and more sophisticated to have a good start for the coming five-year development.


CHAIRMAN
Gao Jianping



PRESIDENT'S REPORT

Innovation to lead development and inclusion to create value



At the end of 2015, with the establishment of Industrial Digital Financial Services (Shanghai) Co., Ltd., Industrial Bank expanded again its integrated financial territory and had developed from a single bank to a comprehensive financial service group with licenses for 9 major services including banking, trust, leasing, funds, consumer finance, futures, asset management, research and consulting and digital finance, 4 directly-controlled (wholly-owned) subsidiaries, 6 indirectly-controlled subsidiaries and 5 participating stock companies.

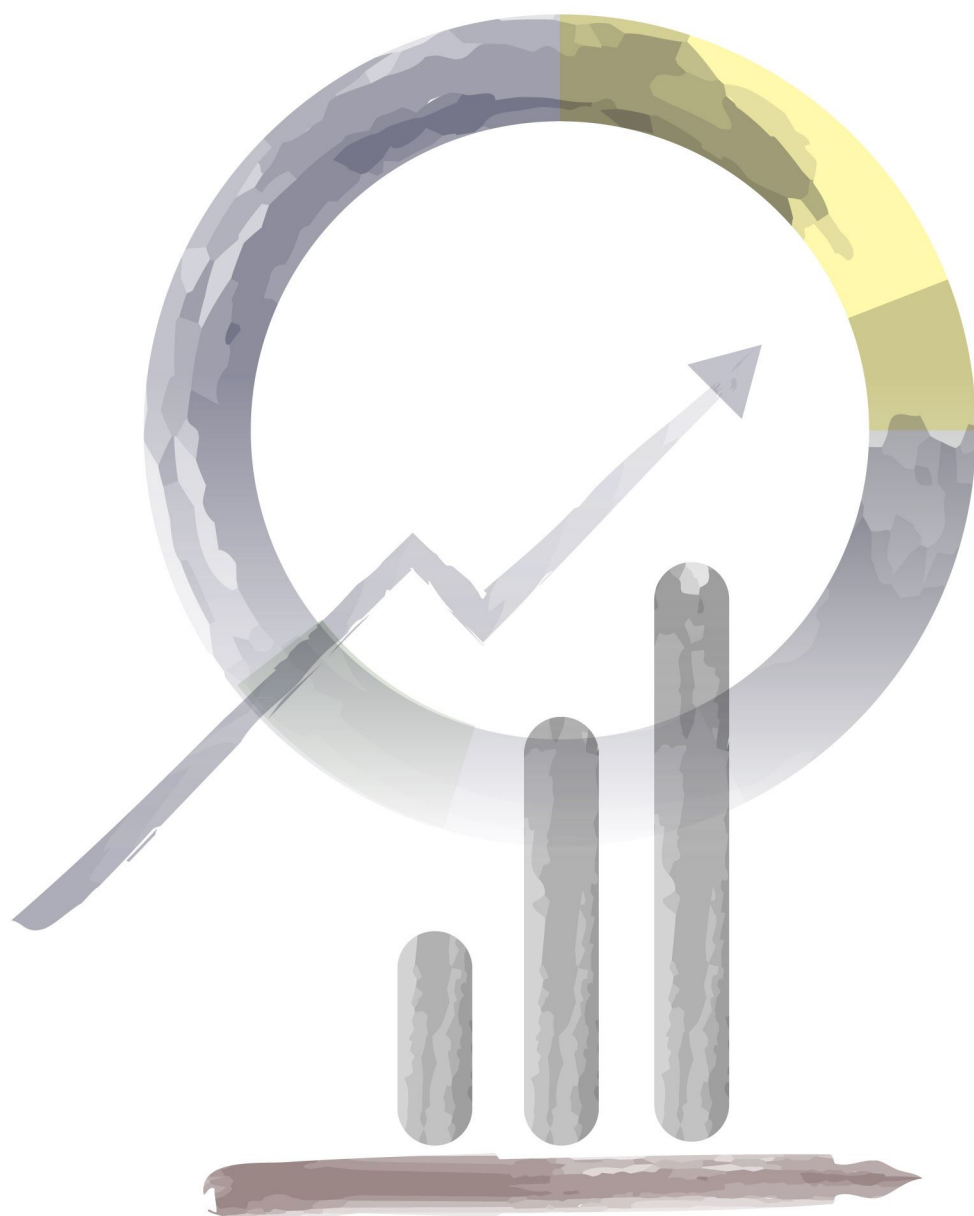
The advantages of comprehensive finance enable us to more closely center around the major national strategic layout and take the initiative to respond to the implementation of the Belt and Road Initiative; we have basically achieved full coverage of provinces and cities involved in the Belt and Road Initiative by establishing 14 branches in free trade zones and the intelligent equipment division; and through supporting real economy by means of industry funds, asset securitization, integration of banking and leasing, etc., we provided diversified financial support for the national major strategic projects. Meanwhile, in a harsh external environment, we continued to strengthen basic management, steadily improved bank-wide risk, compliance and internal control management meticulousness levels and maintained overall stability of asset quality. According to the recently-released Report on Competitiveness Ranking of Asian Banks in 2015, Industrial Bank ranked sixth out of over 130 banks in 10 Asian countries and regions and first among domestic joint-stock banks.

"Integrating righteousness into profitability" means not only to maintain sustainable development of own business but also effectively integrate social responsibility and bank product services, and lies in forming a unique inclusive finance practice sample of "Industrial Bank version". As of the end of 2015, the Bank's customers on the "Bank-to-Bank Platform" had amounted to 653 and agent-based counter settlement through the "Bank-to-Bank Platform" had linked over 36,200 outlets cumulatively,

helping residents and small and micro customers in cities in third and fourth tiers, rural areas and remote areas to enjoy same modern financial services, making it a reality that "rural credit cooperative customers can enjoy banking services throughout the country with cards or passbooks in hand"; the Bank had provided over 6000 customers with green finance of over RMB 800 billion and the energy-saving and emission reduction resulting from the projects supported equal to total amount of carbon dioxide absorbed by 7.16 million hectares of forest annually, boosting China's economic transformation to be environmentally-friendly; the bank-wide "Enjoyable Life" customers had exceeded 1.2 million and customers' comprehensive financial assets under management had reached RMB 557.913 billion; the Bank had opened 772 licensed community branches in major cities nationwide, effectively solving blind spots of urban financial services, extending "inclusive finance" to the "last kilometer" of financial services and making finance "warm".

The next five years will see not only many opportunities but also arduous missions, and the new five-year plan has sounded the trumpet for us. Undertaking the task of financial inclusion for hundreds of thousands of corporate customers and millions of individual customers, we, as a qualified, responsible, thoughtful, intelligent and dynamic comprehensive financial group, are ready to start a new landmark five-year round in the process of "a first-class bank, a long-flourishing CIB".

PRESIDENT
Tao Yiping



DECLARATION

Notice

The Company's board of directors and all directors hereby warrant that the information contained in this report is free from any false representation, misleading statement or material omission, and assume joint and several liabilities for the truthfulness, accuracy and completeness of the contents herein contained.

Report name

"Sustainability Report" is the name of the annual social responsibility report by Industrial Bank. The using of this name reflects a combination of the Bank's corporate governance philosophy of sustainable development and corporate social responsibility.

Reporting period

The reporting period was from January 1, 2015 to December 31, 2015. The time frame of part of the contents extended beyond the period above.

Reporting cycle

This report is an annual report.

Organizational scope of the report

This report covered all contents of the Company and part of the contents of its subsidiaries.

Designations

"Industrial Bank", "the Company" and "the Bank" used in this report all refer to Industrial Bank Co., Ltd.

Basis of compilation

This report was prepared in accordance with the Opinions on Strengthening the Social Responsibility of Banking Financial Institutions (YJBF [2007] No.252) issued by China Banking Regulatory Commission, the Notice on Strengthening the Undertaking of Social Responsibility of Listed Companies and the Release of the Guidelines of Shanghai Stock Exchange for Environmental Information Disclosure of Listed Companies and the Guidelines for the Preparation of the Report on Performance of Corporate Social Responsibility promulgated by the Shanghai Stock Exchange, the Guidelines for Corporate Social Responsibility of China Banking Financial Institutions released by China Banking Association, and with major reference to relevant contents of the following documents:

- Equator Principles III
- G4 Sustainability Reporting Guidelines released by the Global Reporting Initiative (GRI)
- Social Responsibility Guidelines (GB/T 36000-2015), Social Responsibility Report Writing Guidelines (GB/T 36001-2015) and Social Responsibility Performance Classification Guidelines jointly released by the State Administration of Quality Supervision, Inspection and Quarantine and the Standardization Administration
- ISO Guidance on Social Responsibility (ISO26000)
- the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR3.0) released by the Chinese Academy of Social Sciences

Data in the report

Part of financial data in this report originated from the Company's 2015 financial report and part of the data included data from previous years without material changes on the data acquisition and calculation methods. Unless otherwise stated, currency data in the report are in RMB.

Report availability

This report was released both in hard copies and online. The online version is available at the Company's website at www.cib.com.cn.

Priority of language

This report was published in both Chinese and English. Should there be any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

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MANAGEMENT

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Key performance table / [15](#)

Sustainable development strategy in the group-oriented pattern / [20](#)

OVERVIEW OF INDUSTRIAL BANK

About Industrial Bank

Established in August, 1988, Industrial Bank Co., Ltd. (Industrial Bank in short) was one of the first batch of joint-stock commercial banks approved by the State Council and the People's Bank of China. It is headquartered in Fuzhou, Fujian Province and was listed on Shanghai Stock Exchange (stock code: 601166) on February 5, 2007 with a registered capital of RMB19.052 billion. As of December 31, 2015, Industrial Bank had total assets of RMB 5.3 trillion, shareholders' equity of RMB 313.648 billion and net annual profit of RMB 50.257 billion attributable to shareholders of parent company.

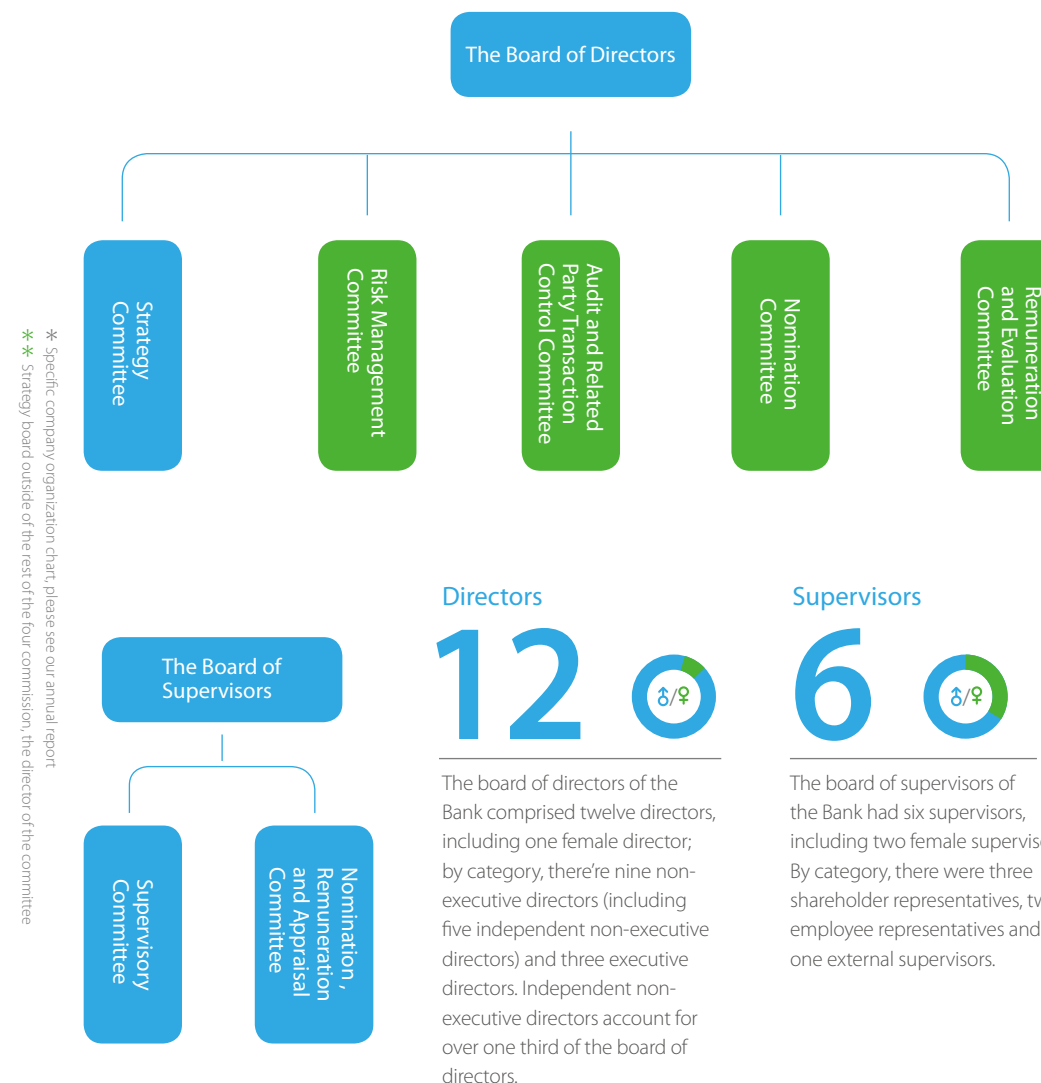
On the basis of making full use of advantages of the system of headquarters and branches, Industrial Bank adheres to customer centricity and follows the principles of flatness, professionalization, centralization and separation of front, middle and back offices to promote bank-wide operating management to be market and customer-oriented, gradually establish various business centers or management centers and establish the matrix management model.



From the left: Vice President Xue Hefeng, Vice President Chen Xinjian, President Tao Yiping, Vice President Li Weimin, Vice President Chen Jinguang

Corporate governance overview

The board of directors of the Bank takes into account of interest demands of shareholders, regulators, depositors, creditors, the public and intermediaries and incorporates social responsibility and sustainable development into the bank development strategy, actively explores various ways to fulfill social responsibility and builds a good situation where humans, nature, environment and society coexist in harmony.



Ranking and major awards



“Report on Competitiveness of Asian Banks in 2014”

No.7 in terms of overall competitiveness

No.1 among Chinese joint-stock commercial banks

Forbes

Forbes' Top 2000 Global Enterprises

2014 & 2015

129/73

No.129 in the whole list in 2014, rising up to No.73 in 2015
No.13 in Chinese enterprises on the mainland in the list in 2014, rising up to No.12 in 2015

The Banker

in the list of The Banker "Top 1000 World Banks", the Bank ranked No.49 in terms of Tier 1 capital in 2014 and rising up to the No.36

FORTUNE

in the US Magazine Fortune "Global 500" list, the Bank ranked No.338 in 2014 and rising up to No.271

“2015 China's 500 Most Valuable Brands”, NO. 127



No.127 in "2015 China's 500 Most Valuable Brands"
No.1 among all banks listed in terms of brand value growth and ranking improvement



656%

Brand value growth by RMB 17,604 billion over the beginning of 2010, year-over-year growth rate of 656% and year-over-year ranking improvement by 191

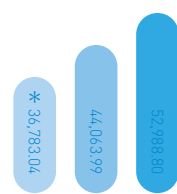
Key performance table



Total assets (RMB100 million)

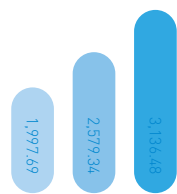
52,988.80

Unit : RMB 100 million



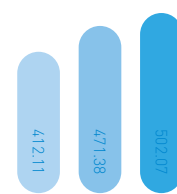
Total assets

Unit : RMB 100 million



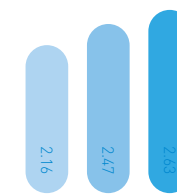
Shareholders' equity attributable to the parent company

Unit : RMB 100 million

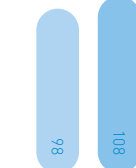


Net profit attributable to shareholders of the parent company

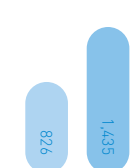
Unit : RMB Yuan



Basic EPS

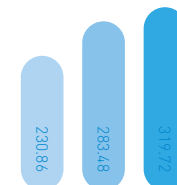


Number of branches



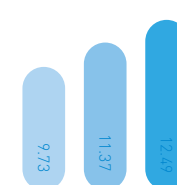
Number of sub-branches

Unit : RMB 100 million



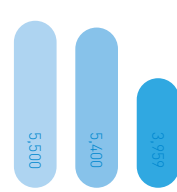
Total annual tax payment

Unit : RMB Yuan



* Social contribution per share

Unit : RMB 100 million

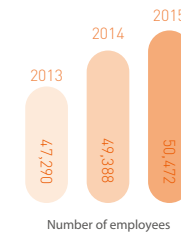


Donations contributed

● 2013 ● 2014 ● 2015

*The Company applied the new Accounting Standards for Business Enterprises No.39 - Fair Value Measurement, Accounting Standards for Business Enterprises No. 40 - Joint Arrangements, Accounting Standards for Business Enterprises No. 41 - Disclosure of Interests in Other Entities, revised Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investment, Accounting Standards for Business Enterprises No. 9 - Employee Benefits, Accounting Standards for Business Enterprises No. 30 - Presentation of Financial Statements, Accounting Standards for Business Enterprises No. 33 - Consolidated Financial Statements issued by the Ministry of Finance in 2014 starting from July 1, 2014, and applied the Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments, which was revised by the Ministry of Finance in 2014, to the financial statements starting from 2014. For items affected by the above changes in accounting policies, the Company retrospectively adjusted the total assets at the end of 2013.

*The social contribution per share hereof was calculated in the way stipulated in the Notice on Strengthening the Undertaking of Social Responsibility of Listed Companies and the Release of the Guidelines of Shanghai Stock Exchange for Environmental Information Disclosure of Listed Companies promulgated by the Shanghai Stock Exchange on May 14, 2008, i.e. Social contribution per share = Earnings per share + (Total tax + Employee expenses + Interest expenses + Investments in public welfare projects - Social costs) / Total capital at the end of the period.



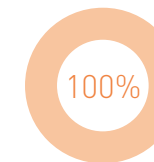
Number of employees

Ratio of male to female employees

2014 & 2015

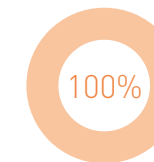
0.85:1 0.83:1

Ratio of male to female employees was 0.85:1 in 2014 and 0.83:1 in 2015



100%

Social insurance coverage ratio



100%

Housing fund coverage ratio

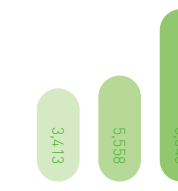


100%

Staff physical examination and health record coverage ratio

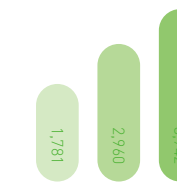


Unit : RMB 100 million



Total investment in green finance

Unit : RMB 100 million



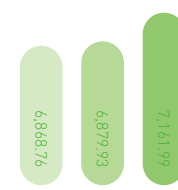
Balance of green finance

Unit : 10,000 tons



Annual saving of standard coal

Unit : 10,000 tons



annual emission reduction of carbon dioxide

Unit : 10,000 tons



annual emission reduction of chemical oxygen demand (COD)

Unit : 10,000 tons



consolidated usage of solid wastes

Unit : 10,000 tons



annual water saving

● 2013 ● 2014 ● 2015

Main products

Extensive products from three product lines meet clients' requirements.

6 Kinds of Personal Financial Products

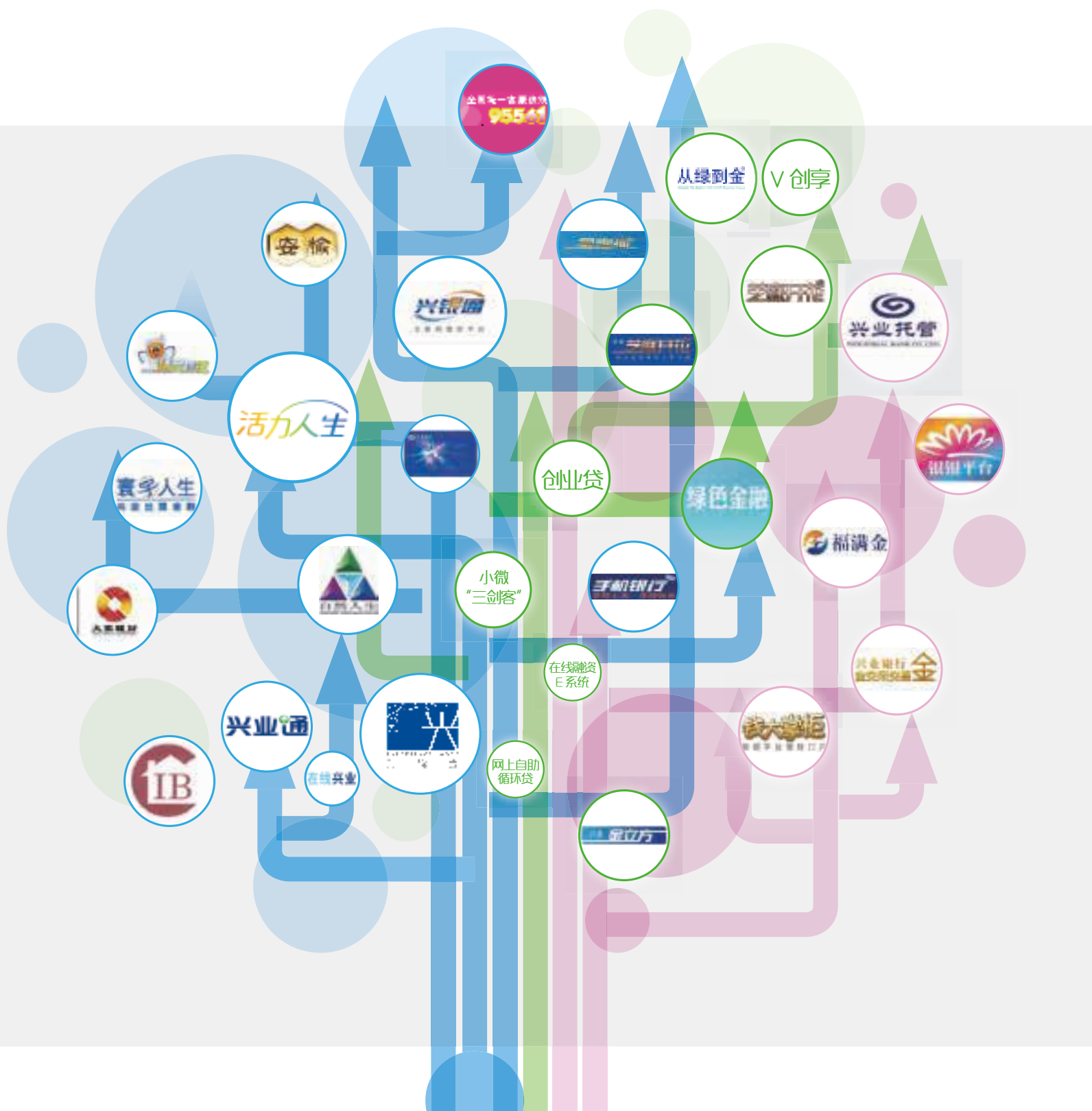
Include: Investment and wealth management / wealth management card / credit card / private banking / deposit and loan services / exclusive VIP services

8 Kinds of Corporate Finance Products

Include: Cash management / investment banking / trade finance / environmental finance / small and micro finance / institutional business / industry finance / basic services

4 Financial Markets Products

Including: Interbank business / bank-to-bank cooperation / non-bank cooperation / asset custody



TOPIC

COMPREHENSIVE FINANCIAL GROUP TURNING INTO A BUTTERFLY FROM COCOON

In 2015, the Bank continued to improve the group-oriented layout and further strengthen the Group's strategic collaboration and business interaction to create a modern comprehensive financial group and consolidate and expand the advantages of diversified financial services.

As of the end of 2015, Industrial Bank had become one of domestic commercial banks with most financial licenses and developed from a single bank to a comprehensive financial service group with licenses for 9 major services including banking, trust, leasing, funds, consumer finance, futures, asset management, research and consulting and digital finance, 4 directly-controlled (wholly-owned) subsidiaries, 6 indirectly-controlled subsidiaries and 5 participating stock companies.

The Bank made coordinated use of the Group's all types of licenses and platform resources and continued to improve operation and management modes to realize internal resource sharing, advantage complement, business coordination and collaborative development between different business functions and different legal entities. Members of the Group all maintained good momentum of development, hence the emergence of some subsidiaries joining the first echelon of the non-banking industry. As of the end of December 2015, the China Industrial International Trust Limited had the assets under management of RMB 1,046.027 billion, joining the forefront of the domestic trust industry while realizing net profit of RMB 1.611 billion; the IB Financial Leasing Co., Ltd. had the assets of RMB 110.445 billion while realizing net profit of RMB 1.186 billion to become one of the seven financial leasing companies with a business scale of over RMB 100 billion and successfully joined the first echelon of China's financial leasing industry. The CIB Fund Management Co., Ltd. managed total assets of RMB 412.653 billion and ranked

34th in terms of public-raised funds with an improvement of 14 over 2014 to join the top one-third of the market, and ranked 6th in terms of its subsidiary special customer scale; the Industrial Consumer Finance Co., Ltd. opened at the end of 2014 and now has total assets of RMB 4.113 billion and a loan balance of RMB 2.437 billion; the Industrial Economic Research and Consulting Co., Ltd., as the first research company in the "banking system", formally opened and quickly gained market visibility; the Industrial Digital Financial Services (Shanghai) Co., Ltd. was established to provide financial information cloud services for small and medium banks, non-bank financial institutions and small and medium enterprises and intended to become the domestic leading inclusive financial service platform.

The Bank concentrated its efforts on top-down design and execution to promote the change of business development from "man operation" to "group operation"; in terms of top-down design, the Bank set the group-oriented development as bank-wide important strategy, defined customer-centric business development, established a cross-market and cross-license comprehensive operating system and encouraged subsidiaries to make full use of the Group background in respective industries to join the mainstream and become influential brands. In terms of execution, the Bank focused on fostering seven core business, i.e. urbanization finance, environmental Finance, pension finance, comprehensive services for small and medium banks and non-bank financial institutions, capital market direct financing services, asset management investment and custody services, and transaction banking, and promoted the collaboration of the Bank and its subsidiaries.

Assets under management of
China Industrial International
Trust Limited (RMB 100 million)

10,460.27

the China Industrial International Trust Limited had the assets under management of RMB 1,046.027 billion, joining the forefront of the domestic trust industry while realizing net profit of RMB 1.611 billion

Total assets of IB Financial
Leasing Co., Ltd. (RMB 100
million)

1,104.45

the IB Financial Leasing Co., Ltd. had the assets of RMB 110.445 billion while realizing net profit of RMB 1.186 billion to become one of the seven financial leasing companies with a business scale of over RMB 100 billion and successfully joined the first echelon of China's financial leasing industry

Total assets of The CIB Fund
Management Co., Ltd. (RMB
100 million)

4,126.53

The CIB Fund Management Co., Ltd. managed total assets of RMB 412.653 billion and ranked 34th in terms of public-raised funds; with an improvement of 14 over 2014 to join the top one-third of the market, and ranked 6th in terms of its subsidiary special customer scale

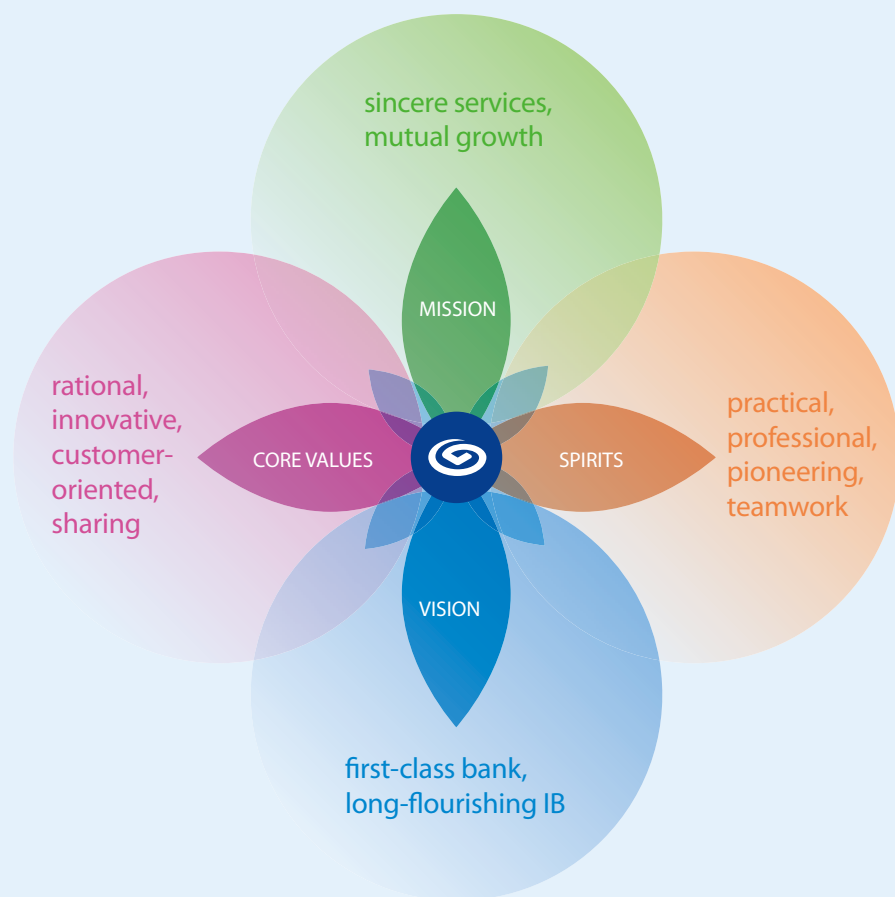
Total asset of the Industrial
Consumer Finance Co.,
Ltd. (RMB 100 million)

41.13

the Industrial Consumer Finance Co., Ltd. opened at the end of 2014 and now has total assets of RMB 4.113 billion and a loan balance of RMB 2.437 billion

SUSTAINABLE DEVELOPMENT STRATEGY IN THE GROUP-ORIENTED PATTERN

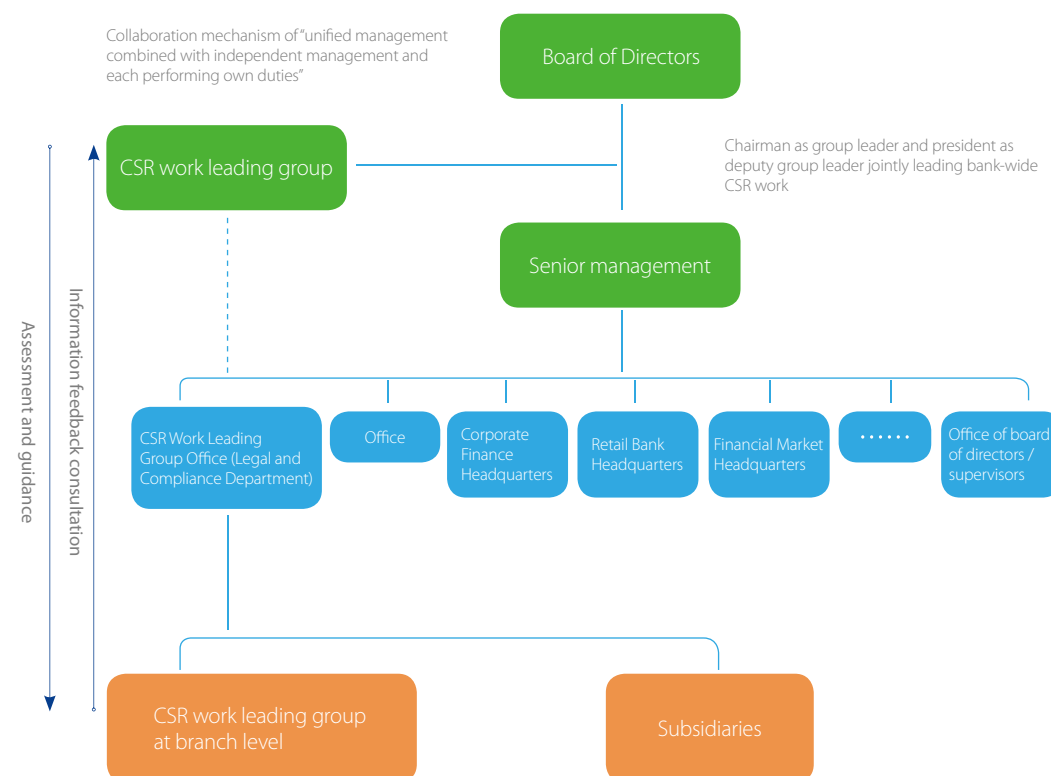
Based on the corporate governance concept of sustainable development, the Bank creatively put forward the social responsibility fulfillment method of “integrating righteousness into profitability” and explored the sustainable business model integrating corporate social responsibility and banking business model innovation and incorporated it into all steps of operating management and business development.

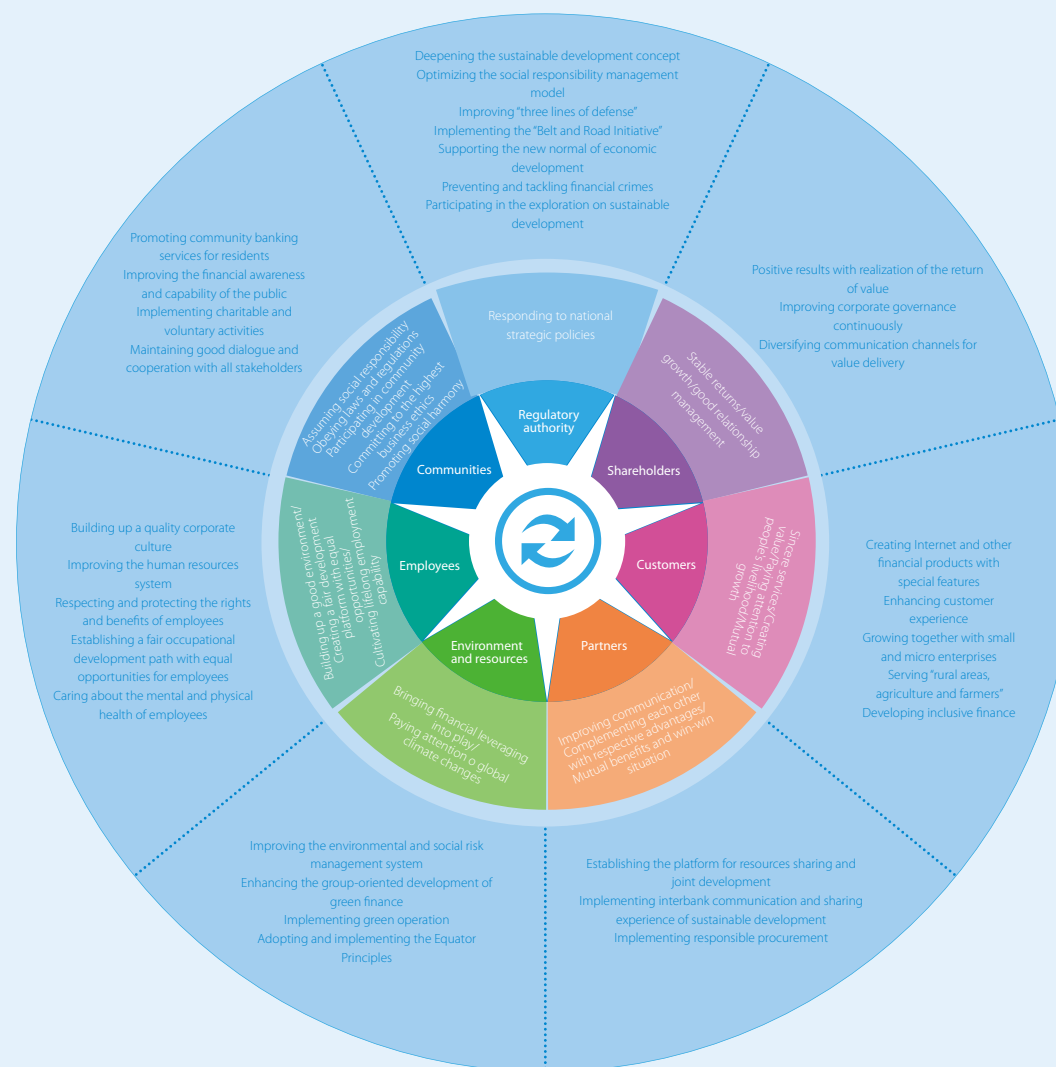


Progressive promotion of the group-oriented responsibility governance system construction

In accordance with the Bank's group-oriented strategy, through the establishment of comprehensive and long-term social responsibility management and sustainable development system from decision making to execution, from system to process and from capacity building to information disclosure, the Bank realized professionalization of management and normalization of collaboration mechanism between headquarters and branches and between parent company and subsidiaries, and promoted from multiple angles practice and exploration of social responsibility management of the Bank and the Group.

Build a sound organizational structure to form an efficient channel from decision making to execution





In 2015, won by the Chinese bank enterprise management research social responsibility professional committee, etc "Best environmental information disclosure award".

The Bank actively disseminated the social responsibility concept through corporate culture construction, continued to publish the CIB CSR Special Issue based on the Annual Sustainability Report (and Annual CSR Report) issued promptly, disseminated the sustainable development concept and disclosed social responsibility practices and results to stakeholders through various channels like annual financial report, official website columns and micro blog to promote public transparency and external supervision. In 2015, the Bank was honored with the "Best Environmental Information Disclosure Award" presented by the Social Responsibility Committee of Chinese Institute of Business Administration.



Continue to promote anti-corruption work

In 2015, this code of behaviour to further strengthen emergency management of discipline inspection and reports, promptly accurately and properly disposed of discipline inspection of emergencies, issued by the relevant provisions are formulated. At the same time, strict implementation of target management responsibility, anti-corruption commission for discipline inspection of the headquarters and 42 branches and three subsidiaries, secretary of discipline inspection commission signed a commission for discipline inspection work target liability form, the implement of party to build a clean government.

Adhere to the honest education and impose discipline each work. He disciplinary inspection cadres invited experts on the supreme people's procuratorate for prevent position crime seminar; Honest education books,

and through the college of industrial network, office automatic platform play honest DianJiaoPian, organize party members and cadres to anti-corruption warning education base in the "discipline and rules" thematic education activity. At the same time, vigorously carry out honest self-discipline, saving special management work, to prevent illegal disciplinary problems occur.

Vigorously carry out supervision and enforcement, earnestly implement the complaint case investigation. Involving leading cadre management oversight, honesty and self-discipline, business violations and other issues in a timely manner is investigated, adhere to grasp early small, veterinarian.

Adhere to compliance management to create value

In 2015, based on the results of the Bank's risk management system reform in recent years, the Bank adapted to the rapid and profound changes in internal and external operating environment, reasonably balanced relationships between long-term development and short-term interests, between business development and risk control and between innovation and adherence to the bottom line, further improved the risk management and organization system and supporting operating mechanisms through major measures like strengthening whole-process risk control system construction, strengthening the inspection and supervision system construction and sorting out the relations of responsibilities, rights and interests, comprehensively strengthened the "three lines of defense" of bank-wide risk control and gave full play to the role of risk management in protecting business development.

In 2015, the Bank continued to complete the operational risk project and the "three managements" integration project and system construction, and established a normal operating mechanism. The Bank identified 12,385 steps, 23,260 risk points and 51,086 control points from a total of 1,456 major processes and completed risk and control assessment, initiated 382 corrections, 77 management improvements, set 1,712 key indicators and implemented monitoring analysis, and collected and reviewed 4,964 risk events. Meanwhile, the Bank constantly improved the level of information technology risk management and the information technology risk assessment system to enhance the depth and breadth of risk control and identification assessment, established a bank-wide information technology risk assessment system and successfully implemented 206 system emergency drills altogether in 2015.

THE ASIAN BANKER

STRATEGIC BUSINESS INTELLIGENCE FOR ASIA'S FINANCIAL SERVICES COMMUNITY

The Bank's anti-money laundering monitoring and management system was honored as "The Anti-Money Laundering Technology Implementation of the Year" among 2015 Risk Management Awards organized and chosen by the international famous magazine The Asian Banker.





DEVELOPMENT

Foster "Chinese Dream" to promote industrial upgrading and transformation / 28

Be concerned with "small and micro enterprises" and foster real economy with mass innovation / 34

Multi-channel disclosure to create sustainable value in return / 37

Innovative "internet +" to build a new financial ecosystem / 39

"Customer first" to improve service standardization system / 47

Serve "agriculture, farmers and rural areas" and create products for people's livelihood / 50

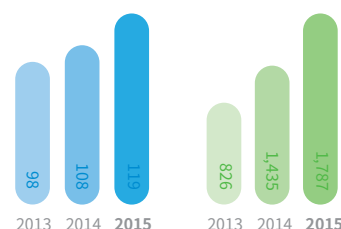
Cross-industry integration to foster sports and health industries / 52

FOSTER “CHINESE DREAM” TO PROMOTE INDUSTRIAL UPGRADING AND TRANSFORMATION

In 2015, the Bank basically achieved full coverage of provinces and cities involved in the Belt and Road Initiative, actively established branches in FTZs and the intelligent equipment division, integrated multiple license resources and provided diversified financial support for national strategic projects innovatively by means of industry funds, asset securitization, integration of banking and leasing, etc. Examples include participation in the establishment of the railway development fund, holding shares of the Silk Road Gold Fund, successful establishment of the Xiamen urban industry development investment fund with a total scale of RMB 10 billion, establishment of Mawei shipping culture limited partnership through the cultural industry fund to support the cultural industry development of the FTZ, etc.

● subsidiary bank ● branch Unit: network

National distribution network

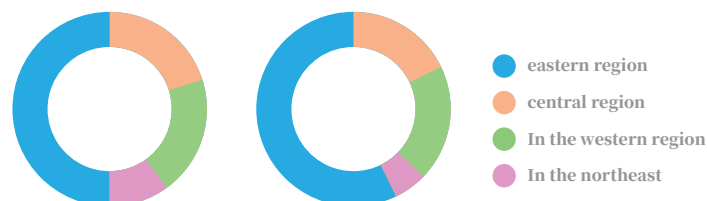


Branches / sub-branches

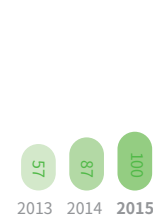
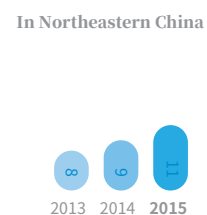
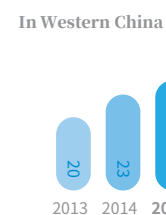
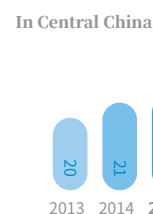
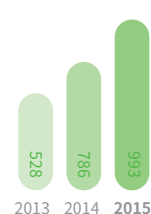
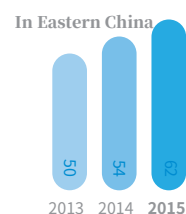
119/
1,787



Distribution of branches Distribution of sub-branches



Regional branches and branches of quantity



CASE

A Safeguard the silk road gold fund to promote the realization of “chinese dream”



industry chain along the Silk Road and establish a non-standard gold trade platform for the international gold circulation warehouse.

The Bank's Xi'an Branch is the only commercial bank among the initial sponsors of the Silk Road Gold Fund, so Xi'an Branch established a group to promote all work related to the establishment of the fund. After the establishment of the fund, Xi'an Branch as fund custody bank will provide custody services and related payment and settlement services and, upon the establishment of any subordinate industry fund or product fund, make full use of own resources to help the subordinate fund to find superior capital and realize value-added services to help China's technical and brand output in gold exploration to regional countries along the Silk Road and enhance the gold pricing power of RMB.

On May 22, 2015, the Belt and Road Gold Development Promotion and the Silk Road Gold Fund Launch Ceremony were held in Xi'an. As the biggest special fund in the Belt and Road Initiative, the Silk Road Gold Fund was established with a scale of RMB 100 billion for a term of 5 to 7 years. In the future, efforts will be made to integrate the gold

B RMB 100 billion to foster intelligent manufacturing

On August 27, 2015, Industrial Bank held the “Fujian Intelligent Manufacturing Financial Services Promotion” in Quanzhou. The Industrial Bank announced that “the ‘13th Five-year’ period, Industrial Bank will in 100 billion in supporting Fujian's intelligent manufacturing industry and fostering upgrading and transformation of Fujian's manufacturing industry.”



TOPIC

ACTIONS TO SERVE FREE TRADE

“FOUR ADHERE-TOS” TO SERVE FREE TRADE

Adhere to sustainable business development in the implementation of national strategies
Adhere to optimization of financial services to promote the implementation of reform policies
Adhere to effective financial risk management and control to serve the real economy
Adhere to financial innovation, transformation and upgrading to promote regional economic development and improve quality and efficiency

Through “Four Adhere-tos”, the Bank gives full play to its own advantages to provide efficient and high-quality financial services for enterprises inside and outside FTZs.

POLICY FIRST

GUIDELINES

– Opinions on Accelerating FTZ Business Development
 – Mechanism for joint meetings between headquarters and branches for FTZ business

SPECIFIC MEASURES

– Institution building; system construction
 – Business innovation; product system; system construction

TARGETS

– Fund settlement and clearing; reduction of trade finance costs
 – Multiple portfolio loans; exchange rate risk hedging and value addition
 – Cross-border investment; information services

Institutional layout

The Bank has set up a total of 14 institutions in four pilot FTZs in Shanghai, Guangdong, Tianjin and Fujian to provide diversified financial services including cross-border direct loans, international settlement, exchange settlement and surrendering, import and export bill

negotiation, cross-border credit discounting and cross-border trade finance; as of the end of 2015, the bank-wide cross-border settlement had amounted to USD 122.394 billion and the balance of cross-border trade finance had amounted to RMB 118.145 billion.

The bank-wide cross-border settlement(100 million)

1,223.94\$

The balance of cross-border trade finance(100 million)

1,181.45¥

14

The Bank has set up a total of 14 institutions in four pilot FTZs in Shanghai, Guangdong, Tianjin and Fujian.

Xiamen

On April 21, 2015, Industrial Bank Xiamen Xiangyu Sub-branch was formally renamed as Industrial Bank Xiangyu Branch of Xiamen Area of Fujian Pilot FTZ, becoming one of the first banking institutions licensed in Xiamen Area of Fujian Pilot FTZ.

Fuzhou

On February 16, 2015, the Bank's Majiang Branch was approved to be renamed as Industrial Bank Sub-branch of Fuzhou Area of Fujian Pilot FTZ and then was upgraded to Industrial Bank Branch of Fuzhou Area of Fujian Pilot FTZ in April; Industrial Bank Branch of Fuzhou Area and Industrial Bank Branch of Pingtan Area of Fujian Pilot FTZ jointly form a high-level coverage of Fuzhou Area and Pingtan Area of Fujian FTZ while jointly building a product innovation team suited to the FTZ's characteristics of “many creative businesses and rapid market demands”.



Xiamen Branch

Boost cross-strait development through FTZ

Xiamen Area of Fujian Pilot FTZ is the largest area of Fujian Pilot FTZ, which is intended to form collaboration with cross-strait emerging industry and modern service industry demonstration zone, southeastern international shipping center, cross-strait trade center and cross-strait financial service center.

Coordination of resources for rapid response.

The Branch established a FTZ leading group and the President led the establishment of a joint meeting mechanism to actively respond to government department, FTZ enterprises and individual customers and provide good financial services for the construction of Xiamen Area of Fujian Pilot FTZ.

Financial innovation for win-win situation between banks and enterprises.

On August 24, the Branch cooperated with regional banks

in Taiwan and became the first branch bringing in low-cost funds using the FTZ policy among the second FTZs (Fujian, Guangdong and Tianjin). On November 9, the Branch's first foreign currency fund pool business was formally implemented, enabling customers to use two markets and two resources to have concentrated operation and management of funds of domestic and overseas member enterprises and effectively reducing operating costs.

Full use of strengths to provide “one-stop” services.

Xiamen Branch is committed to product innovation and service enhancement to build a “one-stop” financial service platform for local enterprises and individuals and actively open up domestic and foreign channels to enhance its global service capacity.





Shanghai Branch

Start from scratch and be rooted in free trade

As China's strategic bridgehead financial center for the world, Shanghai Pilot FTZ has brought new development opportunities for the banking industry. Shanghai Branch has established a second tier branch in Shanghai Pilot FTZ and obtained the qualification for FTZ business through establishing a new free trade accounting unit (FTU) and careful assessment in accordance with cross-border business guidelines of Shanghai

Headquarters of People's Bank of China. During the half-year formal execution of business, Shanghai Branch adhered to the principle of real economy and promoted a number of innovative practices under FTE including on and off-balance sheet financing, bulk commodity hedging and FTN loans with domestic security.

Establishment of FTU.

In accordance with the regulatory requirements of "labeled account categories, separate accounts, independent statements, special reports and self-seeking balance" in the 2014 No.46 document of the Shanghai Headquarters of People's Bank of China, with the assistance of the headquarters' demand center, Shanghai Branch established a new FTU system and smoothly passed the acceptance inspection of the FTU system and the macro prudential assessment system by the Shanghai Headquarters of People's Bank of China and implemented various businesses including deposits, loans, settlement and financing.

First off-balance sheet business in the FTU.

To help enterprises to obtain more convenient financing abroad, the Branch opens cross-border RMB L/C for FTE customers to promote cross-border RMB business in the FTZ.

First financial leasing in the FTU system.

The Branch released loans of RMB 280 million to registered financial leasing customers in the FTZ for equipment payment under the sale-leaseback contract, which reduced interest expenses by 5BPS for customers by making full use of "two markets, two resources" to reduce enterprise financing costs.

First hedge standard warehouse receipt pledged financing under the FTU system.

The Branch cooperates with Industrial Futures Co., Ltd. to provide customers' FTE accounts with hedge standard warehouse receipt pledged loans and provide a more convenient financing channel and lower financing prices for bulk commodity trades in the FTZ, developing a new business model for bulk commodity and futures trading.

First FTN loan with domestic security.

Through the FTN separate accounting unit, the Branch can directly accept FTN business of overseas companies and establish a platform for offshore-kind business in the FTZ to expand customer base to a global scale, which can also be the Bank's second overseas platform to link business of all branches, hence great business potential. It has released overseas finance of RMB 100 million (JPY 1.75 billion) to an enterprises registered in Japan.



Fuzhou Branch

Set sail to provide financial services for the FTZ

Premier Li Keqiang paid a visit to Industrial Bank's Branch of Fuzhou Area of Fujian Pilot FTZ on April 23, 2015. The Premier said that FTZs are a new engine driving the new round of opening up.



Premier minister Li keqiang experienced the Bank's ATM



Li keqiang, the prime minister said

To maintain stable growth and withstand downward economic pressure, China needs to use macroeconomic policy tools and further enhance reform and opening up, he said. Reform will bring the biggest dividends and opening-up will unleash huge vitality, the Premier said.



From left to right: the Bank's chairman Mr Gao Jianping, Premier minister Li keqiang
Source: Chinese government website http://www.gov.cn/guowuyuan/2015-04/23/content_2852286.htm

CASE

Fujian Coland Logistics Co., Ltd.

Fujian Coland Logistics Co., Ltd. is engaged in fishmeal trade. According to the company's need for reducing financing costs, Fuzhou Branch and Hong Kong Branch actively cooperated to provide a cross-border trade finance plan which would help the company to save annual finance costs by over RMB 1.5 million and reduce financing costs by over half. Meanwhile, Fuzhou Branch has also designed a cross-border two-way RMB fund pool product

for the customer, enabling the customer to more flexibly regulate domestic and overseas funds and realize reduction of overall costs of capital.

Saving annual finance costs by (10 thousand)

150

Financing costs fell by

50%+



BE CONCERNED WITH “SMALL AND MICRO ENTERPRISES” AND FOSTER REAL ECONOMY WITH MASS INNOVATION

In support of “mass entrepreneurship and innovation”, the Bank made an in-depth study of characteristics and demands of small and micro enterprises at different development stages to customize financing products for start-up and innovative enterprises and continued to promote the construction of “six exclusive mechanisms” for small and micro enterprises, including exclusive organizational system, exclusive risk technology, exclusive business process, exclusive produce sequence, exclusive incentives and restraints and exclusive resource allocation. The Bank spared no effort to create financial services covering full life of small and micro enterprises and differentiated competitive advantages.

First, the “entrepreneurial finance” service system integrating “debt financing, equity financing, settlement and wealth management, and consultancy services” was officially launched to the market. Special action plans for small and micro enterprises like “Entrepreneurial Loan”, “Third-board Series” and “V Entrepreneurship” are also promoted creatively.

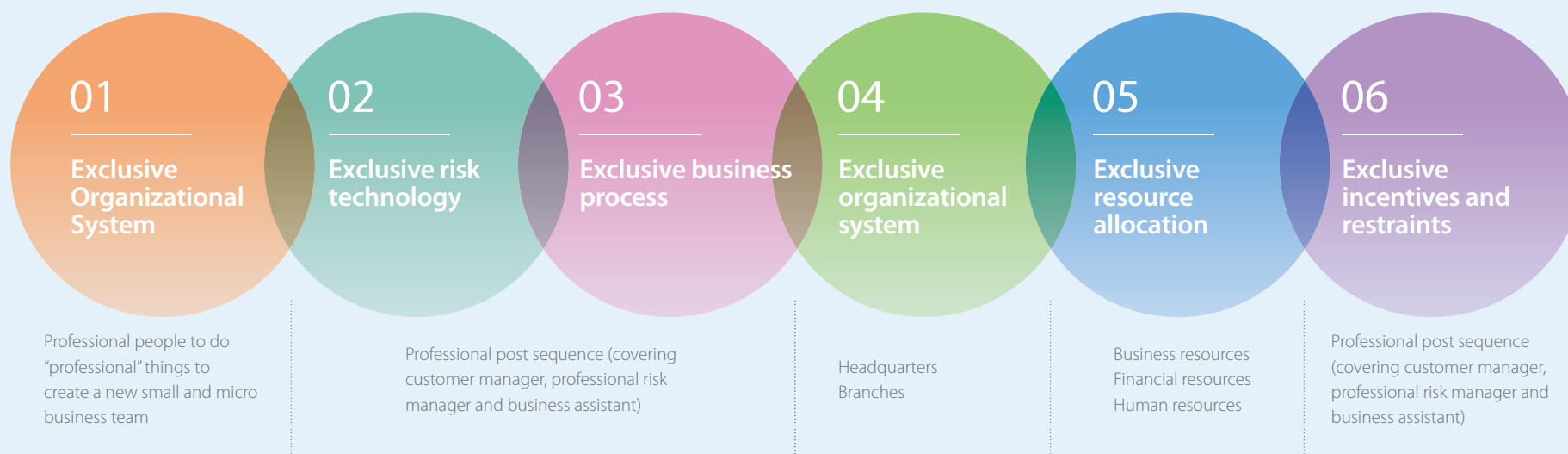
Secondly, the small and micro Internet finance of “Internet

+bank + platform” had breakthrough. As of the end of December of 2015, the bank-wide online financing customers had been 208 and the balance of loans had been RMB 474 million.

Thirdly, the brand and scale effects of the small and micro “Trident” consisting of the leading “Easy Fast Loan”, the follow-up “Trade Loan” and the supporting “Consecutive Loan” became more obvious. As of the end of 2015, cumulative loans realized amounted to RMB 24.88 billion and about 7000 small and micro enterprises enjoyed our financing services.

As of the end of December, the Bank had a total of 439 teams dedicated to enterprises with an increase of 20 over the beginning of the year, and 1694 employees engaged in small enterprise business, including 212 risk managers and 1157 customer managers. In terms of staff training, the Bank continued to implement the special training plan of “small enterprises-big classes” by implementing 11 off-the-job training sessions for over 500 trainees and sending trainers to branches to “deliver classes”.

Six exclusive mechanisms for small and micro enterprises



Customer feedback

“We wouldn’t expect to obtain the loan from Industrial Bank by our ‘soft power’ like model, products and team.” “With this loan, we can accept more orders and plan to introduce some technical personnel to further enhance products’ technical features, and we expect a significant increase in sales of this year.”

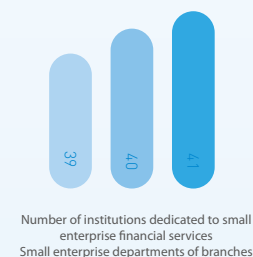
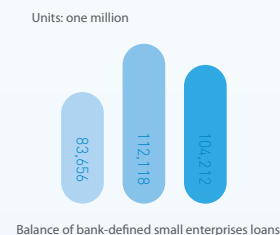
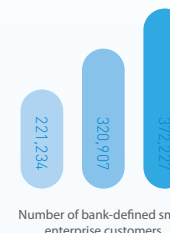
—Industrial Bank’s “Entrepreneurial Loan” customer

“Industrial Bank’s V Entrepreneurship not only helps us solve the urgent needs of cash flow but also provides us with dedicated financial services, enabling small and micro enterprises to have first “intimate contact” with the capital market and develop better and further.”

—Industrial Bank’s V Entrepreneurship customer

Small micro enterprise service data

2013 2014 2015



CASE

A Fuzhou Branch: Skillful customer-centric innovation in financial products

In response to the problems of “difficult and expensive financing” faced in the development of small and micro enterprises, the Bank’s Fuzhou Branch, according to local transport market conditions, innovatively integrated the data platform of Fujian HCZD Automotive Management Co., Ltd. with the Bank’s self-service “Revolving Loan” for small enterprises to release the “plan of small enterprise cluster marketing through Fuzhou Branch and HCZD vehicle data platform” to make full use of big data analysis, i.e. to analyze through the vehicle data platform data of transport enterprise oil purchase, road and bridge tolls,

operating vehicles, etc. to understand the real operating conditions of small and medium transport enterprises, identify risks, assess potential fund demands and find appropriate financial products, which not only meets enterprises’ financing demands and effectively alleviates their financing problems, but also makes bank loan risks controllable.

B Promising capital road with loans to create a bright future—chongqing small and medium enterprise investment and financing matchmaking meeting

On November 24, 2015, the Chongqing Small and Medium Enterprise Investment and Financing Matchmaking Meeting and Tripartite Signing Ceremony under the theme of “Promising Capital Road with Loans to Create a Bright Future” was jointly held in Chongqing by the Bank’s Chongqing Branch, Southwest Securities and Chongqing Equity Trading Center. The three parties aimed to create a comprehensive service platform for small and medium enterprises to enter the capital market and safeguard Chongqing’s small and medium enterprises in the capital market. In the meeting, Chongqing Branch granted credits to five road show enterprises for equity-type loans ranging from RMB 1 to 5 million respectively.



MULTI-CHANNEL DISCLOSURE TO CREATE SUSTAINABLE VALUE IN RETURN

Solid growth in achievement and good value in return

Faced with the complex macro-operation situation, Industrial Bank adhered to the priorities of “stabilize development, safeguard safety and promote transformation” and reasonably coordinated the targets of “scale, quality and efficiency”, flexibly adjusted operating strategies, further promoted reform and transformation and consolidated the development foundation to have overall operating results better than expected and overall stable asset quality and return to shareholders’ investment remaining in a good level in the industry.

In 2015, the Company had total assets of RMB 5,298.88 billion, up 20.25% over the beginning of the year and realized operating income of RMB 154.348 billion with a year-over-year growth of 23.58% and net profit of RMB 50.207 billion attributable to shareholders of the parent company with a year-over-year growth of 6.51%. The weighted average return on equity reached 18.89% with basic earnings per share of RMB 2.63 and a year-over-year growth of 6.48%. The non-performing loan ratio reached 1.46% with a growth of 0.36% over the end of the previous year, but showing a good trend given a decrease of 0.11% over the end of the third quarter of 2015.

Net profit attributable to the parent company shareholders(RMB 100 million)

502.07

↑ 6.51%

Net profit of RMB 50.207 billion attributable to shareholders of the parent company with a year-over-year growth of 6.51%

The weighted average return on equity(RMB:Yuan)

2.63

↑ 6.48%

Basic earnings per share of RMB 2.63 and a year-over-year growth of 6.48%

Total assets(RMB 100 million)

52,988.80

↑ 20.25%

Total assets of RMB 52,988.80 billion, up 20.25% over the beginning of the year

Operating income(RMB 100 million)

1,543.48

↑ 23.58%

Operating income of RMB 154.348 billion with a year-over-year growth of 23.58%



Multi-channel and multi-form promotion of communication to enhance activeness and transparency

According to the new changes in bank operating transformation and the capital market environment in the "new normal", the Bank implemented work ideas about strategic investor relations, attached importance to being forward-looking and taking the initiative at work, strengthened communication with various investors, precisely disseminated bank operating characteristics and core advantages, displayed reform outcomes and established a good corporate image in the capital market.

01

Comprehensive use of multi-channel and multi-form communication for continued promotion of investor communication

In 2015, the Bank organized a total of 6 meetings including regular achievement briefing, president meetings and "Internet + corporate finance" survey meetings, took the initiative to take part in 21 mainstream securities company investment strategy meetings and received a number of investors' visits to the Bank for survey. Through onsite, telephone and Internet meetings and a number of means and channels like road shows and reverse road shows, hotlines, dedicated emails, online platforms and regular issuance of achievement press releases and meeting records, the Bank continued to promote communication with various investors and effectively enhanced information disclosure fairness, timeliness and effectiveness.

02

Assignment of disclosure duties for continued improvement of information quality

The Bank paid close attention to the new situation of external capital market volatility, improved information disclosure activeness and transparency, carefully implemented the latest regulatory rules, strictly complied with the disclosure requirements of authenticity, accuracy and completeness, optimized various disclosure documents and continued to enhance information disclosure quality to fully present the Bank's core competitiveness of being comprehensive and group-oriented and the image as a mainstream banking group, winning commendation of the regulatory authority.

03

Attaching importance to public opinion management and actively taking countermeasures

Faced with complicated and grim economic situation and operating conditions, the Bank actively enhanced public opinion management initiative and responding speed, strengthened communication with investors and promptly announced various information and issues that investors are concerned about through the official website and mainstream media to create an objective and fair public opinion environment and establish a responsible market image.

04

Strengthening of thematic studies and improvement of feedback mechanism

The Bank strengthened thematic studies on capital market and new banking industry development characteristics and trends, promptly tracked regulatory policies and market developments, paid attention to the market's opinions and suggestions for operating management, and ensure effective interaction between the management and the dynamic market information through a multi-level reporting system involving a number of forms including weekly and monthly investor relation reports, import information reports, mainstream study reports and operating management suggestions.



INNOVATIVE "INTERNET +" TO BUILD A NEW FINANCIAL ECOSYSTEM

In 2015, the Bank actively explored "Internet+" financial innovation with a development keynote of jointly building a comprehensive Internet-based mobile financial ecosystem, which integrates functions like mobile banking, payment services and social interaction and sharing for win-win cooperation and open sharing with clear boundaries.

As of the December of 2015, the Bank's customers on the "Bank-to-Bank Platform" had amounted to 653; agent-based counter settlement through the "Bank-to-Bank Platform" had linked over 36,200 outlets and cumulative settlement had amounted to RMB 2904.144 billion, and technological output services had been provided for 269 small and medium banks. Through providing eight major services including payment and settlement, wealth management, scientific and technological management output, capital and asset liability structure optimization, foreign exchange agency, financing service, capital application and training and exchange, the Bank-to-Bank Platform forms special business segments and growth points and has increasingly become an important part for the Bank to realize differentiated operation and strategic transformation. The Bank-to-Bank Platform helps Chinese small and medium banks to constantly improve the competitiveness and operating management level, and breaks through physical regional limitation through "online + offline" interaction and connection to provide products and services with high quality for residents and small and micro customers in cities in third and fourth tiers, rural areas and



The third from left is Ms. Guo Zhiying, Deputy Head of Lujiazui Administration Bureau and Deputy Director of Management Committee of Shanghai Free Trade Zone, the fourth from left is Mr. Li Renjie, former President of the Bank, and the first from right is Mr. Chen Jinguang, Vice President of the Bank.

remote areas to enjoy same modern financial services as those in first-tier cities, narrow the financial service gap between rural and urban area and effectively promote equalization of urban and rural financial services.

Based on technological output, Industrial Bank Digital Financial Service Co., Ltd. opening on December 22, 2015 provides inclusive digital financial services for small and medium banks, non-banking financial institutions and small and medium enterprises.

Electronic bank data (2015)

The amount of online banking transactions(RMB 100 million)

800,852.85
40.65% ↑

Effective customers of 2015 amounted to **9.3338** million, with a growth rate of **12.12%**; Trading volume of 2015 amounted to **624.5053** million, with a growth rate of **95.50%**.

Mobile banking transaction(RMB 100 million)

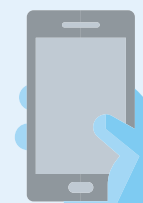
19,296.52
157.63% ↑

Effective customers of 2015 amounted to **8.3224** million, with a growth rate of **57.58%**; Trading volume of 2015 amounted to **104.7620** million, with a growth rate of **173.20%**.

Telephone banking transaction (RMB 100 million)

157.45
50.51% ↑

Effective customers of 2015 amounted to **16.1016** million, with a growth rate of **19.97%**; Trading volume of 2015 amounted to **282** thousand, with a growth rate of **24.17%**.



Good products, good entry, good experience—Industrial Bank's direct bank

Since the launch of direct bank in March, 2014, the Bank has become the first at home to realize innovative experience like "direct online purchase of products without registration through integration of transaction registration process", "demand wealth management product Xingyebao", "Internet transfer, online payment and purchase of wealth management products directly using Xingyebao".

Total channel

covering computers, mobile phones and other terminals

Rich products

Industrial Treasure (Xingyebao), Industrial Investment (Xingyetou), Industrial Boom (Xingyehong), Physical Gold, Cash Treasure, wealth management, funds, dollar-cost averaging, etc.

Value-added services



asset inquiries



credit card repayments

Three major characteristics

one-key payment, convenient transactions; innovative financial products, timely and diverse; inclusive, open.



Online and offline integrated one-stop Internet wealth management platform—Big Money Manager

Since the inception of Industrial Bank's Big Money Manager in late 2013, efforts have been made to accelerate product introduction and function optimization, and continue to enhance the Big Money Manager's market influence and brand awareness. As of the end of 2015, registered users of the Big Money Manager had amounted to 3.4 million with product sales of nearly RMB 800 billion and the balance wealth management tool "Manager Wallet" had reached the scale of RMB 675 billion, ranking in the front of the Bank's Treasure series. In 2015, the Big Money Manager focused on becoming a third-party financial service platform, vigorously introduced wealth management products of other commercial banks to become a sales platform for products of a number of domestic banks, introduced financial assets exchange products and old-age security-related products

Rich products

Manager Wallet, bank wealth management, funds, trusts, precious metals, bank-securities transfer, insurance and other products to meet wealth management needs of different terms, amounts and preferences.

Comprehensive channels

support a number of forms include web pages, mobile phone clients, PAD clients and Wechat and over 100 bank cards to make payments in the Big Money Manager.

and an innovative online gold investment product "Manager Gold-generated Treasure" and constantly enriched the product system. Meanwhile, the Big Money Manager further improved its functions by launching functions like "manager red envelope", "manager wallet same-name transfer", "manager wallet credit card repayment" and "manager wallet purchase of wealth management products", enriching payment scenarios and optimizing customer experience. Currently, Big Money Manager has formed a relatively comprehensive rich product system to provide our customers with various financial products including securities, funds, insurance, commercial bank wealth management, etc. and has been striving to meet differentiated and diverse product demands from customers of all circles.

Powerful functions

wealth management products are transferable; the Manager Wallet enables direct purchase of wealth management products and continuous earnings, and supports 24/7 trading and instant receipt of payments, credit card repayment and same-name account transfer.

Safe and professional

with reliance on Industrial Bank's strong risk control and technical capacity, the Big Money Manager provides customers with financial products generating steady income and protects accounts and financial security.

Registered users

340^{10 thousand}

Registered users

8,000^{100 million}

shopkeeper wallet

675^{100 million}



TOPIC

INTERNET FINANCE CHANGING LIFE

In 2015, the Bank incorporated Internet's "network-oriented, information-oriented and electronically-oriented" genes into financial services and created a series of Internet financial products.



Industrial Keeper

With the service purpose of "managing money and affairs", it provides small and micro enterprises with mobile payment and mobile office services, significantly improving operational efficiency and reducing administrative costs.



Pocket Tool

A panoramic-view mobile financial service platform with social interaction, which realizes integrated Internet customer service channels for real-time communication, commodity trading and financial services.



Industrial News

Provides internal and external financial information through information portals and management-class mobile APPs.



Cloud Lightning Pay

Realizes non-contact offline payments through mobile devices like mobile phones and supports remote online payments.

Pocket Hospital

Helps users easily to make appointments, charge prepayment, have real-time information on waiting queue and see doctor reports; such functions almost cover entire medical process of patients and alleviate the problem of "medical difficulties".

Industrial Transport Loan

Realizes logistics companies' "entrusted payment" and closed-loop circulation of shippers' loans, payments and repayments" as well as paperless process of "online application, online review and approval, online withdrawal and online repayment", solving "urgent needs" of small and micro logistics companies.

Agricultural Loan

Realizes any-time borrowing and repayment and revolving use of credit-based loans, improves financing efficiency and fuse use effects, saves capital costs and effectively brings benefits to agriculture and solves the problem of difficulties in unsecured loans.

Micro Transport

A Wechat ticketing system that extends passenger vehicle services to mobile ends and realizes whole-process self-service from ticket inquiry to ticket purchase, hotel booking, etc.

Risk Control Search

A search engine to search Internet risk-class public information to serve banks' pre-loan credit review, intra-loan monitoring and post-loan management.



ENJOYABLE LIFE TO ACTIVELY RESPOND TO THE AGING SOCIETY

At present, China has entered the stage of aging society and it has become a national strategy to promote the development of the senior care industry which is related to people's livelihood. In terms of national policies, the State Council, People's Bank, the Ministry of Civil Affairs and the China Banking Regulatory Commission (CBRC) have developed a series of strategic plans to further clarify the development direction of pension finance, but financial services dedicated to elderly customers are relatively rare, so the Bank actively innovates in the pension finance service field by taking actual actions to serve elderly customers, supporting the development of the senior care industry and striving to fulfill its social responsibility as a commercial bank.

120 ^{10 thousand} **50.76%**

As of the end of December, 2015, the Bank's "Enjoyable Life" customers had amounted to 1.2 million, accounting for 50.76% of the Bank's VIP customers.

5,579.13 ^{100 million}

Comprehensive financial assets of customers under management had amounted to RMB 557.913 billion, accounting for 46.64% of comprehensive financial assets of the Bank's customers.

Milestones(2012-2015)

2012

In May, the Bank launched the "Enjoyable Life", a comprehensive financial plan dedicated to elderly customers and innovatively designed saving and settlement products dedicated to elderly customers, highlighting safety and convenience. From June to July, the Bank opened legal consulting, elderly customer life insurance and property insurance and elderly customer customized value-added services. In August, China's first "Enjoyable Life" club was inaugurated in Chengdu. In October, the "Pine & Crane" cards dedicated to elderly customers were launched with products and services gradually becoming systematic.

2013

In March, the Bank defined service standards and processes of branch windows and VIP service areas. In October, the Bank launched the 2.0 version of "Enjoyable Life", newly added exclusive wealth management and loan products, non-local recreational and senior care services dedicated to elderly customers. In November, the Bank opened personal savings theft and snatch insurance services to provide more protection for elderly customers' property and personal safety.

Business characteristics

Specialized financial services

From the perspective of innovating in financial products, the Bank provides elderly customers with exclusive wealth management, credit loans and convenient settlement, including wealth management products meeting elder customers' demand for steady investment, e.g. "Enjoyable Life Pension Wealth No.1" and "Enjoyable Life Wealth No.2", as of the end of 2015, the balance had been over RMB 5.1 billion.

Meticulously-designed value-added services

Since 2014, the Bank has served nearly 18,000 customers with property insurance and personal accident insurance and over 1.2 million customers with personal deposit loss insurance, restored losses of nearly one million for customers and provided health examinations for "Enjoyable Life" elderly customers for nearly one thousand times.

Actively construct platform for elderly client activity

42 branches nationwide have established "Enjoyable Life" clubs, based on which platforms for four rights of "Enjoyable Life" customers have been established, i.e. painting and calligraphy, Tai Chi, vocal music and parenting education, etc., and implemented various forms of rich-content activities suited to interests and hobbies of elderly people like health lectures, law lectures, talent competitions, tourism visits, etc., building platforms for elderly customers to learn, communicate and have fun and truly reflecting the concept of enjoyable elderly life. Since 2014, the Bank has implemented over 30,000 "Enjoyable Life" theme activities, including over 7,000 law lectures, which involve 13 legal themes that elderly people usually encounter like property dispute, travel, consumer's rights protection and children's support, and legal consultancy from over 100,000 people.

2014

In May, the legal consulting service was open for bank-wide VIP customers aged 50 or more, providing legal protection for more elderly customers.

In September, the "Enjoyable Life" comprehensive financial plan was included as the only case in the financial industry in the Blue Book of 2014 China Report on the Aging Industry.

In October, the Bank's pension financial work gained recognition and positive guidance of the regulatory authority and had full participation as the only cooperator in the "Elderly Care Month" activity under the theme of "care for the elderly to build a harmony" organized by China National Committee on Aging.

In October, the Bank became the first to issue the first fixed-income wealth management product dedicated to elderly customers, i.e. "Enjoyable Life Pension Wealth No.1".



As the saying goes, life is enjoyable when you have external security and internal happiness. Enjoyable life means harmony of body and mind and pursuit of a better life.

Awards

"Outstanding Competitive and Socially Responsible Financial Institution Award" jointly granted by Chinese Academy of Social Sciences and China Business Journal

"Banking Industry Best Social Responsibility Award in Lead the Chinese Advance Financial Industry Annual Selections" jointly granted by JRJ.com and Tsinghua PBCSF

"Top Ten Innovative Financial Products Award" jointly granted by The Banker and China Finance Research Institute of Chinese Academy of Social Sciences.



In 2015, the "Enjoyable Life" service plan was the only case in the financial industry to be included in the Blue Book of 2014 China Report on the Aging Industry.

Comments

Industrial Bank's "Enjoyable Life" comprehensive financial plan has innovation in three major aspects

01

Innovation in business concept. Currently, the domestic pension finance industry is in a relatively weak stage and lags behind the increasingly evolving trend of "aging population". In this context, Industrial Bank takes the lead to gain presence in the pension finance market by launching China's first pension finance plan "Enjoyable Life" to expand the market and serve customers with an innovative business concept.

02

Innovation in financial operation mechanism. It means to effectively integrate financial service differentiation and the aging population through market-based financial service tools by providing diverse services according to elderly customers' demands for wealth allocation, health care and daily care to improve life quality of elderly people.

03

Innovation in social responsibility fulfillment method. Industrial Bank always advocates the social responsibility fulfillment method of "integrating righteousness into profitability" to fulfill social responsibility by business practices. The "Enjoyable Life" integrates social responsibility fulfillment and own business development through breakthrough in business model on the basis of adequate survey of demands of elderly people, showing care for elderly people.

2015

In January, the Bank launched the deposit fund security service to enable "Enjoyable Life" customers to obtain corresponding compensation in case of loss of funds due to theft, fraud, duress, account media being copied and other reasons, providing more protection for fund security of elderly customers.

In February, the Bank innovatively launched the "Enjoyable Life" pension custody plan to provide elderly customers with the newly-added non-local holiday travel services.

In April, the Bank's "Enjoyable Life" elderly customers exceeded 1 million; in June, the comprehensive financial assets of elderly customers exceeded RMB 500 billion.

In July, the Bank added a new will service to make early property arrangements for elderly customers, enabling them to have a serene and peaceful elderly life.

In December, the Bank launched the "Enjoyable Life Trust", the first financial pension trust for high-net-worth individuals to fill the gap of the industry. "Enjoyable Life" is not a single banking product or service, but a comprehensive pension finance plan dedicated to elderly customers, which aims to better serve the Bank's elderly customers and enable them to enjoy an "intimate, comfortable, assured and peaceful" life.

CASE

Reliance on the pension finance service system to create "Enjoyable Life Trust"

In December 2015, with reliance on the "Enjoyable Life" pension finance service system, the Bank's Private Banking Division launched "Enjoyable Life Trust", pension finance product dedicated to high-net-worth customers and China's first financial pension trust product in true sense. The product is for private banking customers with dual functions of individual pension and family wealth inheritance, enabling the Bank to truly apply the market operating mechanism and the investment management mechanism in the pension finance field through the trust framework and customize wealth planning and investment management plans for customers through very specialized complex financial professionals to realize value added and sustainable wealth.

Suzhou Branch

Suzhou Branch held the first elderly talent competition under the theme of "brighten life to enjoy happiness and look for spokespersons of Enjoyable Life". Five preliminary competitions attracted over 200 teams and over 3,000 people to compete for the last 31 to enter the semifinals.

Ningbo Branch

Ningbo Branch became the whole-course title sponsor of the 2015 Ningbo Elderly Care Month activity under the theme of "Look for the Most Beautiful Elderly People". Finally, 20 elderly people stood out from over 2,200 applicants to be honored as most beautiful elderly people through application, display, voting and selection.

Beijing Branch

the 2015 Square Dance Final and Awarding Ceremony under the theme of "Enjoyable Life Silvered-haired Dream Show" jointly held by Industrial Bank's Beijing Branch and Beijing BTVMedia Co., Ltd. under the guidance of the Office of China National Committee on Aging was successfully completed. The event attracted the participation of over 4,000 communities and nearly one million people to select 300 teams consisting of about 6,000 members to compete for the final.

Chongqing Branch

the Enjoyable Life Club's "First Mahjong Competition" opened in the Nanping International Convention and Exhibition Center and 400 finalists competed for the "Greatest Mahjong Master" in the final.

Hefei Branch

Hefei Branch organized the "Enjoyable Life" Painting and Calligraphy Competition and charity sale after the competition with all the income donated to local charities, fully showing elderly people's spirits of "learning and doing something meaningful at old age".

Guangzhou Branch

Guangzhou Branch organized a charity auction for works by renowned painters and calligraphy masters with the income of nearly RMB 100,000 all donated to The Old Foundation of Guangdong to fund poor senior citizens.



Participation in "Elderly Care Month" activities

Since 2014, Industrial Bank has participated in "Elderly Care Month" activities organized by China National Committee on Aging for two consecutive years and has organized 890 free law lectures on "Elderly Care Months" with the participation of nearly 20,000 elderly people.



Brochure donation

The Bank participated in the first launching ceremony of Chinese Elderly Anti-Fraud Guide organized by the China National Committee on Aging to donate tens of thousands of free printed guides. The Bank also funded the publication of the Chinese Elderly Health Guide compiled by China National Committee on Aging and National Health and Family Planning Commission.



Participation in aging industry research

The Bank participated in the preparation of the China Aging Industry Development Report (2014) and the publication and distribution of the Aging Society Revolution—Risks and Perspectives of Humans developed by China Research Center on Aging.

“CUSTOMER FIRST” TO IMPROVE SERVICE STANDARDIZATION SYSTEM

The Bank adheres to the service concept of “customer first”, strives to provide quality services for all customers, transforms branches to enhance functions while actively implementing bank-wide service standardization system construction, strengthens service supervision and

constantly improves service details from the customers’ point of view. The Bank also establishes a customer service social supervision (Woodpecker) system to implement unannounced visits to bank-wide branches for service inspection to strengthen service quality supervision.

CASE

Star lobby managers smiling from heart and Industrial Bank

In 2015, the Bank had a total of 31 lobby managers honored as “Star Lobby Managers” of 2015 China banking industry civilized services, including 8 lobby managers honored as “Charming Stars”, “Smiling Stars” and “Excellent Star Lobby Managers”. They interpret Industrial Bank’s service concept of “service starts from sincerity” through numerous warm smiles and attentive services.



01

02

03

04

05

06

- 01- Yuanqi, from Lixia Sub-branch of Jinan Branch
 02- Wang Xinni, from Liuzhou Sub-branch
 03- Wei Yujuan, from Fuqing Sub-branch
 04- Wang Jing, from West Chang'an St. Sub-branch of Xi'an Branch
 05- Wu Caifang, from Qinxian Sub-branch of Taiyuan Branch
 06- Cao Xueting, from Jiaxing Branch



Service data of 2015

Cumulative number of customer service staff

1,628

persons

Customer service growth rate

3.56%

Number of manual telephone service times provided

2,387.69

10,000

Number of voice self-service times provided

5,178.54

10,000



Customer complaint completion rate
 Customer complaint acceptance rate
 Customer complaint settlement rate

99.71%



Customer satisfaction



Ensure transparent tariff information, Information security and protection of property

Post fee announcement in outlets, business promotional folding, fully safeguard the rights and interests of clients.

Guard against fraud, avoid capital loss, improve the electronic bank security system, to carry out the fraud prevention safety series of propaganda activities, on-site fraud alert guidance, through the bill, website, weibo, WeChat, SMS, newspapers and multidimensional channels such as online payment security propaganda activities.

Vulnerable groups service data



The Bank attaches importance to helping vulnerable groups in society by outlet facilities construction and providing caring services for them to enjoy high-quality financial services.



Number of outlets providing extended services

772



Number of outlets providing accessible paths

1,015



Number of outlets providing charitable service windows

1,015



Number of ATM machines for the blind

93

CASE

“GB-based networking, intelligent security and three-dimensional prevention and control”

—completion of bank-wide security monitoring network system

In 2015, the Bank completed the bank-wide security monitoring network system, realizing networking of bank-wide security video monitoring system and making the Bank become the first in the domestic financial industry to adopt the technical standards of GB/T 28181 to achieve bank-wide video monitoring networking.

Currently, the system has a network of 42 tier-one branches, 57 second tier branches, over 109 network monitoring centers, nearly 2,000 outlets, over 2,000 self-service banks and over 7,000 self-service devices and the total number of networked recording channels has amounted to over 87,000.



SERVE “AGRICULTURE, FARMERS AND RURAL AREAS” AND CREATE PRODUCTS FOR PEOPLE’S LIVELIHOOD

In 2015, the Bank expanded the scope of agricultural support to production, processing, distribution and services related to enterprise leading in agricultural industrialization, opened up a “green channel” for agricultural enterprises, established differentiated credit approval authorization and authorization transfer mechanisms to ensure efficient operation of credit approval, management and control; in

terms of loan pricing, the Bank gave preferential lending rates for agricultural enterprises to reduce their financial costs. In addition, the Bank customized comprehensive financial service plans for agricultural enterprises to explore a number of business models like asset transfer, financial leasing and financial consultancy for indirect support for the development agricultural enterprises.

Livelihood-related industries

Balance of loans in the education industry (RMB 100 million)

27.88

Balance of loans in the culture, sports and entertainment industries (RMB 100 million)

57.30

Balance of loans in the health and social work industries (RMB 100 million)

95.17

Individual entrepreneur (start-up support) loans

Balance of individual entrepreneur (start-up support) loans (RMB 100 million)

673.28

Number of individuals supported

28,490

Indemnificatory housing project loans

Current-year increase in indemnificatory housing project loans (RMB 100 million)

64.9

Balance of indemnificatory housing project loans (RMB 100 million)

187.76

Include:

Balance of affordable housing loans

15.41 RMB 100 million

Balance of price-fixed housing loans

7.47 RMB 100 million

Balance of low-rent housing loans

3.20 RMB 100 million

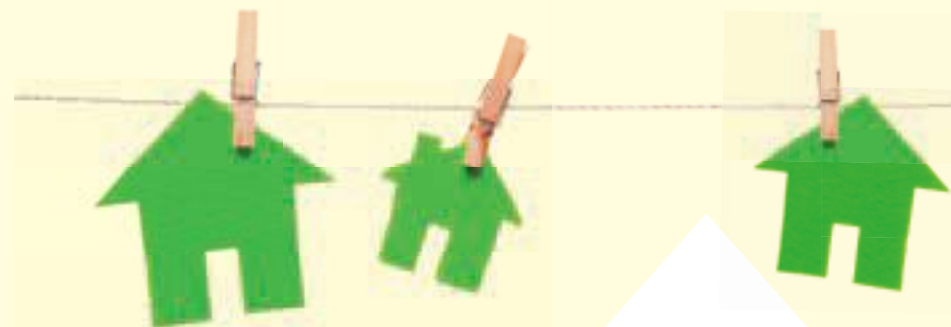
Balance of public rental housing loans

2.10 RMB 100 million

CASE

A

Get close to the public and serve people’s livelihood—launch of Fujian’s first housing provident fund securitization product



On December 16, 2015, “Xingqian No.2” housing provident fund asset securitization product promoted by Sanming Branch was formally launched in the Shanghai Stock Exchange with a total size of RMB 500 million, including senior shares of RMB 475 million and subordinated shares of RMB 25 million, which is expected to benefit nearly 2,000 house-purchasing working families. This project creates a precedent for Fujian’s housing provident fund loan securitization and fundamentally

activates reserve assets of Sanming Housing Provident Fund Management Center and especially solves Sanming’s housing provident fund problems of usually high use rate and fund shortage for personal loan ratio of exceeding 101%, meanwhile, it meets the demands for housing loans of more staff and fundamentally gets close to the public and serves people’s livelihood.

B

Forest Loan Treasure to “buy forest like buying houses”

To cooperate with Sanming’s forest industry’s transformation and upgrading, Sanming Branch becomes the first in China to launch forest tenure mortgage loans and, on the basis of effectively solving the conflict between long forest operating period and short terms of original forest tenure mortgage loans, launches an innovative product “Forest Loan Treasure” with third-party payment. The Forest Loan Treasure is dedicated to providing loans for forest tenure transfer and promotion of forest tenure circulation transactions for a maximum term of 30 years. After applying for loans from the “Forest Loan Treasure”, forest farmers can pass through “one-stop” services to complete the application in accordance with the process of asset evaluation, forest insurance, forest tenure regulation, purchase handling and reserve purchasing.

Forester Li Zhaoxing obtained a loan of RMB 900,000 through the “Forest Loan Treasure” from Sanming Branch by mortgaging the 491 mu (1 mu=666.67 m²) of forest land to be purchased and successfully purchased the forest land that he had long desired for. Forest land turning into cash makes Li very confident to say that “The application process is very fast and I plan to first implement tending and intermittent cutting of forest and then enlarge my business.”



CROSS-INDUSTRY INTEGRATION TO FOSTER SPORTS AND HEALTH INDUSTRIES

In 2015, China's sports development showed booms and the value of Chinese sports industry became more prominent, leading to the birth of cross-border integration of "sports + finance", so the sports finance ushered in unprecedented opportunities for innovation.

In September 2015, the Bank and the Shanghai International Marathon organizer signed a strategic cooperation agreement to be an "honorary sponsor" of 2015-2019 Shanghai International Marathon, an "official partner" of Shanghai Half Marathon and the only designated bank cooperator of Shanghai Marathon. Industrial Bank is the financial enterprise that has sponsored the Shanghai International Marathon for the longest time since no commercial bank had ever been so closely related to marathon.

In March 2015, Chongqing Branch as the sole title sponsor bank of the Chongqing International Marathon provided

full support for the sporting event under the theme of "Run along the Mother River".

In September 2015, Taiyuan Branch as one sponsor of the 2015 Taiyuan International Marathon provided full support for the event, realizing perfect combination of finance and sports.

In December 2015, the 2015 "Industrial Bank Cup" Fuzhou First International Marathon was held, reflecting the perfect combination of the marathon and the green eco-friendly city.

In December 2015, the Bank entered into alliance with China's seven major national sports brands including Anta, Xtep, 361°, Pick, Erke, Hosa and Shuhua to jointly promote the integration of vital finance and sports and health industries through deep cooperation in product sales, payment and event organization and further foster national sports brands and the financial brand of the Bank.

The third from right is Mr. Chen Jinguang, Vice President of the Bank.



CASE

"Compatible resonance" between sports genes and consumption payment—"Industrial Motion" credit card

In 2015, Industrial Bank launched a personalized fashionable product full of sports genes, i.e. "Industrial Motion" credit card, which creatively achieves "compatible resonance" between sports and consumption payment. It is not only supported with China's first wearable mobile payment product, i.e. bracelet with a payment function which breaks through

homogenization between traditional credit card media and the card swipe payment model, takes the first step to create calories redeemed for credit card points, which means users can obtain an endless stream of credit card point as long as they keep doing sports.

"Industrial Motion" credit card features



Financial security chip

It is loaded with a financial security chip in compliance with the UnionPay standard to set up multiple security barriers.



Payment function of bracelets

Credit card is equipped with domestic first wearable mobile payment products - bracelet with payment functions.



Flash pay

It enables users to make easy consumption payment in 5.3 million machines nationwide labeled with "QuickPass" in various places including malls, subways, stores, etc.



Movement calories can be redeemed for credit card points.

The Bank takes the first step to create calories redeemed for credit card points.



ENVIRONMENT

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Pay attention to climate changes to promote the group-oriented development of environmental finance / 58

Differential management to strictly control loans for industries with high pollution, high energy consumption and overcapacity / 64

Low-carbon happy life to deepen comprehensive green operation / 65

STRENGTHENING OF EARLY WARNING TO IMPROVE ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT SYSTEM

To adapt to the future market competition, it is an inevitable requirement to fulfill corporate social responsibility and promote sustainable financial development. Industrial Bank has established a scientific, tight and orderly environment and social risk management system and treats it as a solid foundation for the strategy of sustainable development.



Industrial Bank's Overall Objective of Environmental and Social Risk Management

Establish and improve the Bank's environmental and social risk management system and learn from advanced international management techniques to enhance the professional level of social environment and risk management, prevent environmental and social risks, optimize the allocation of bank-wide resources, fulfill social responsibility and realize the Bank's strategic objective of sustainable development of all businesses.



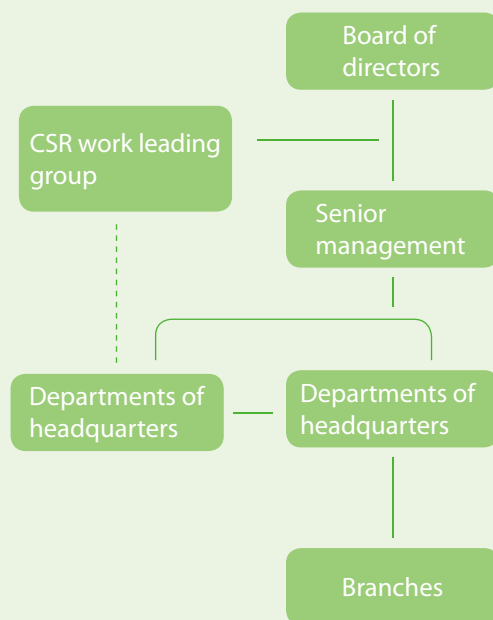
Environmental and social risk management commitment

Pay continuous attention to environmental and social issues in credit business, develop financing business in a way "beneficial" to the environment and the society, guide business expansion with the concept of sustainable development and attach equal importance to pursuit of economic benefits and fulfillment of corporate social responsibility.

Environmental and social risk assessment process



Environmental and social risk management organizational structure



Expand sources of risk information to strengthen environmental and social risk warning



In 2015, the Bank focused on collecting typical environmental and social cases and publishing risk warnings to enhance its internal management and ability in response to complex environmental and social risks, and advocated referring to methods and ideas of Equator Principles to manage environmental and social risk for projects in high-risk industries.

In 2015, the Bank continued to cooperate with the "Fujian Green Home Environment Friendly Center" (NGO) to make full use of the List of Pollution Enterprises in Fujian developed by the Center to publish risk warnings in the Bank and strengthen environmental and social risk management of enterprises and projects.

Implement green credit internal control and self-evaluation and strengthen policy management and execution of measures

In 2015, as required by the CBRC, the Bank implemented full green credit evaluation according to over 300 subdivided qualitative indicators and quantitative indicators to sort out and summarized the Bank's performance in green credit business and environmental and social risk management and own green performance. Meanwhile, the Bank hired an external auditing institution to implement green credit internal control and inspection to complete the Bank's green credit internal control and inspection and evaluation report, and improved the environmental and social risk management system and policies in accordance with the self-evaluation results and the external institution's report.

PAY ATTENTION TO CLIMATE CHANGES TO PROMOTE THE GROUP-ORIENTED DEVELOPMENT OF ENVIRONMENTAL FINANCE

With the construction of ecological civilization becoming a national strategy, it has brought good opportunities and new challenges for green finance business development. At the group level, the Bank accelerates the pace of environmental finance development, makes full use of the advantages of group-oriented and multi-license operation, strengthens comprehensive application of various products, builds a complete green series of products and services covering green finance, green leasing, green trust and green fund, and realizes the upgrade from "green bank" to "green financial group".

As of the end of December, 2015, Industrial Bank had provide green finance of over RMB 800 billion for numerous environmental protection enterprises or projects with a financing balance of RMB 394.2 billion with an increase of RMB 98.2 billion and a growth rate of 33% over the beginning of the year. The number of green finance customers grew rapidly to 6,030 with an increase of 2,796 and a growth rate of 86% over the beginning of the year, covering three major fields, i.e. low-carbon economy, cyclic economy and ecological economy.

Total green financing (RMB 100 million)

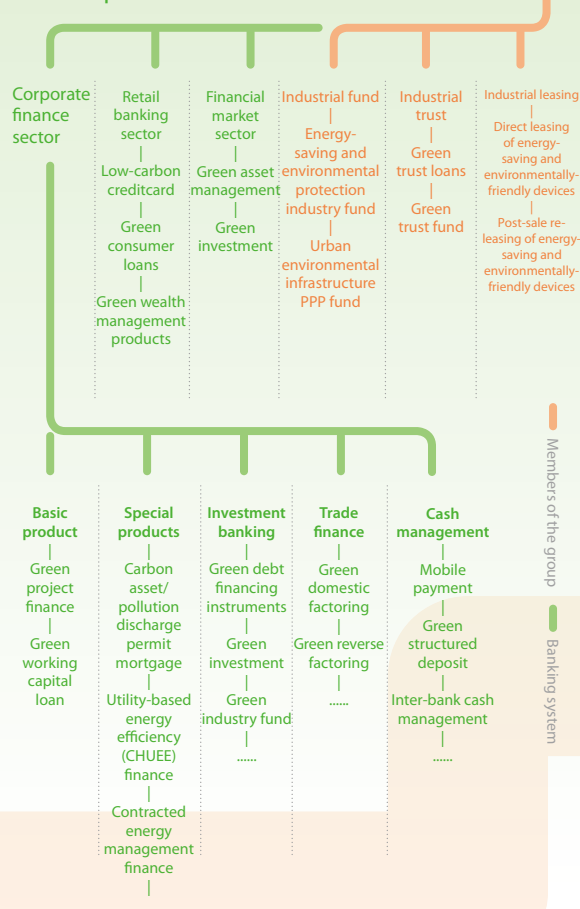
8,046

Financing balance (RMB 100 million)

3,942

PRODUCT
FEATURES

Industrial Bank's group-oriented green finance product architecture



Green finance training participation

1,100

person

Green finance training time

40

hours

GREEN
TRAINING

Units: ten thousand tons

Saving of standard coal (10,000 t)

2014 / 2015

2,351.62 2,553.86

Carbon dioxide emission reduction (10,000 t)

2014 / 2015

6,879.93 7,161.99

Annual utilization of solid waste (10,000 t)

2014 / 2015

1,710.79 1,726.44

Annual water saving

2014 / 2015

26,229.06 28,565.06

Chemical oxygen demand (COD) emission reduction (10,000 t)

2014 / 2015

123.47 138.74

Ammonia emission reduction (10,000 t)

2014 / 2015

3.58 5.06

Sulfur dioxide emission reduction (10,000 t)

2014 / 2015

9.94 10.04

Nitrogen oxides emission reduction (10,000 t)

2014 / 2015

2.41 2.99

ENVIRONMENTAL
BENEFITS

The United Nations climate conference

At the end of 2015, the UN Climate Conference was held in Paris and Industrial Bank as the active domestic practitioner of green finance was invited to participate in a series of side events on the "Carbon Market Day" in the China Pavilion to introduce Industrial Bank's trials, efforts and achievements in supporting enterprises' low-carbon transformation, energy saving and emission reduction. This was the second time that the Bank was invited to attend the side events since the side events in the China Pavilion in the 2012 Durban Climate Conference.

Industrial Bank Green Finance Seminar

On October 16, 2015, the Industrial Bank Green Finance Seminar under the theme of "Low-Carbon Chongqing, Green Industrial Bank" organized by Industrial Bank's Chongqing Branch was successfully held in Chongqing. The Seminar advocated sustainable finance to provide sustained support for green economic development in Chongqing. In 2010, the Bank issued low-carbon credit cards, realizing the historic leap of environmental protection concept from corporate finance to personal consumption.



Green leasing

As of the end of December 2015, Industrial Bank Financial Leasing Company had invested 146 projects in green leasing for a total sum of RMB 54.38 billion with a balance of leasing assets of RMB 34.678 billion, accounting for 33% of the balance of the year-end leasing assets.

A cumulative amount on

543.8 RMB100 million

Green trust

On May 27, 2015, Industrial Trust's first QDII business "Industrial Trust Overseas Selected Budding Series 1-1 Single-fund Trust" was formally implemented. The investment target of the product at the first phase is a comprehensive service provider in the urban sewage treatment and water supply industry—Yunnan Water Investment Co., Ltd., which ranks No.1 in Yunnan in terms of the scale of sewage treatment and water supply facilities.



CASE

Green leasing

Shanghai Branch practices low-carbon travel to boost the development of the new-energy vehicle leasing industry

With the increasingly obvious problems like energy crisis and air pollution, it is in line with the requirements of building a resource-saving and environment-friendly society to actively promote the development of the new-energy vehicle leasing industry. Shanghai Branch fully supports and promotes low-carbon travel and has approved a credit line of RMB 100 million to new-energy vehicle operating companies to purchase new-energy vehicles for "time-based leasing sharing".

The "time-basing leasing sharing service" is mainly for the general public and all the corresponding procedures can be completed in the official website and the mobile APP; after a customer booking or pre-authorization, the customer will obtain a master-key proximity to pick up the car in the outlet and can return the car at any outlet, hence convenient green travel.

Green trust

"Industrial Bank Cup" Forestry Entrepreneur Competition

After the start of the "Industrial Bank Cup" Qingdao Forestry Entrepreneur Competition, application phones came after another. Participants include elderly people aged 80 and young people born after 1980 and they apply for various projects that are all related to green and ecology, and each project makes you feel entrepreneur's passion for environment. One participant said, "I have been engaged in wooden house building for 8 years and I also live in a wooden house. My purpose is to promote the eco-friendly concept of 'from the nature and for the nature'. Now there is much construction waste, but wooden houses are very energy-saving and environmentally-friendly." She believes that with the government's emphasis on environmental protection, the development of tourism and the improvement of people's awareness of environmental protection, wooden houses will have broad market prospects.

Participants said

”

"I rent a piece of woodland and I want to build an ecological woodland for public interest."

"I am engaged in indoor greening, which, in simple sense, means to green plant arrangement service."

"I have been engaged in wooden houses for 8 years; by building a wooden house, I will reduce a pile of construction waste incurred a hundred years later."



Green retail credit

The Bank has launched green retail credit business to provide dedicated personal loans for individual customers who do green decoration that meets energy-saving standards and purchase green housing, new-energy vehicles and energy-saving vehicles and support with preferential policies and convenient business transaction channels.

In 2010, the Bank issued low-carbon credit cards, realizing the historic leap of environmental protection concept from corporate finance to personal



Low carbon credit card

Low-carbon credit cards realizing the historic leap of environmental protection concept from corporate finance to personal consumption.

consumption. Up to now, they have strongly supported Hunan Dongping 72MW hydropower carbon reduction project, Hua'nan East Hengdai Mountain wind power carbon reduction project, Guangdong Xiaping landfill gas collection and utilization project, Guizhou Azhu 27MW hydropower carbon reduction project, Guizhou Wenyuan 20MW hydropower carbon reduction project, HFC degradation project, Gansu Yellow River Chaiji Xia hydropower, Guizhou Shiyazi carbon-reducing hydropower project, and strong financial attributes have brought "running water" for the low-carbon undertaking.

Cumulative card issuance quantity

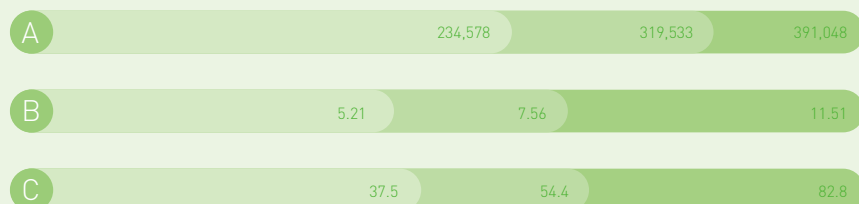
391,048

Cumulative voluntary carbon reduction purchased (t)

115,100

- A Cumulative card issuance quantity B Cumulative voluntary carbon reduction purchased (10,000 t)
C Equivalent carbon emission generated by people flying by plane for 1,000 kilometers (10,000)

Data of low carbon bank credit card



2013 2014 2015

CASE

Thousand-mu "Industrial forest" protecting Alashan

Since 2014, Industrial Bank has built an area of 1,000 mu of "Industrial forest" which is covered by 50,000 ammodendron trees. "If it is a benevolent act to let enterprises participate in desert control, it will be only a promotion of benevolence to let the public know such benevolent act; the greatest benevolent act is to let more people finally put such benevolence into action." On one hand, Industrial Bank provided management and protection funds of RMB 1 million to local herdsmen to plant and nurture ammodendron trees in the "Industrial forest". On the hand, the Bank continued to call for more people to participate in the charity tour of Industrial Bank. On March 22, 2015, Industrial Bank issued the first domestic charity-concept bank card and the cardholder may make donations to support the "100 million ammodendron trees" project initiated by the Alashan SEE Foundation. In October, the Bank organized its "Elite Growth Club" members and their children to go to Alashan to visit and

survey the Alashan Desert Control Base and plant by themselves ammodendron trees one after another to raise funds for the "100 million ammodendron trees" project while contributing their "Alashan charity parenting growth ceremonies".



Alashan SEE

If it is a benevolent act for enterprises to participate in desert control, it will only be a promotion of benevolence to let the public know such benevolent act; the greatest benevolent act, however, is to let more people finally put such benevolence into action.

The "100 Million Ammodendron Trees" project covers an area of 1,000 mu.

1,000^{Mu}

Since 2014, Industrial Bank has developed an area of 1,000 mu of "Industrial forest" planting 50,000 ammodendron trees.

DIFFERENTIAL MANAGEMENT TO STRICTLY CONTROL LOANS FOR INDUSTRIES WITH HIGH POLLUTION, HIGH ENERGY CONSUMPTION AND OVERCAPACITY

In 2015, the Bank strengthened industry policy and market research and, referring to national industrial policies, industry characteristics, technological advantages, regional resource advantages and environmental compliance etc. and in accordance with principles of controllable risks and sustainable business and relevant requirements on the State's strengthening of supply-side structural reform, implemented the "protected, controlled and depressed" differential credit policy, and strengthened industrial

structure adjustment by improving business access, industry limit management and list-based management to effectively revitalize the stock and optimize the increment, and prevent and resolve the industry risk of overcapacity. In 2015, the over loans for the industries with "high pollution, high energy consumption and overcapacity" decreased by 0.2% over 2014 and the loan concentration of most industries also decreased.

Data of the Bank's business with industries with "high pollution, high energy consumption and overcapacity"

Balance (RMB 100 million)/ proportion to business loans (%)

Industries with "high pollution, high energy consumption and overcapacity"	2013	2014	2015
Textiles, leather processing and paper	21.63 / 0.22%	22.05 / 0.19%	21.86 / 0.18%
Chemical materials and chemical products	114.80 / 1.16%	124.53 / 1.10%	111.19 / 0.90%
Rubber and plastic products	9.09 / 0.09%	5.6 / 0.05%	9.76 / 0.08%
Coking	29.09 / 0.29%	18.42 / 0.16%	19.83 / 0.16%
Steel	100.05 / 1.01%	101.61 / 0.89%	124.86 / 1.01%
Cement	81.96 / 0.83%	64.28 / 0.57%	70.48 / 0.57%
Plate glass	3.06 / 0.03%	4.38 / 0.04%	2.26 / 0.02%
Polysilicon	9.46 / 0.10%	12.17 / 0.11%	11.85 / 0.10%
Aluminum	11.67 / 0.12%	35.30 / 0.31%	50.89 / 0.41%
Shipbuilding	6.57 / 0.07%	3.23 / 0.03%	1.82 / 0.01%
Subtotal	387.38 / 3.91%	391.58 / 3.44%	424.80 / 3.42%

* Note: For the classification of industries with "high pollution, high energy consumption and overcapacity", see the Notice of the CBRC on the Implementation of Key Evaluation Indicators for Green Finance (Yin Jian Ban Fa [2014] No. 186).

LOW-CARBON HAPPY LIFE TO DEEPEN COMPREHENSIVE GREEN OPERATION

China's "13th Five-year Plan" put forward the concept of "green development" for the first time. As China's first Equator Principles bank, the Bank actively implements the national low-carbon economy policy and incorporates the green development concept into every aspect of operating management.



"EARTH HOUR" HELD FOR SIX CONSECUTIVE YEARS



The Bank led the organization of the "Earth Hour" activity for the sixth year in a row and called for 43 branches and over 50,000 employees to participate in this activity and issued a letter of appeal to the whole bank for the first time on the World Environment Day to advocate staff choosing low-carbon and green life styles and consumption modes and further stimulate staff's environmental awareness and ecological awareness, and enhance corporate cultural cohesion.

www.earthhour.org.cn



+



×

6
YEARS

Since 2010, we have organized six consecutive "Earth Hour" activities.



2015 Display of low-carbon environmental protection activities

- 01 Chongqing branch: City walk for low-carbon Chongqing and green Industrial Bank
- 02 Fuzhou Regional Headquarters: Energy saving and environmental protection posters in foot ladders of Majiang Building
- 03 Taiyuan Branch: Green life series of activities
- 04 Nanjing Branch: Low-carbon park hiking
- 05 Nanjing Branch: Boost for the Taihu Lake Cycling Race
- 06 "Industrial Bank Cup" International Marathon





RETURN TO THE COMMUNITY

Put people first by popularizing financial knowledge to households / 72

Love starting from "Industrial Bank" with commitment to the construction of harmonious society / 73

Home culture for joint growth with thousands of employees / 77

TOPIC

On-doorstep "financial keeper" for warm community banking service

Like financial convenience stores, Community banks as banks "on the doorstep of residents" bring convenient finance to communities, integrate it with communities and make it grow with residents, bring convenient, user-friendly and warm financial services and solve "last-kilometer financial needs" of residents.

Daily schedule of Liang Ni



Liang Ni is a customer manager of Industrial Bank's Branch in Hengyang East Road Community in Nanning.

1km

Shortening the last mile of financial services

11:00

Telephone booking

call senior citizens one by one to confirm the attendance to the afternoon law lecture.



14:30

law lecture

prepare snacks, fruit and drinks and guide senior citizens to start today's law lecture.

SAID BY THE SENIOR CITIZENS



"Liang, law lectures you arrange are so practical, I have learned a lot! Don't forget to tell me for next lecture and I will invite my friends to learn with me; they must like it, too. And about the 'Enjoyable Life', how to apply for it? I haven't heard about any bank design such a good financial service plan for our old people, ha ha ha ..."



8:30

Morning session

come to the branch to have a morning meeting with colleagues to exchange ideas and customer information every day.




9:30

Explain

go to nearby communities or food markets to introduce wealth management business to senior citizens and talk something interesting with regular customers.



19:30

a customer passes by and says: 

"Miss, have you had your supper? It is quite late now, and you are still open. Can I do some business?"



"Yes, of course, Madam, our community bank is open until 20:00, so you can still do business and buy wealth management products as usual.

And we specifically design a night-version wealth management products with a higher yield than common wealth management products, so people can still do wealth management after work and such products are saleable from 18:00 to 24:00."

"Oh, I see, first time to hear this. I want to take a wealth management product brochure home and let my son and daughter-in-law to have a look and let them do some wealth management."



"Your Industrial Bank is so advanced, I obtained the card in 2 minutes and you are just on my doorstep, it is so convenient! Now I finally feel that it is not a very stressful thing to do business in a bank."



20:30

1
finish work

the night grows late and Liang Ni sorts out customer information, stretches herself, closes the bank door and wanders back home in the warm lights. That is the end of a busy but full day.

Differentiation of financial services

To meet the different needs of financial services of different customer groups, community banks offer four distinctive retail services with prominent personality, enabling residents to have attentive financial planning assistants and showing Industrial Bank service principles and concepts of community-based customer-friendly services for convenience and benefits of people.



Enjoyable Life

Provides middle-and-elderly-aged customers with old-age security management products to meet the old-age security demand for "stability-based profitability" to ensure investors' fund safety and controllable risks.



Global Life

Provides "Global Life" comprehensive financial services for customers planning to have overseas travel, property purchase or study and quickly complete procedures for visa drop-off, overseas study loans, emigration, etc.



Vital Life

Provides a credit card brand "Vital Life" for young customers, which, through "cross-industry alliance" of finance and sports, enables young people to obtain more credit card points while doing sports to experience a vital, green and healthy life style.



Wealthy Life

Provides private banking customers with diversified investment products like higher-yielding securities company wealth management, trust and foreign exchange to realize the "Wealthy Life" VIP value-added services.

PUT PEOPLE FIRST BY POPULARIZING FINANCIAL KNOWLEDGE TO HOUSEHOLDS

In 2015, the Bank implemented a number of public education service activities including "Financial Knowledge to Households", "Thousand-mile Tour to Popularize Financial Knowledge" and consumer rights protection, organized bank-wide outlets to actively participate in activity promotion and held financial lectures, anti-fake currency lectures, anti-financial fraud lectures, law lectures dedicated to elderly people, free medical care, etc. to popularize daily necessary financial basics and new financial business knowledge among consumers.

2015 data of public education activities

Public education investment amount (RMB 10,000)

764.87

Audience number (10,000)

514.79

Number of thematic public education activities

2,230

Cumulative number of activities (times)

7,937



Love starting from "Industrial Bank" with commitment to the construction of harmonious society

The Bank has always actively supported charities and now has formed normal donation and disaster assistance in parallel and a charity mechanism consisting of "education funding", "disaster relief" and "poverty alleviation". In 2015, Industrial Bank made total outward donations of RMB 39.59 million.

POVERTY ALLEVIATION

RMB 10,000
3,000

From 2012 to 2015, the Bank made an annual donation of RMB 7.5 million (a total of RMB 30 million) for the poverty alleviation of Zhenghe County as the former state-level poor county.

300 RMB 10,000

From 2011, the Bank started donating RMB 3 million to two major poor villages in Fujian for infrastructure construction.

DISASTER RELIEF

RMB million
100

On October 11, 2015, in the face of the magnitude-15 super typhoon "Rainbow" causing catastrophic damage to Zhanjiang, Guangdong, Industrial Bank's Guangzhou Branch started emergency loans of RMB 100 million to help enterprises resume production as soon as possible and opened green loan channels to shorten loan application time.

EDUCATION FUNDING

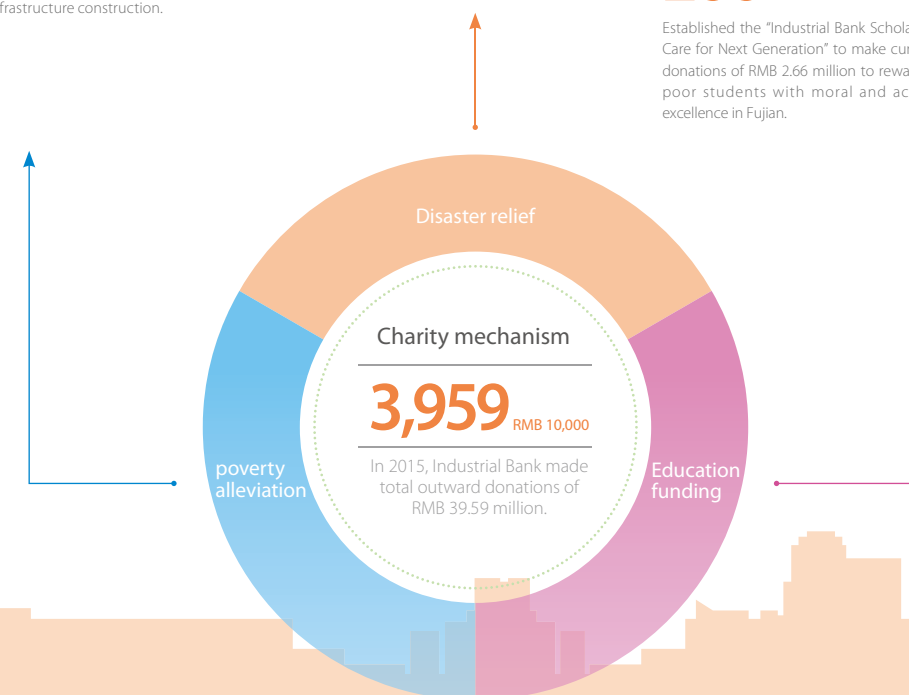
RMB 10,000
1,800

The Bank has continuously invested RMB 18 million to help 4,500 poor students in 5 colleges and universities in Fujian for its "Industrial Bank Charitable Grant" dream-realizing plan.

INDUSTRIAL BANK SCHOLARSHIP TO CARE FOR NEXT GENERATION

266 RMB 10,000

Established the "Industrial Bank Scholarship to Care for Next Generation" to make cumulative donations of RMB 2.66 million to reward 3,165 poor students with moral and academic excellence in Fujian.



CASE

A Harbin Branch: "Charity Stations" for warm care in cold winter

Since the coming of winter in 2015, Heilongjiang was struck by heavy snow for a number of times, so sanitation workers worked overtime day and night and community volunteers directed safe travel by pedestrians, all contributing best efforts for smooth travel of citizens.

The Bank's Harbin Branch cooperated with Heilongjiang Broadcasting Station to establish "Charity Stations" in 19 outlets in the city to provide free services for warm places, hot water, hot soy bean milk, toilets, phone chargers and first aid kits for sanitation workers, traffic volunteers, taxi drivers and travelling citizens, and such warm shelters solved the difficulties of rest, drinking water, etc. faced by "road workers", accumulating positive energy for benevolence for the development of Harbin.

"Once I was afraid to enter banks. Now, it's different and we have 19 more such warm charity stations established by the bank to provide our taxi drivers and road workers with charitable services and one more security at work. Thank you!"

—Taxi driver



B Quanzhou Branch: Pay attention to education and fulfill social responsibility

The selection of the "Industrial Bank Cup" Anhai Town's first "Top Ten Preschool Teachers" gave full recognition of teachers working hard in the frontline of education.

Over 40,000 propaganda leaflets that cover bank card safety knowledge, campus safety knowledge (fire prevention, electric shock prevention, drowning prevention and traffic safety) were distributed to over 60 kindergartens, primary schools and middle schools in and around Anhai Town, Jinjiang City for safety education.

For the bright youth and long-lasting charity, the majority



Branch wealth manager Lin Xinhua (right) and the winner of the "Industrial Bank Cup" Anping Bridge Works of Art Competition

of staff of Quanzhou Branch made annual donation to 13 poor students with moral and academic excellence in Yangzheng Middle School in Jinjiang until their graduation from university.

Featuring the Anping Bridge in Anhai Town, Jinjiang City, which is known as the "longest ancient bridge ever", the "Industrial Bank Cup" Anping Bridge Works of Art Competition fully displayed the beauty of the bridge as national key cultural relics.

C Zhangzhou Branch: Love starting from "Industrial Bank" who has been fulfilling CSR for more than twenty years

Over the past twenty years, the Bank's Zhangzhou Branch has been adhering to the social responsibility fulfillment concept of "integrating righteousness into profitability" by setting the 18th of each month as the "Industrial Bank Charity Day" and advocating all staffs to voluntarily make donations to poor families, students to be deprived of education and other vulnerable groups, gathering all staff efforts and concentrating their love and care to pave a charity path exclusive to Industrial Bank.



"This activity really helps us and we are very thankful for your care. After suffering the disease for several decades, I don't blame life now and I will live one with a more positive attitude."

— Mrs. Wong

"What you give is more than just materials but care and love for vulnerable groups. Thank you!"

— Mr. Shen

"I am especially grateful for those concerned about us. Such donation really helps me a lot. It helps me solve the most important thing to live on."

— Mrs. Wu who singlehandedly supports a three-members family

"Little charity can be a great help for a poor family. It can really help those in need. Such activities are very good."

— Mrs. Chen

Zhangzhou branch love to donate part of the project

2013.8	August 2013	200,000 RMB	"Green finance and low carbon travel" and autumn education donation activities
2014.6	June 2014	37,200 RMB	Accept Zhangpu Ivory Primary School students' wishes to help them realize
2014.9	September 2014	162,700 RMB	Business outlets set up "Charity Corners" and jointly purchase charity supplies for monthly donation to vulnerable groups in nearby communities A total of RMB 162,700 as of the end of October 2015
2014.10	October 2014	140,000 RMB	Donation of educational funds to Changtai Children's Home
2015.5	May 2015	51,100 RMB	Build mobile libraries for Dongxia Central Primary School in Yunxiao County
2015.6	June 2015	35,000 RMB	Visit injured members of poor families in Pinghe County
2015.6	June 2015	29,000 RMB	Hold charity auction to fund children with leukemia
2015.8	August 2015	60,000 RMB	Project Hope "Dream" program
.....			The donations have reached nearly RMB 1 million since 2013.

Industrial Bank volunteers in action

With the enthusiasm for public interest, the Bank actively set up a volunteer service team to contribute their youth and passion in a number of social fields including education, poverty alleviation and care for vulnerable group.



Harbin Branch—Special Games volunteer service team

Xi'an Branch—"Exam Charity for Dream in June" college entrance exam volunteer service team

Wuxi Branch—"Sunflower Charity for Education" volunteer service activities

Display of staff awards

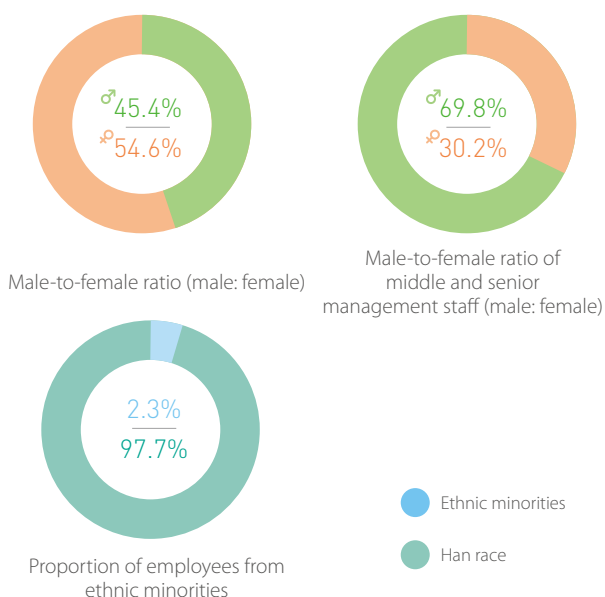
- **Changchun Branch:** Sun Wei from the financial market division was honored as "Jilin Young Financial Service Star" by Jilin Financial Work Committee.
- **Harbin Branch:** Li Xinyue and Liang Zikuan respectively won the individual second-class award in the Heilongjiang financial institution anti-money laundering business skill competition and the second-class award for writers by the Heilongjiang Banking Association.
- **Hefei Branch:** Sun Peiwei from the business department was honored as the "2014 Provincial Non-tax Income Agent Bank Advanced Individual".
- **Jinan Branch:** Su Hu, general manager of planning and finance department, was honored as the "Advanced Labor Union Financial Worker in the Shandong Financial System".
- **Nanning Branch:** Zhu Yichao was honored as the "Lei Feng Model" of the nation-wide banking industry.
- **Putian Branch:** Cai Xiaofang from the business department was honored as the "2015 National May 1st Heroine Model".
- **Sanming Branch:** Wu Jian won the national silver award for voluntary blood donation; Cai Qingwu was honored as the "Fujian Excellent Communist Youth League Cadre in the Financial Industry".
- **Shanghai Branch:** Wu Shijing from the small enterprise department was honored as the "National Banking Institution Advanced Individual for Small Enterprise Financial Services" by the China Banking Regulatory Commission.
- **Xiamen Branch:** Chen Zhibin, general manager of small enterprise department, was honored as the "Banking Financial Institution Advanced Individual" in the 2012-2015 advanced selections for small and micro enterprise financial services by the China Banking Regulatory Commission.
- **Zhengzhou Branch:** Zhang Weirong was honored as the "2014 Henan Advanced Individual for Labor Union Financial Work" by the General Labor Union of Henan; Gao Ya was honored as the "2014 Provincial Banking Institution Advanced Individual for Small and Micro Enterprise Financial Services".

HOME CULTURE FOR JOINT GROWTH WITH THOUSANDS OF EMPLOYEES

In the era of knowledge economy, human capital as the most active in factors of production becomes the key factor in business success. The Bank adheres to the fair and transparent talent introduction mechanism, the scientific

and improved staff training mechanism and the systematic and effective incentive and restraint mechanism to realize coordination between staff's personal development objectives and corporate development objectives.

2015 basic information of the Bank's staff



Establishment of a staff rights and interests protection network

Five must-visits

Staff home; Five must-visits: there must be visits in case of any employee being married, dead, sick, in difficulty or struck by any disaster

Expedite feedback channels

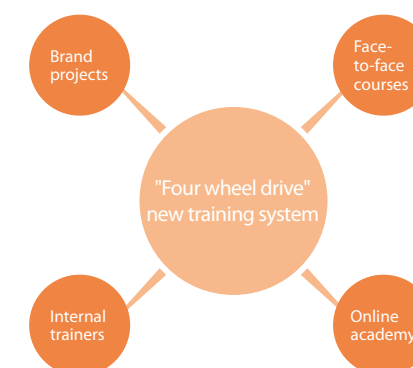
President mailbox; democratic life meetings; telephone supervision; electronic forums; interviews

100%

Labor contract signing rate of 100%; full coverage of social security; full coverage of medical health records; full coverage housing provident funds

Occupational booster

The Bank has established a "four-wheel drive" new training system to boost staff career growth through "brand projects", "internal trainer mechanism", "online academy" and "face-to-face courses". In 2015, the Bank invested a total of RMB 143.72 million in staff training by holding 4,036 training sessions for 300,958 trainees to cover all staff for an average training time of 96 hours per person.



CASE

A “Indigo bloom” setting sail, “blue blossom” sparking

In 2015, Dalian Branch created the “embedded training” method to combine theoretical study and experience-based training and held the “indigo bloom” new staff training and quality development training and the “blue blossom” start branch lecturer competition where almost all branches participated in, greatly helping new staff to think about own development and achieving a high training coverage ratio and satisfactory training results. The 5-month

“blue blossom” star branch lecturer competition used for the first time Wechat application + video uploading and number of diverse and interesting selection and training methods like two-way selection between five authoritative instructors, instructor one-on-one training and guidance, external expert teaching skill training, public review and online voting, enabling more talented staff to bloom with own dazzling light.



B Joint growth with Industrial Bank—2015 new staff training of Industrial Trust

2015 was a key year for Industrial Trust to realize business transformation and integrated operation and the company staff size gradually increased and the staff structure was constantly optimized. To promote new staff to quickly adapt themselves to the company and the big family of Industrial Bank and to fully enhance new staff's sense of team belonging and business qualities, Industrial Trust set up rich and diverse courses and activities in the 2015

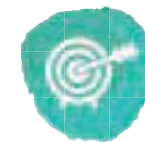
new staff training and organized all staff to participate in qualification examination to constantly strengthen compliance awareness and improve business skills to get ready for competency improvement.



Joint joyful life



01. Employees fun games / 02. Industrial Trust—colorful “Industrial” life / 03. Jinan Branch—construction of staff growth home / 04. 2015 “Industrial Bank Cup” badminton competition / 05. Guilin Branch—gas volleyball competition / 06. Longyan Branch—first staff games in hot start / 07. Chongqing Branch—low-carbon walk by you and me



PRACTICE

Execution of the Equator Principles / 82

THE GLOBAL DISTRIBUTION DIAGRAM OF EPFIS



Born in June 2003, Equator Principles were a set of financial industry benchmarks for identification, assessment and management of environmental and social risks involved in projects during the financing process. As of the end of February, 2016, 83 financial institutions in 36 countries including Industrial Bank had formally adopted the Equator Principles, covering 70% of project financing in emerging markets.

83

Now, 83 financial institutions worldwide including Industrial Bank have promised to adopt the Equator Principles.

EXECUTION OF THE EQUATOR PRINCIPLES

Scientific enhancement of internal management performance

In 2015, on the basis of the further implementation of the Equator Principles III, the Bank further optimized the internal management system, hired an external authoritative agency to randomly check and evaluate project suited to the Equator Principles and implemented onsite inspection to find potential defects in internal management, constantly strengthened management concepts, improved management processes and promoted the full and correct implementation of the Equator Principles. As of December 31, 2015, a total of 33 branches had established environmental finance centers (other branches had also set up environmental finance managers) for a bank-wide green finance team consisting of nearly 200 personnel, and such centers are equipped with dedicated risk management personnel to product support for Equator Principles projects within respective jurisdiction, identification of applicability of the Equator Principles and risk classification and review of projects' environmental and social risks.

Implement major maintenance and alteration of the review system to enhance project review efficiency

In 2015, in accordance with the actual needs of review of Equator Principles projects, the Bank implemented maintenance of the Equator Principles project review system to make 15 major system alterations including streamlining of pre-review process, attachment uploading expansion, decision support system statistics arithmetic logic repair and strengthen inter-system data sharing and effective access. Thus, the Equator Principles project identification process and time can be shortened by half in comparison with the past with improved system efficiency and accuracy.

Innovative training methods to promote professional capacity-building

The Bank held throughout the year a total of 59 Equator Principles trainings for a total of 3,197 trainees and a total training time of some 5,000 minutes.

In 2015, at the headquarters level, the Bank implemented concentrated training on basic contents, application scope, review requirements and process and institutional system of Equator Principles through special meetings like thematic promotion meeting and credit business review meeting for a total 138 personnel including persons-in-charge and business cadres of branches' environmental finance centers and branches' environmental finance credit review personnel, and discussed and answered problems encountered in the Equator Principles review to promote further enhancement of professional ability of environmental finance-related personnel of branches.



CASE

Fuzhou Branch always implements the Equator Principles training by alternating theoretical explanation and guidance of actual cases one by one. In the first half of 2015, branches implemented systematic training on the Equator Principles III for all customers managers of operating departments of branches and provided one-on-one guidance on the pre-review of 6 Equator Principles projects of 5 operating institutions including Changle Branch, Hualin Business Department and Yangqiao Business Department, effectively enhancing professional ability of project persons-in-charge and project information reporting quality.

CASE

Empathy for understanding

For customers' doubts in the initial contact with the Equator Principles, Shenzhen Branch designed from multiple angles a full-period, targeted and macro-to-micro communication program:

Q What are the Equator Principles?

- A Shenzhen Branch instills into customers the concepts, contents and international influence analysis of the Equator Principles to help enterprises fully understand the Equator Principles and clear customers' doubts face to face.

Q Are the Equator Principles loan conditions imposed by the Bank on customers?

- A Through professional explanation, Shenzhen Branch elaborates what environmental and social risks the Equator Principles can help enterprises to manage and prevent, how much they can enhance enterprise reputation and what advantages they can bring about to the outward development of enterprises in the future, enabling enterprises to realize that the Equator Principles are an advantageous tool provided by Equator Banks as additional value for enterprises to independently manage environmental and social risks and enhance own social and commercial reputation.

Q Are there any successful cases of the Equator Principles in China?

- A By sharing typical cases of the Bank adopting the Equator Principles in recent 8 years and introducing classic cases of overseas banks adopting the Equator Principles, Shenzhen Branch paints a clear picture for enterprises at the operational level.

Meanwhile, through the "Unibank Media Player", Shenzhen Branch plays in a loop promotional video on Equator Banks and Equator Principles in its outlets and other places on a daily basis and has paid a number of visits to government departments like Development and Reform Commission and Human Settlements and Environment Commission as well as leading enterprises in the environmental finance field to make onsite presentation on the Bank's environmental finance business and contents of the Equator Principles.

Actively promote the frequency and breadth of international exchange of experience

In April 2015, Industrial Bank exchanged practical and business experience on the Equator Principles with the visiting Taiwan Cathay United Bank as Taiwan's first and China's second Equator Bank to introduce the Bank's Equator Principles management system, institutional arrangements and project review and explored future direction of cooperation to promote cross-strait business exchanges and development of sustainable banking financial services.

Meanwhile, the Bank continued to actively participate in various seminars on detailed rules for the implementation of the Equator Principles, the Equator Principles association management architecture reform and establishment of the Equator Principles training system, and absorb good experience from internationally advanced EPFLs to improve internal

policies and management, and participated in the Equator Principles annual meeting, "China Pavilion" activities in the Paris Climate Change Conference and Asia Pacific EPFLs seminars to give feedback from Chinese banking industry.

At the invitation of Banking Regulatory Bureau of Anhui Province, Banking Bureau of Qinghai Province and Financial Office of Qinghai Province, in 2015, the Bank actively participated in green finance training and introduced to regulatory authorities and other banks the Equator Principles and the Bank's environmental and social risk management system.



At the invitation of Banking Regulatory Bureau of Anhui Province, Banking Bureau of Qinghai Province and Financial Office of Qinghai Province, in 2015, the Bank actively participated in green finance training



Equator Principles project data

In 2015, the Bank implemented judgment of applicability of the Equator Principles for 45 projects and identified 41 projects where the Equator Principles are applicable, which involves a total investment of RMB 138 billion. And 12 projects where the Equator Principles are applicable had reached financial close in the reporting period (signing of financing contracts), including 3 project finances and 9 project-related corporate loans, and another 12 project loans were released, including 2 project finances and 7 project-related corporate loans for a total amount of RMB 7.378 billion. As of December 31, 2015, the Bank had implemented judgment of applicability of the Equator Principles for 899 projects, involving a total investment of RMB 2,261.421 billion. There were a total of 258 projects where the Equator Principles are applicable, involving a total investment of RMB 564.5 billion, 223 customers and a cumulative release amount of RMB 24.064 billion.

Project finance

In 2015, the Bank had 3 project finances in effect and the projects are all in China (i.e. non-designated countries), which are mainly in road management and maintenance and road construction industries; for all effective Equator Principles projects, an independent third-party environment and social counseling agency was hired to assist in the due diligence investigation and evaluation of project compliance with the Equator Principles.

2015 classification of Equator Principles projects for financing: 2 in category A, 1 in category B and 0 in category C.

Total investment of the projects (RMB billion)

138

In 2015, the Bank implemented judgment of applicability of the Equator Principles for 45 projects and identified 41 projects where the Equator Principles are applicable, which involves a total investment of RMB 138 billion.

Reach financial close

12

12 projects where the Equator Principles are applicable had reached financial close in the reporting period (signing of financing contracts)

Total amount of the released projects (RMB billion)

7.378

Total amount of the released projects is RMB 7.378 billion

Project-related corporate loans

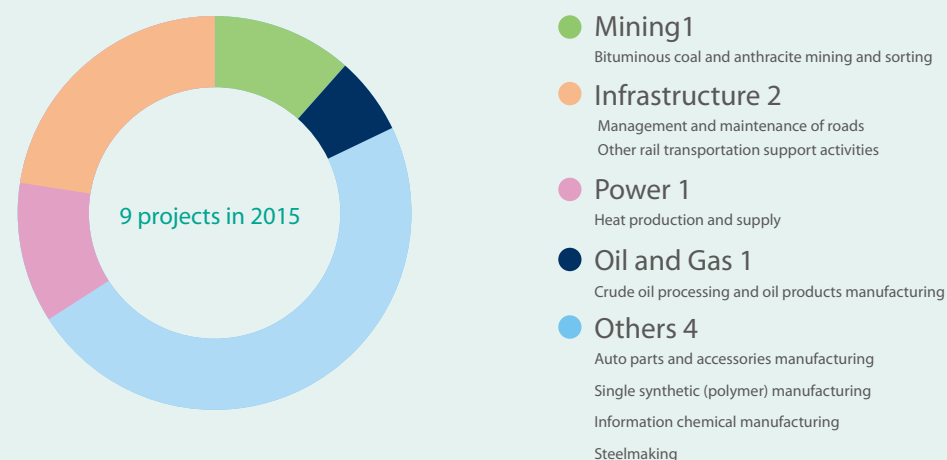
As of the end of 2015, the Bank had 9 project-related corporate loans that are all in China (i.e. non-designated countries), and an independent third-party environment and social counseling agency was hired to assist in the due diligence investigation and evaluation of project compliance with the Equator Principles.

2015 classification of project-related corporate loans: 4 in category A, 5 in category B and 0 in category C.

2015 classification of project-related corporate loans



2015 layout of industries of project-related corporate loans (industries to be disclosed as required in accordance with the Governance Rules of the Equator Principles)



FUTURE PROSPECTS

BASIC STRATEGY

In accordance with the "customer-centric" principles, sort out the organizational structure and segment division, improve service quality, enhance customer experience, fully complete the group operating management system with separation and sharing between front, middle and back offices, and matrix management, and operate it with high efficiency.

Further increase innovation in business products and business models, actively open new business and profit growth channels while effectively enhancing customer service level and market competitiveness, further accelerate innovation in risk management thinking, methods, means and tools

to both effective grasp material risks and effectively promote execution of innovative business and transformation business.

Transform business through science and technology and promote innovation through science and technology. Further promote the construction of operating management systems related to Internet finance, big data and cloud service management, operating arrangements related to multi-channel connection between social finance information and product flow, mutual complementing of online and offline advantages for a relatively big enhancement of the Bank digitalization, informationization and intelligence levels.

6

Focus

"Six Finance" business structure deepening sustainable finance

Consolidation and expansion of three traditional businesses

Innovative nurturing of three emerging strategic businesses

Interbank finance

Environmental finance

Pension finance

Comprehensive finance

By closely centering on the national strategic layout and market demand hotspots such as reform of state-owned enterprises, mergers and acquisitions, try to nurture and form core competitive advantages and basically realize the strategic turn from the comprehensive financial license advantages to comprehensive financial service advantages.

Cross-border finance

Make full use of advantages of Hong Kong Branch and institutions in domestic FTZs, support the implementation of national major strategies like "Belt and Road Initiative" and RMB internationalization and, with reliance on the cross-border institution platform, further strengthen interaction between domestic and overseas business to boost Chinese enterprises "going out".

Inclusive finance

In response to the grand strategy of "precision poverty support" implemented by the government, further strengthen fulfillment of social responsibility, vigorously develop inclusive finance and more effectively integrate the enterprise' social value and commercial value.

APPENDIX

91/Some Honors of the Bank in 2015

92 / GRI Index

94 / READER FEEDBACK Forms

Some Honors of the Bank in 2015

Awarding organization	Awards
China Banking Association	Socially-responsible Financial Institution of the Year, Green Finance of the Year, CSR Manager of the Year
CBN Daily	Custodian Bank of the Year
Financial Times	Inclusive Financial Bank of the Year
China Business Journal	2015 Supply Chain Financial Service Bank with Excellent Competitiveness
The Banker	President Li Renjie (former) —2015 China's Top 10 Financial Figures No.5 among Top 5 National Joint-stock Commercial Banks in Terms of Core Competitiveness No.3 among Top 5 National Joint-stock Commercial Banks in Terms of Financial Evaluation Best Financial Brand Innovation Award Big Money Manager—Top 10 Internet Financial Innovation Award
Securities Times	WLB—2015 China's Best Bank Wealth Management Brand Big Money Manager—2015 China's Most Popular Internet Financial Platform, Best All-round Investment Bank
China Securities Journal	No.17 among 2014 Golden Ox Top 100 Chinese Listed Companies No.11 among 2014 Golden Ox Most Profitable Companies 2014 Golden Ox Board Secretary
Shanghai Securities News	Outstanding Bank Wealth Management Brand Award, Rising Force Private Bank Award
National Business Daily	Financial Innovation of the Year* award (Industrial Vital credit card)
Economic Observer	Excellent Cash Management Bank of the Year 2015 China Low-carbon Model
China Times	2014 China Best Bank in Inclusive Finance Practice 2015 Financial Holding Group
CFO	Best Green Bank Award
The Asian Banker	2015 China's Best Retail Bank Outlet Innovation, 2015 China's Best Domestic Trade Finance Bank, Anti-money Laundering Technology Achievement Award
Chinese version of Fortune	Chairman Gao Jianping—2015 China's Top 50 Most Influential Business Leaders No.11 among Top 40 Most Profitable Companies among China Top 500
Xinhua	Green Environmental Protection Award
Sina	Direct Bank of the Year
Hexun	Most Influential National Bank, Most Competitive Wealth Management Institution, Most Competitive Small and Micro Enterprise Financial Service Institution
JRJ	Outstanding Chinese-invested Bank, Outstanding Retail Bank, Outstanding Direct Bank, Outstanding Credit Card Brand



GRI index*

NO.	Content	Page
Strategy and Analysis		
1	Statement from the most senior decision-maker of the organization (e.g. CEO, chair or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	4-7,20-25
Corporate Profile		
3	Name of the organization.	9
4	Primary brands, products, and/or services.	17-19
5	Location of the organization's headquarters.	9
6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	28
7	Nature of ownership and legal form.	12
8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries) by the organization.	12,17-19,28
9	Scale of the reporting organization.	15-16
10	a. Total number of employees by employment contract and gender. b. Total number of permanent employees by employment type and gender. c. Total workforce by employee, supervised worker and gender. d. Total workforce by region and gender. e. Whether a substantial portion of the work of the organization is performed by workers legally recognized as self-employed, or by individuals other than employees or supervised workers (including employees and supervised workers of contractors). f. Significant variations in employment numbers (such as seasonal variations in employment numbers in the tourism or agricultural industries).	16,77
11	Percentage of total employees covered by collective bargaining agreements.	77
12	Description regarding the supply chain of the organization	65
13	Significant changes during the reporting period regarding the size, structure, ownership or supply chain of the organization, including: Changes in the location of, or changes in, operations, including facility openings, closings, and expansions Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	15-16,28,37
14	Whether and how the precautionary approach or principle is addressed by the organization	25
15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	9,82
16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: Holds a position on the governance body Participates in projects or committees Provides substantive funding beyond routine membership dues Views membership as strategic This refers primarily to memberships maintained at the organizational level.	82
Identified Material Aspects and Boundaries		
17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the sustainable development report. The organization can report on this Standard Disclosure by referencing the information in publicly available consolidated financial statements or equivalent documents.	9,19
18	a. Explain the process for defining report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defined Report Content.	9
19	List all the material Aspects in the process for defining report content.	9
20	For each material Aspect, report the Aspect Boundary within the organization, as follows: Report whether the Aspect is material within the organization If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: - The list of entities or groups of entities included in G4-17 for which the Aspect is not material or - The list of entities or groups of entities included in G4-17 for which the Aspects is material Report any specific limitation regarding the Aspect Boundary within the organization	9
21	For each material Aspect, report the Aspect Boundary outside the organization as follows: Report whether the Aspect is material outside the organization If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified Report any specific limitation regarding the Aspect Boundary outside the organization	9
22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	9,15
23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	9,19

Based on the G4 Core Option

NO.	Content	Page
Stakeholder Engagement		
24	List of stakeholders engaged by the organization.	23
25	Report the basis for identification and selection of stakeholders with whom to engage.	23
26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	22-23
27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	23
Report Profile		
28	Reporting period (such as fiscal/calendar year) for information provided.	9
29	Date of most recent previous report (if any).	9
30	Reporting cycle (such as annual, biennial).	9
31	Contact point for questions regarding the report or its contents.	9
32	a. Report the 'in accordance' option the organization has chosen (core or comprehensive) b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	92
Governance		
34	Governance structure of the organization, including committees of the highest governance body. Identify any committee responsible for decision-making on economic, environmental and social impacts.	13
Business Ethics and Integrity		
56	Describe the values, principles, standards and norms of behaviour of the organization, such as codes of conduct and codes of ethics	20-25
Economic Performance		
EC1	Direct economic values generated and distributed	15-16,37,73
EC2	The financial implications and other risks and opportunities for the organization's activities due to climate change	4-7,20-23
EC3	The coverage of the organization's defined benefit plan obligations	77
EC7	Development and impact of infrastructure investments and services supported	73-75
EC8	Significant indirect economic impacts, including the extent of impacts	28-53,58-64,86-87
Environmental Performance		
EN3	Energy consumption within the organization	65
EN4	Energy consumption outside of the organization	65
EN6	Reduction of energy consumption	16,59,62,65
EN7	Reduction in energy requirements of products and services	16,59,62,65
EN8	Total water withdrawal by source	65
EN19	Reduction in greenhouse gas(GHG) emissions	16,59,62
EN27	The extent of impact mitigation of environmental impacts of products and services	56-62,83-87
Labor practices and decent work		
LA1	Total number and rates of new employee hires and employee turnover during the reporting period by age group, gender and region.	16,77
LA8	Health and safety topics covered in formal agreements with trade unions	77
LA9	Average hours of training per year per employee by gender and employee category	77
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	77-78
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	16,77
Human Rights		
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	24
SO4	Communication and training on anti-corruption policies and procedures	24
Product Responsibilities		
PR3	Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant products and services categories subject to such information requirements	48
PR5	Results of surveys measuring customer satisfaction	48



Reader's Feedback Form

We appreciate your advice and valuable information on our report!

1.How do you think about the overall quality of Industrial Bank's sustainability report?

☐ Good ☐ Not bad ☐ Ordinary

2.What's your suggestion on Industrial Bank's corporate governance?

☐ Good ☐ Not bad ☐ Ordinary

3.What's your opinion on Industrial Bank's economic development, environmental protection and return to the community?

☐ Good ☐ Not bad ☐ Ordinary

4.What's your opinion on Industrial Bank's sustainable development?

☐ Good ☐ Not bad ☐ Ordinary

5.How do you think of Industrial Bank's implementation of Equator Principles?

☐ Good ☐ Not bad ☐ Ordinary

6.How do you think about Industrial Bank's information disclosure? Is it transparent, integrated and accurate?

☐ Good ☐ Not bad ☐ Ordinary

7.How do you think about the report's layout and design?

☐ Good ☐ Not bad ☐ Ordinary

8、 Please give your comments and suggestions on our sustainability report.



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