

# Giving Back to Society

- © Enhancing Employee Value
- © Bringing Modern Finance into Communities
- © Being Committed to the Public Welfare





## Enhancing Employee Value

The Bank views its employees as its most valuable asset, and always follows the "people-oriented" management philosophy. The Company safeguards and improves employee benefits through corporate systems and rules as well as concrete measures while continuing to improve the incentive and restrictive mechanism to effectively push ahead its recruitment and appointment of employees. The Company has continued to expand career paths for its employees and vigorously build excellent corporate culture, enabling both employee growth and business growth.

### Improving the Human Resources System

For employee selection and appointment, the Bank follows the principle of "openness, fairness and justness" while "focusing on both moral integrity and professional competence, with the priority given to moral integrity" in hiring, which is also aligned with market-oriented modern enterprise operations. The Company takes professional ethics and moral character as important criteria for employee selection and appointment. The Company brought in 3,346, 2,925, and 4,200 talents in 2008-2010, respectively.

In the area of employee performance review and incentives, the Bank has been committed to achieving the organic unity in strengthening the sustainable development of the Company and the career development of its employees, thereby achieving shared growth of business and individual employees. The Bank implements a dual-track system in employee promotion, in a bid to broaden the space for employee career development and promotion channels while promoting diversified career development planning and self-worth realization. The Bank implements a salary adjustment system aligned to annual performance review, linking employee performance with fixed remuneration adjustments, thereby motivating employees to improve working practices as well as work efficiency and quality in a sustained manner.



On Oct. 10, 2010, the first representative meeting of members of Labor Union Committee and employees of Industrial Bank was successfully held in Fuzhou. Mr. Gao Jianping, Chairman of the Bank (third from the right), Mr. Li Renjie, President of the Bank (second from the right), and Ms. Bi Zhonghua, Chairwoman of the Board of Supervisors (second from the right), attended this meeting.

### Safeguarding the Interests of Employees

The Bank strictly complies with relevant provisions of national laws and regulations concerning staff recruitment, contract management, remuneration, etc., in a bid to safeguard employee benefits.

- Signing rate of employee labor contracts, employee social security coverage, mutual housing fund coverage, and rate of distribution in overtime allowance have all reached 100%;
- Resolutely put an end to child labor and oppose any form of forced labor and discrimination, effectively protect employees' holiday rights, and strive to provide a safe working environment for employees;
- Safeguard interests of female employees, stick to equal pay for women, and ensure equal opportunities for men and women in career development;
- Give full consideration to the vital interests of employees and corporate demand for human resources, and develop a pay and benefits system with certain competitiveness and in line with standards for financial enterprises, aligning employees' long-term personal development goals with the Company's long-term goals;
- Further improve employees' comprehensive welfare and security by implementing annuity and supplementary medical insurance schemes; Pay attention to employee health and safety by having staff health checks on a regular basis and actively organizing employees to participate in various forms of cultural and sports activities;
- Promote scientific lifestyle and carry out health lectures including stress and emotional management training sessions, as well as mental health counseling activities.

## Enhancing Staff Competence

Given the complex and volatile macro-economic and financial situation, the Bank has come up with the training strategy of "stepping up efforts to enhance internal strength" in a timely manner, which is aligned to the main theme of "continuing to push ahead business restructuring". Targeting different characteristics of senior and middle management executives, marketing and sales teams, professional and technical personnel, and skilled operational teams, the Company has carried out multi-layer, differentiated, and targeted training programs that fully factor in personalized and differentiated needs arising from employee performance reporting and career development, in an effort to enhance employees' professional competence with value creation at the core. Meanwhile, the Company has stepped up efforts to tap its resources to expand training channels in a sustained fashion in areas of institutional mechanisms, hardware facilities, and technical support and increase investment in employee development, while guiding employees to establish the sense of social responsibility, i.e., safeguarding the public interests, ecological environment, and social progress in business activities. In 2010, the head office organized more than 180 training sessions of various types, covering nearly 11,700 trainees.



To carry out the work guideline of "strengthening the implementation and promoting the new development", Shijiazhuang Branch organized the managers above the middle management level to attend the "implementation camp" to get trained in the form of schoolteaching and group race to promote their capacity.



In June 2010, the Discipline Committee at Shijiazhuang Branch organized all employees to visit Shijiazhuang Northern Suburb Prison, as part of its awareness campaign against economic crimes. As bankers face a large amount of cash every day, they should always remain sober minded, practice strict self-discipline, firmly adhere to ideals and beliefs, and build right outlook on life and values.

## Creating Employment Opportunities

As of the end of 2010, the Bank had 19,508 full-time employees, including 9,535 male employees and 9,973 female employees. In addition, the Company also signed up 9,706 workers from labor dispatchers. In total, the Company created 29,214 jobs, making due contribution to easing the employment pressure for fresh graduates, lowering the unemployment rate, and maintaining social harmony.

## Building Corporate Culture

The Company attaches importance to intra-company teamwork and harmonious corporate culture, always giving full play to the role of collaborations among its branches. To organically combine corporate culture and social responsibility with sustainable development, the Company has united its employees cohesively by organizing a series of colorful and fruitful educational activities, thereby maximally mobilizing the enthusiasm and creativity of its staff, while stepping up efforts to build corporate culture, thus promoting the development of its various undertakings.



The Banking Department of Hefei Branch was awarded as a "2009 Youth Civilized Unit" by the Communist Youth League Anhui Provincial Committee.



To celebrate its 12th anniversary, enrich employees' life and enhance team cohesion and capacity, Shenzhen Branch successfully held its outreach event with the theme of "Anniversary Celebration, Team Building, and Business Execution Capacity Building". At this event, its employees fully demonstrated their solidarity, courage, hard working, positive attitude, as well as high fighting spirit.



The CPC Committee at Nanning Branch invited all party members at the Branch to participate in the "Red Tour in Guilin Xingan", strengthening their understanding of party culture and history, raising their royalty to the party and patriotism, as well as sense of responsibility and mission.



To commemorate the 89th anniversary of the founding of the CPC, Shenzhen Branch carried out training sessions on patriotism, revolutionary traditions, and superiority of the CPC, in a bid to inspire the enthusiasm and dedication of party members in daily work. The Branch organized its red tour event for party members -- "Review Red Rock spirits and promote business execution and development".



On February 3, 2010, Changsha Branch held its Spring Festival Party 2010 at Hunan International Convention & Exhibition Center. Employees at the Branch choreographed



Nanning Branch has proactively organized a series of activities to strengthen its corporate culture, including the "IB Cup" friendship soccer match, thus contributing to its great corporate culture.

## Bringing Modern Finance into Communities

### Promoting Financial Literacy

To further popularize financial knowledge and enhance public awareness of financial security, the Bank has actively responded to the event "Banking Public Education Service Day 2010" launched by the CBRC by delivering information to public in a "face-to-face" fashion. Specifically, by carrying out lectures, distributing promotional handouts, playing promotional videos, organizing quiz and other forms of events, the Bank enabled local residents to have a better understanding of finance and enhance their knowledge in wealth protection.



The Shenzhen Branch conducted talks on financial knowledge on banks' public education day.

On June 19, 2010, Nanning Branch organized the event "IB, My Career - Financial Literacy Outreach". By distributing promotional brochures for financial products and carrying out on-site QA sessions, the Branch publicized knowledge about anti-counterfeit money, investment, and wealth management. In line with the specific needs of local residents, its employees also developed tailor-made money management solutions for local community residents for free, helping them establish a right view of investment and financial management.

On November 20, 2010, the Bank actively participated in a large outdoor publicity campaign with the theme of "Building a safe environment for card usage, supporting leapfrog development in the economic zone on the west coast of Taiwan Strait" organized by Fuzhou Central Branch, People's Bank of China. The Company carefully explained knowledge concerning the safe use of bank cards and the prevention of financial fraud to its audience, and handed out manuals on safe use of wealth management cards, further improving local people's financial literature regarding the safe use of cards and effectively enhancing public awareness and prevention of risks associated with card usage.



Shanghai Branch employees visited key residential communities in Shanghai, carrying out its publicity campaign on "3 measures and 1 guideline". Specifically, our employees explained the provisions of relevant laws and regulations to local residents, in an effort to strengthen their legal awareness of loan process management, monitoring of loan usage, and loan risk prevention. The event covered more than 200 residential communities.

## Supporting Local Education

In 2010, the Bank continued to work with Fujian Provincial Care for Next Generation Committee to jointly establish the 5-year "Industrial Bank Scholarship for Care of the Next Generation". Under the program, annual donation of RMB180,000 will be awarded to a total of 180 excellent students who are financially challenged in three schools from 2010 to 2014, involving a total of RMB900,000 in five years. Meanwhile, the Bank has, for the fourth consecutive year, worked with the Fujian Provincial Charity Federation to offer "Industrial Bank Charity Scholarship" to 500 students in five schools in Fujian Province, involving a total donation of RMB2 million.

In 2010, the Bank continued to honor its commitments to charity and public welfare through implementation of its "China Heart Credit Card Public Welfare Initiative". The Bank donated RMB54,897.71 in the year on top of RMB186,000 in 2009, bringing the total to RMB240,981.65 in recent years. The Bank provided financial aid for the construction of playground in 6 financially challenged primary schools in Guangxi Province and Hebei Province, helping the schools improve sports infrastructure. The Bank's Credit Card Center sent representatives to launch the "Caring Tour to Baise Old Revolutionary Base" event in Guangxi Baise Weiguo Primary School, checking out the progress in the construction of the playground funded by the Bank in September 2010. Meanwhile, the center also donated a total of more than 5,000 sets of stationery supplies (28 boxes) for the local primary school.

The old playground of the primary school in poor condition.

学生体育传奇故事（学生本人填写，800-1500字，可另附纸张）：  
我叫黄天龙，男，壮族，是天生桥镇委果村小学五年级学生。我是典型的体育委员，我从小喜欢体育运动，尤其是篮球，每当我见到老师带着篮球在操场上运用自如的时候，我的心，乃至整个人都随着老师的身影运动。我对体育有独特兴趣，我的体育成绩每学期都优秀，在班上起到表率作用。每次学校举行篮球赛，放假时，我都会组织本班同学参加，而且全力以赴，今年，我还参加了本校篮球队，参加我镇举行的全镇“六一”篮球比赛。我们学校也取得了优异的成绩。课余时间，我也非常喜欢体育运动，双休日去放牛，与伙伴们一同比赛跑步等。同学们都非常佩服我。在我家旁边的空地里，我还建了简易篮球场。



"2008，我的最大梦想"（学生本人填写，一句话）：  
“同一个世界，同一个梦想”。我的梦想是，2008北京奥运会能去现场观看篮球比赛。

“圆梦2008·最长跑道长跑道”颁奖  
5、推荐体育特长生/教练材料（附照片）

姓名	刘研刚	性别	男	年龄	20
任教时间	6年	政治面貌	汉族		汉
是否专职	否	联系电话	0776-6109307	手机	13481607436

With the donation of "China Heart Credit Card Public Welfare Initiative", China Foundation for Poverty Alleviation established the new playground.



Changsha Branch carried out its Summer Internship Program 2010. Through the recruitment and selection process, a total of 57 students from key colleges in South and Central China, including Hunan University and Wuhan University, participated in the program. Changsha Branch organized the interns into batches and sent them to its outlets for internship practice. The Branch also designated mentors for the interns and implemented internship performance review mechanism. The Branch stepped up efforts in management throughout the program and carried out postinternship management and assessment. After the program, the Branch offered objective assessment for the interns. The program effectively helped enhance interns' understanding of the Banking industry and improved their overall competence, paving a good foundation for their future career.

Nanping Branch provided funds for the establishment of Heping Town Industrial Bank Kindergarten in Shaowu city, paving the way for the gradual revamp and replacement of a poorly equipped smaller kindergarten. The move has well served the village kids and will greatly improve preschool education level in the ancient town.

In May 2010, Nanping Branch won the "Love Award" granted by Nanping Hope Project.



Nantong Branch called for people from all sectors of the community to make donations for the establishment the "Industrial Bank Education Fund", which is designed to help financially challenged students in Nantong Shipping College and Nantong Yanheqiao Primary School successfully complete their studies by creating a good learning environment for them.

In September 2010, Zhengzhou Branch and Dahe Newspaper Publishing House cosponsored a charity event, raising donations to a local school. The event helped raise cash and goods worth a total of more than RMB370,000 for Yugong Hope Primary School in Jiyuan City. Zhengzhou Branch was also been named as an honorary entity caring for students.



Chongqing Branch donated RMB250,000 to Chengkou, one of the poorest counties in China, for the purpose of building a Hope Primary School. The Branch also donated a total of RMB110,000 to the Aid Project for Orphans and the Disabled Children and Aid Project for Left-behind Children of Migrant Workers of Chongqing Youth Development Foundation. Furthermore, the Branch has also established the "Industrial Bank Scholarship" with RMB300,000 at No.3 Military Medical University, in an effort to support financially challenged students.



## Focusing on Local Social Development

In accordance with the spirits of the Circular on Organizing Some Departments Directly under Provincial Government, Key Enterprises and Public Institutions under the Leadership of Provincial Government, and the Central Government's Offices in Jiangxi to Carry out Poverty Reduction in Targeted Areas During the 11th Five-Year Plan Period, it was confirmed that Nanchang Branch would carry out poverty reduction efforts in Lutian Village, Zhangshan Town, Jizhou District, Ji'an City during the 11th Five-Year Plan period.

- To help strengthen the development of grassroots organizations on village level, Nanchang Branch has assisted the village to establish various systems, raising RMB30,000 funds for improving village government offices and equipping them with relevant office equipment;
- Nanchang Branch has helped raise RMB160,000 in aid funds for Lutian Village, help paving village roads, fundamentally solving the traveling problem for the village;
- To effectively utilize the industry-based approach to poverty reduction, the Bank raised RMB50,000 for the village to establish its pine seed association in line with local reality, involving 300 farming households. As a result, per capita income of the farmers quadrupled from 2006. The Bank also helped organize targeted training sessions on labor transfer and practical technical skills;
- In an effort to help create a harmonious and safe village, Nanchang Branch raised RMB20,000 to address the funding for part of the village's comprehensive administrative work and bought books related to the comprehensive administrative work for village officials;
- Employees of Nanchang Branch visited the village's Luxi Primary School, donating books, school bags, stationery, and other supplies to the school;
- Solid and effective implementation of the "1+1" aid work. Nanchang Branch has the tradition of sending representatives to visit poor households of the village and offer financial aid during both New Year holiday and Spring Festival holiday.



On August 16, 2010, as part of joint working with Inner Mongolia Public Security Border Defense Corps, Hohhot Branch donated RMB200,000 to help establish a grassland border security fund, addressing financial concerns of border officers.

On September 16, 2010, Hohhot Branch donated RMB50,000 to help plant Xingye Wood at the cross of Shengli Road in collaboration with Xingcheng District People's Government, reversing bad road conditions with a touch of vibrant green. Over the next 5 years, Hohhot Branch is expected to further invest RMB250,000 for the expansion and maintenance of the wood.



In 2010, Xi'an Branch organized almost 40 employees as representatives to visit the Return Research Institute's Children Village, a Shaanxi Province-based public welfare charity, which is committed to helping take care and bring up criminals' minor children without custodians. Supplies worth a total of RMB110,000 were donated to the charity. In extending their care, participating employees became deeply aware of how valuable family harmony and harmonious teams could be.

On December 23, 2010, Changde Branch held its opening ceremony based on the principle of thrift and simplicity and donated budget savings of RMB200,000 to Changde Education Bureau and Changde Civil Affairs Bureau, in an effort to support local education and initiatives to help handicapped people.



On February 9, 2010, Hohhot Branch held a low-key opening ceremony and donated budget savings to remote pastoral areas, addressing power supply needs of local nomads. At the opening ceremony, Hohhot Branch donated RMB200,000 to poverty-stricken nomads in Xilin Gol League Zhenglan Banner, bringing the total donations to RMB500,000 in three years.

On April 19, 2010, Changchun Branch held a simplistic opening ceremony and donated budget balance of RMB200,000 to help poverty-stricken workers in Changchun City.

On April 16, 2010, Jining Branch, at its opening ceremony, donated RMB100,000 to Jining School for the Blind.

## Being Committed to the Public Welfare

As a corporate citizen, the Bank has actively taken on CSR and obligations by participating in various social welfare activities, thus enhancing its public image and corporate competitiveness. In 2010, the Bank donated a total of RMB64 million in charitable activities.

### Caring for Disaster-hit Areas

Helping those in need is a traditional Chinese virtue, as the saying goes, "When difficulties arise in one place, aid comes from everywhere." As the wealth of enterprises comes from the society, giving back to society in an appropriate manner is a social responsibility that enterprises should take on. In 2010, the Bank actively participated in social charity through a variety of ways, including raising funds to aid disaster-hit areas, donations, and charity, paying back to the society with practical actions while fulfilling the obligations as a corporate citizen.

On April 14, 2010, Yushu County, Yushu Tibetan Autonomous Prefecture, Qinghai Province, was hit by an earthquake. Employees of Industrial Bank were very concerned with the disaster's impact on local people. The Bank actively responded to the call of the CPC Central Committee by donating RMB15 million at a fundraising



event jointly organized by the Central Propaganda Department, the Ministry of Civil Affairs, the State Administration of Radio, Film, and Television, and the Red Cross Society of China and sponsored by the China Central Television. The donation amount was the highest among commercial banks participating in the event. Meanwhile, the Bank also launched an initiative calling for its employees to "Donate one day salary" to help people affected by the disaster tide over the difficulty and rebuild their homes as soon as possible. As of April 26, donations from the head office reached RMB576,568.2 and donations from branches reached RMB4,779,369.34, totaling RMB5,355,937.54. Meanwhile, the Bank also launched financial services as part of its support to emergency relief efforts, quickly opening up a green channel for disaster relief donations. Customers could make their donations to the Ministry of Civil Affairs, Red Cross Society of China, Chinese Red Cross Foundation, and China Charity Federation through our online banking and mobile banking services, with related wire transfer fees exempt.

In June 2010, Fujian province, where the Bank's head office is located, was hard hit by ultra heavy rainfalls. The Bank immediately mobilized its staff to carry forward the spirits of "When difficulties arise in one place, aid comes from everywhere". A total of RMB1 million including employee contribution was donated to the affected areas through Fujian Provincial Charity Federation.

On July 16, 2010, South Shaanxi was hit by the largest flood in a century. Furthermore, the flood also triggered secondary disasters including flash floods, landslides, and mudslides, resulting in huge losses of life and property. In an effort to support local disaster relief efforts and help local people tide over difficult times, Xi'an Branch donated RMB500,000 to the disasterhit areas.

On August 8, 2010, Zhouqu County of Gansu Province was hit by ultra large flush floods and landslides triggered by strong torrential rains, which led to serious casualties and economic loss. In an effort to help local people restore production activities and rebuild home, employees of Industrial Bank donated cash and household supplies.



In early 2010, China's southwest region was hit by severe drought rarely seen in history, which greatly affected local production and people's living. Nanning Branch and Ningbo Branch actively organized and mobilized its employees, who are members of the Communist Youth League, to join the fight against drought and disaster relief efforts. Donations were made to residents in the disaster-hit areas as the Bank's efforts in helping local people. 10 employees at Nanning Branch also made field visits to villages hard-hit by the disaster and built reservoirs with local residents affected by the drought.

On August 20, 2010, Nantong Branch under Nanjing Branch cosponsored a charity auction fund-raising event "Wings of Dream - Industrial Bank Soiree" at Nantong Emma Sports Exhibition Center with Nantong City Chongchuan District Youth League and Nantong Shipping College, paying homage to Nantong native Zhao Xiaoting (a college sophomore who lost life in landslides when delivering educational aid services in Yunnan Province). The charity auction helped raise a total donation of RMB19,305, which was delivered to Zhao's poverty-stricken parents.

## Actively Organizing of Volunteer Activities



On March 13, 2010, Jinan Branch participated in the "Match Paradise" tree planting event initiated by Lushi Media, claiming the donation of more than 1,000 tree seedlings. In addition to the funds for the purchase of seedlings, the Bank offered the remaining funds to the charity fund named "Match Paradise" initiated by Jinan-based Vision Weekly and Shandong Radio & TV Guide, which is committed to helping mentally retarded, orphans, handicapped children, and vulnerable groups in Jinan City.





In June 2010, as a gesture of good wishes to students sitting the college entrance exams and a tradition of respecting teachers, the Communist Youth League at the Bank's head office and Fuzhou No.1 Middle School's Communist Youth League jointly set up a "service station", offering free beverages as well as pens, shade curtains, and heatstroke drugs to students, parents, and teachers.



In April 2010, volunteers from the Communist Youth League at Hefei Branch actively participated in a social welfare initiative. They visited Hefei Martyrs Cemetery and Shushan Forest Park to pick up litters, in a bid to protect environment there. They also distributed mineral water bottles for free to other visitors having mountaineering activities, which had good social repercussions.





# Globalization

- ◎ Actively Involving in Sustainable Financial Development in the World
- ◎ Enhancing Information Exchanges with NGOs through Dialogue

Involved in Exploring Sustainable Development Path for China's banking Sector, Which Allows the Banking sector to Play a Role in China's Sustainable Development

February 1-3, 2010

The Bank was invited to attend the workshop training sessions on risk management and business innovations for sustainable development of the Banking sector jointly organized by the CBRC and the IFC, and share our experience at the event;

March 12, 2010

The Bank was invited to participate in the field research project on low-carbon finance and China's strategic transformation, which was organized by the Institute of Strategic Studies of the Party School under the CPC Central committee;

April 2010

The Bank was invited to participate in opinion solicitation for the Guide on Green Credit for Steel Industry developed by the Policy Research Center for Environment and Economy, Ministry of Environmental Protection;

May 2010

Mr. Tang Bin, the Bank's Director and Board Secretary, was invited to participate in the Capital Market Innovation Forum organized by the Shanghai Stock Exchange and deliver a keynote speech on Industrial Bank's adoption of the Equator Principles and practice of social responsibilities;

June 30-July 1, 2010

The Bank was invited to attend the Workshop on Social Responsibility Work in China's Banking Sector organized by CBA, offering opinions and suggestions on compilation of the Social Responsibility Report for China's Banking Industry;

July 23, 2010

The Bank was invited to attend the workshop on the compilation of Green Credit Annual Report organized by the Policy Research Center for Environment and Economy, Ministry of Environmental Protection;

August 2010

Mr. Tang Bin, the Bank's Director and Board Secretary, was invited to participate in Banking Bankers Forum 2010 - the Conference on Post-crisis Restructuring of Banking Sector and Release of Report on Competitiveness Assessment of Commercial Banks in China 2010, which was sponsored by the Chinese Banker Publishing House. At the event, he delivered a keynote speech with the theme of "green philosophy and banking business model innovations";

September 9-10, 2010

The Bank was invited to attend the training workshop on sustainable banking jointly organized by the Policy Research Center for Environment and Economy, Ministry of Environmental Protection and Sichuan Banking Regulatory Commission, and share our experience;

November 4, 2010

The Bank was invited to attend training workshop on money and credit and financial research organized by Zhejiang Branch, People's Bank of China, and share our experience in sustainable finance;

November 30, 2010

Mr. Hua Bing, General Manager for Legal and Compliance Department, was invited to participate in the workshop on green credit practices of both domestic and foreign banks organized by the CBRC and share Industrial Bank's practices and exploration in sustainable development.

Expand Channels for Interbank Communication and Enhance Global Consensus on Sustainable Finance

February 1, 2010

Mr. Li Renjie, the President of the Bank was invited to have exchanges with Ms. Karin Finkelston, Director, EAP of IFC, on topics including enhancing banks' innovation capacity in developing sustainable financial products and cooperation on financing for Equator Principles Financial Institution projects;

April 2010

The Bank's executives shared experience in implementing the Equator Principles with visiting CITIC Bank executives;

June 2, 2010

Mr. Kang Yukun, Vice President of the Bank, was invited to have exchanges with Mr. Paul Smith, Group Chief Risk Officer of Standard Bank of South Africa concerning the development of environmental and social risk management systems for banks and reached consensus on the adoption of the Equator Principles in emerging market countries;

Early June 2010

Mr. Hua Bing, General Manager for Legal and Compliance Department, was invited to participate in annual meetings on the Equator Principles held in the U.S. and the annual workshop conference organized by the IFC;

July 21, 2010

The Bank was invited to join a conference call with the Sustainable Development Office of Mizuho Corporate Bank in Japan, discussing the promotion of the Equator Principles in China;

October 26, 2010

Mr. Hua Bing, General Manager for Legal and Compliance Department, was invited to participate in the "Interbank Platform Cooperation Forum and Strategy Seminar on Sustainable Development of Chinese Commercial Banks 2010". Mr. Hua gave a presentation on the Bank's philosophy and practice concerning sustainable finance, emphasizing that the Equator Principles and green finance are the best path for the sustainable development of the Banking sector;

November 2010

Mr. Tang Bin, the Bank's Director and Board Secretary (second from the right), was invited to participate in "Global Sustainable Leaders Forum 2010" and delivered a keynote speech on Industrial Bank's practices in seeking sustainable finance.



Actively Involving in Sustainable Financial Development in the World

It is our consistent goal to support sustainable development of our clients, take the initiative to promote the concept of sustainable finance to more stakeholders, and improve and enhance social and environmental benefits by giving full play to the advantage of financial leverage.



## Enhancing Information Exchanges with NGOs through Dialogue

2010

The Bank continued its dialogue with non-governmental organizations including the World Wildlife Fund (WWF), Banktrack, Friends of the Earth, and Green Watershed;

May 14-28, 2010

The Bank was invited to send representatives to participate in WWF's African study tours, learning about the environmental and social risk management systems of relevant countries and advanced international experience in review and approval of project environmental and social risk assessment;



2010

The Bank continued to focus on assessment and reporting concerning Industrial Bank by non-governmental organizations (NGOs). For instance, the Bank was invited to provide analysis and feedback to Banktrack's assessment report -- Narrow the gap, as well as relevant information resources; The Bank was also invited to offer information communication and feedback to Green Watershed's Environment Records of Chinese Banking Sector 2010; The Bank also continued to pay attention to the Friends of the Earth's Brief on China's Sustainable Finance.

## Participating in the Development of International Standards and Voice the Propositions of China's banking Sector

2010

The Bank actively participated in the review and revision of the Equator Principles Performance Standards and guidance instructions, and was invited to offer revision suggestions on the Performance Standards and guidance instructions;

November 2010

Mr. Hua Bing, General Manager for Legal and Compliance Department, was elected to the GRI Stakeholders Committee, and he has started to perform his duties as a committee member since January 1, 2011, and has been actively involved in the revisions of the G3 framework;

December 1-2, 2010

The Bank was invited to participate in the Equator Principles Strategy Seminar held by Equator Principles Steering Committee, discussing strategies for the development of the Equator Principles over the next five years. The Bank offered comments and suggestions in line with China's unique national conditions.

## Promoting the Concept of Sustainable Development and Green Living through Media Platforms

April 17, 2010

Mr. Tang Bin, the Bank's Director and Board Secretary, was invited to participate in the "10th Anniversary of Finance and Financial Management MBA Tsinghua University - Chinese University of Hong Kong" series of events. He delivered a keynote speech named "Turn the green into gold: promote sustainable development through financial innovations - Industrial Bank's Case";

2010

The Bank introduced the philosophy about "Equator Principles" and "Green Finance" in its ad aired by China Central Television, thereby widely raising public awareness;

June 3, 2010

The Bank was invited to attend the "Green Competitiveness Marketing Seminar" sponsored by Sohu's green channel;

August 2010

The Bank was invited to accept Fujian TV's interview, introducing the Bank's efforts in the field of green finance and promote lowcarbon life philosophy among the public;

December 3, 2010

The Bank won the Twenty-first Century Media's "Best Chinese Corporate Citizen Award" for the fourth consecutive time.

# Practice

© Industrial Bank's Implementation  
of the Equator Principles





# Industrial Bank's Implementation of the Equator Principles

## Improving the Equator Principles Management System

### The Content and Significance of the Equator Principles



As a set of internationally advanced tools and industry benchmarks for environmental and social risk management concerning project financing, the Equator Principles were launched in 2003 and named in line with the goal of "Coordinating interests between North and South and balancing global interests". So far, a total of 70 leading financial institutions on five continents have adopted and implemented the Equator Principles. The Equator Principles emphasize the management of project financings in different categories in line with potential environmental and social risks and impact. Meanwhile, environmental and social risk review at different levels will be carried out for different projects in line with the varying degrees of risks. On this basis, borrowers will be required to develop an Action Plan against the risks and include it into the loan contract. In addition, the Equator Principles also stresses that a lender should implement continued monitoring over project construction and operations after extending a loan and disclose the Bank's implementation of the Equator Principles regularly.

The Bank believes that the sustainable development is a comprehensive concept covering economy, society, culture, technologies, and natural environment, with its implementation requiring concerted efforts of multiple parties including the government, enterprises, social organizations, and the public. Only by involving more stakeholders and advance the tools for sustainable development with more practical methodologies could the Equator Principles gain wider recognition. The Equator Principles are widely used due to the sound environmental and social risk management system as well as an in-depth focus and full-range involvement in the clients' environmental and social performance.

#### The significance of the Equator Principles for various stakeholders :

Borrower	Economy and Society	Environment and Community	Financial Institutions
Assist in improving the environmental and social performance management system.	Set global benchmarks for environmental and social risk management of financing projects.	Protect the natural environment.	Enhance professional innovation capacity and risk prevention, thus achieving sustainable development.
Enhance the degree of recognition from international organizations.	Reduce and mitigate environmental and social risks for underlying projects.	Improve community ecological and cultural environment.	Promote the practice of social responsibility and enhance brand value.
Reduce policy and operational risks.	Facilitate more efficient allocation of financial resources.	Improve working conditions.	Push ahead business restructuring and changes in profit model.
Enhance the comprehensive competitiveness of companies and promote sustainable development.	Promotion economic restructuring and changes in economic growth mode.	Promote community economic growth.	Integration into the international financial markets.

## The Bank's development milestones concerning the Equator Principles

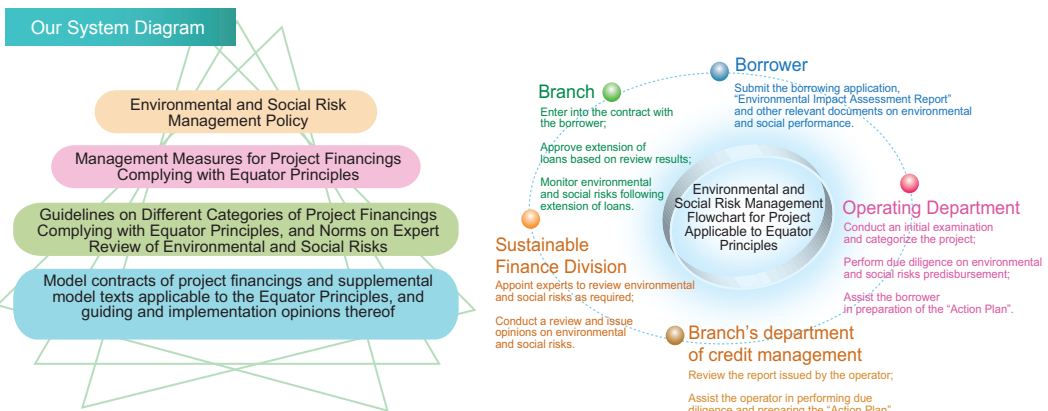
Direction set by decision-makers	On June 28, 2008, the Board of Directors unanimously approved the Bank's Proposal on Applying for Participation in the Equator Principles.
Implementation of the senior management	On July 17, 2008, the Bank established its Equator Principles work leading group headed by Mr. Gao Jianping, Chairman of the Bank, with members including President Li Renjie, Vice Presidents Kang Yukun, Chen Dekang, Jiang Yunming, and Lin Zhangyi, as well as Mr. Tang Bin, the Bank's Director and Board Secretary. Furthermore, the Company also set an additional sustainable finance office under its Legal and Compliance Department.
Involved in exploration efforts for a path towards sustainable development of the Banking industry	During September 17-19, 2008, the Bank assisted CBRC to organize the training sessions on credit extension to energy conservation and emission reduction projects.
Announcement of its official adoption	On October 31, 2008, the Bank held a press conference in Beijing, officially committing itself to the adoption of the Equator Principles in public and becoming China's first "Equator Principles Financial Institution".
Recognition on national level	In December 2008, at the 5th China-U.S. Strategic Economic Dialogue, both sides expressed welcome to the Bank's adoption of the Equator Principles.
Participation by the entire management of the Bank	During December 18-19, 2008, the Bank held its first "Equator Principles Seminar" for the entire management, discussing the Equator Principles and its implementation work at the Bank.
Knowledge dissemination across the Bank	In May 2009, the Bank published the manual Interpretation of the Equator Principles, in an effort to promote knowledge about the Equator Principles across the Bank and improve the Bank staff's awareness of the Equator Principles.
System development	In 2009, the Bank published a series of management systems for project financing in compliance with the Equator Principles, initially completing the building of its Equator Principles system.
A PR window building	In July 2009, the "sustainable finance" column was included into the Bank's website, as a window for the Bank to promote sustainable finance externally.
Spreading the Equator Principles to emerging markets	On August 14, 2009, the Bank held exchanges on the practice of Equator Principles with the visiting Vietnamese green credit delegation.
Comprehensive dialogue with NGOs	In December 2009, the Bank was invited to participate in the Workshop on NGOs' Participation in Promoting Green Credit. At the event, the Bank had exchanges with 34 foreign and domestic NGOs.
First project launched	On December 22, 2009, the Bank held a ceremony and news conference for the first project complying with the Equator Principles in the Chinese banking sector in Yong'an City, Fujian Province, announcing the official launch of the project that complied with the Equator Principles.
Optimization of the system	In the second half of 2010, the Bank carried out assessment over the implementation results of the Equator Principles system and optimized adjustments.
Review	At the end of 2010, the Bank carried out "Branch Review Survey Marking the First Anniversary of the Implementation of the Equator Principles" among selected key branches that have implemented the Equator Principles, fully assessing the implementation of the Equator Principles.
Electronic Process Development	In January 2011, the Bank completed the development and launch of the electronic process -- "environmental and social risk management module", effectively enhancing its environmental and social risk management and efficiency.

# The Bank's Management Mode and System for the Equator Principles

## The Bank's Organizational Framework for the Work Concerning the Equator Principles

To enhance the efficiency and professionalism of sustainable financial work, the Bank has set up a special division to strengthen the organizational planning, coordination and facilitation, as well as operations for sustainable finance. In July 2008, the Bank established a leadership group consisting of directors of the board and executives, which has been fully in charge of strategic and overall planning for the Bank's development of sustainable finance, thus strengthening the organizational coordination and facilitation of sustainable finance in a top-down approach. The Bank also established a sustainable finance office as the office of the leader group, which has been in charge of the overall implementation of the Equator Principles. Meanwhile, the Bank designed an independent 2-level review and approval system for environmental and social risk management, which consists of "functional departments for sustainable finance at branches - the sustainable finance office at head office". Under the system, the Bank set up functional departments for sustainable finance at branches, which are in charge of environmental and social risk management work including the Equator Principles on branch level.

## The Bank's Environmental and Social Risk Management System for Projects Complying with the Equator Principles



## Footprints Concerning the Equator Principles in 2010

2010 marked the second year for the Bank to implement the Equator Principles. The Bank's priority is to fully draw on earlier trial experience and organized continued process improvements in line with the implementation results by branches and the head office, thus improving efficiency in a sustained fashion, while further pushing ahead the implementation of the Equator Principles. The Bank also focuses on effectively managing and controlling environmental and social risks for project financing and gradually refines and expands the concept and practice of sustainable finance based on such efforts.

To this end, under the leadership of the Board of Directors and senior management, the Bank has carried out rebuilding efforts targeting organization, processes and capabilities while turning the concept of the Equator Principles into practices. By integrating the scientific and practical aspects of its environmental and social risk management system, as well as management areas, processes and cycles into the Bank's operations and products, the Bank has enriched and beefed up its green finance brand while effectively managing risks. In addition, the Bank has also further explored its green business model and comprehensive rebuilding of its business processes.



Continue to strengthen guidance on the management level, improve efficiency in implementation of the Equator Principles

Step up in-house training and hands-on training projects at various branches ; Facilitate common understanding; Basically complete the building of organizational structure and system.

Focus on information gathering and communication between branches and the head office; Carry out various forms of field research over priorities and challenges in the implementation of the Equator Principles.

Continue to carry out reviews of environmental and social risks for project financings complying with the Equator Principles and bolster the sustainable development of financial services at branches.



Explore the best localized practices for projects complying with the Equator Principles



Prepare project cases and tutorials for training sessions, which will help further enhance operational performance at all levels at the Bank.

Take project review as an opportunity to co-ordinate resources at both local branches and the head office, enhance guidance for projects at branches, strengthen the interactive working mode between local branches and the head office, including provision of comprehensive advisory services for the Bank's branches, development of tracking service plans for project identified as complying with the Equator Principles, and especially the field research and hands-on training (By sending staff from both the head office and branches to the site of specific projects). Meanwhile, based on field research for projects, gradually increase client awareness and acceptance of the Equator Principles and sustainable finance on three levels covering the head office, local branches, and bank outlets. In the picture, Mr. Hua Bing, General Manager of the Legal and Compliance Department (front row, second from the left), leads the team to the site of the project for field research.



Electronic management of workflow

Develop and build "environmental and social risk management module", thus enhancing the level and efficiency in environmental and social risk management.

Implement measures including regularly publishing work briefs, updating and maintaining the "sustainable finance" page on the official website, and compiling the Sustainable Development Report, thus fully enhancing the comprehensive capacity building in internal environment and social risk management in a top-down manner.

Strengthen environmental and social risk monitoring in post-loan management and timely implement precautionary warning.

Strengthen the publicity of the concept and further enhance awareness of environmental and social risk management



# Promoting the Equator Principles Projects

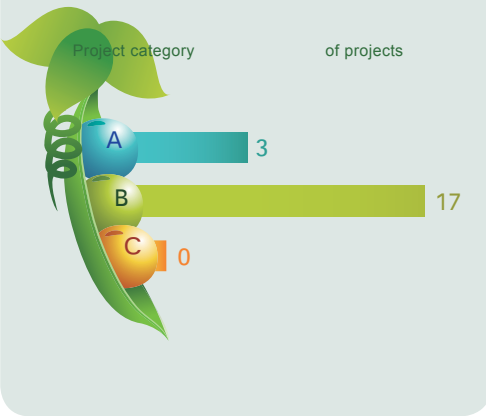
## Data of the Bank's Equator Principles-applicable Projects

As of December 31, 2010, the Bank reviewed 577 loans (with RMB600 billion in total amount) using the Equator Principles. Among them, 75 loans (with RMB99.365 billion in total amount) were deemed to be applicable, covering 74 customers. 20 of the 75 loans were already issued by 13 of its branches. The detailed project status info is listed in the table below:

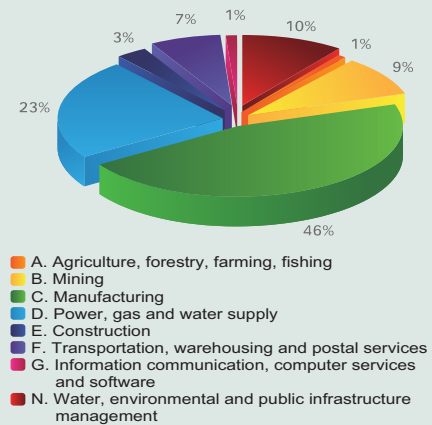
The status of the Equator Principles-applicable Projects by the Industrial Bank (as of December 31, 2010 )

Stages	Preliminary review stage	Due diligence stage	Project review stage	Loans issued	Total
#of projects	16	35	4	20	75
Total loans (Unit: RMB100million)	384.41	313.48	54.94	240.82	993.65

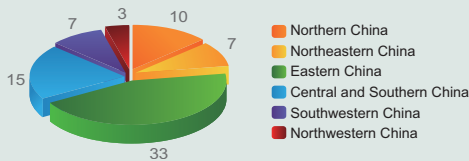
Table of the Equator Principles-applicable projects already funded by Industrial Bank (as of December 31, 2010 )



Industry distribution of the Equator Principles-applicable projects by Industrial Bank (as of December 31, 2010 )



Regional distribution of the Equator Principles-applicable projects by Industrial Bank (as of December 31, 2010 )



(Northern China: Beijing, Tianjin, Shanxi; Northeastern China: Liaoning, Heilongjiang, Dalian; Eastern China: Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi, Shandong, Ningbo, Xiamen and Qingdao; Central and Southern China: Henan, Hubei, Hunan, Guangdong, Guangxi, Shenzhen; Southwestern China: Chongqing, Sichuan, Yunnan; Northwestern China: Shaanxi and Xinjiang)

## Equator Principles-applicable Case Studies :

Win-win between banks and enterprises with high interest alignment – Shanxi Qiangwei Paper Co. 's new factory with 300K-tonne annual plasterboard surface paper capacity (Phase I)

### Basic project information

Shanxi Qiangwei Paper Co. Ltd. ("Qiangwei Paper")'s plasterboard surface paper project is located at the Shouyang Industrial Park in Shanxi Province. Occupying 210km<sup>2</sup> of land, the project was to build two plasterboard surface paper production lines with complementary wastewater treatment facility, boiler rooms, raw materials and finished goods warehouses as well as office, residence and other facilities. As a large-scale paper production project in Shanxi Province, the total investment was over RMB800 million, over RMB70 million of which was earmarked for environmental protection equipment.

The project implemented strict measures for water conservation and pollution control, by purchasing advanced equipment and technologies as well as integrating with the surrounding infrastructure. Such efforts not only helped improve the client's competitiveness and sustainability, but also drove the economic growth of the surrounding regions, thereby exerting strong positive economic and social impacts.

The Bank's due diligence process to evaluate the project's environmental and social risks using the Equator Principles :

#### Project sales stage:

The Bank chose environmentally friendly projects and companies to focus its sales efforts. Qiangwei Paper thoroughly considered clean production and energy recycling during the design stage and has invested considerable human and financial resources in environmental protection.

#### Preliminary review stage:

The Bank classified projects by the extent of their environmental and social impacts (using criteria such as environmental and social sensitivity of the related industry and region, project KPIs, possible environmental and social risks, e.g. environmental and social management systems, labor and working conditions, pollution prevention and control, community health and safety, etc.). This project was classified as a B category project.

#### Due diligence stage:

The Bank hired a third-party evaluation entity to carry out the project's environmental and social due diligence work before the loans were issued. The Bank also helped the Company design an implementable and measurable "Action Plan", including 20 measures such as setting up a social and environmental management system, preparing a "job-related disease control evaluation report", formulating environmental, health and safety management manuals for accident pool management, chemical product storage and community health and safety impacts, etc.

#### Environmental and social risk evaluation stage:

The Bank found environmental and social risks such as issues with the job-related disease evaluation process, radioactive equipment registration, accident pool capacity, outsourcing partner management and community communications. Solutions were then worked out accordingly.

#### Contract signing stage:

The Bank included the "Action Plan" and the related environmental and social risk management requirements in the contract and asked the Company to complete the actions within the deadline.

#### Post-issuance monitoring stage:

The Bank carries out the quarterly review of the implementation efficiency of the "Action Plan" and major environmental and social risks.

### Environmental improvement

Plasterboard surface paper is made using imported (from the US) and domestic waste paper;  
The waste water generated from the manufacturing process is treated and then used in urban cleaning and watering applications;  
The methane generated from the waste water treatment process is used for power generation using the factory's own power generators;  
The heat used in the paper dehydrating process is the extra heat generated by the power generators;  
Desulfurated plaster, the byproduct from power generators' flue gas desulfuration process, is sold to the upstream plasterboard makers as raw materials;  
By using the world-leading technologies and equipments, standard coal consumption is reduced by 134.4k tonnes annually, CO<sub>2</sub> emission is reduced by 330k tonnes annually, waste paper utilization is 370k tonnes annually, and the waste rock utilization is 272k tonnes annually.

### Company management improvement

Setup the environmental and social risk evaluation and management system;  
Optimized the job-related safety and pollution prevention mechanisms;  
Improved the balance with community interests and built a healthy communication mechanism with the communities.

### Social benefits

Support level of surrounding communities reached 92.6%;  
Hired a number of local residents to solve their livelihood and employment problems.

### Project achievement- interests of banks and companies were highly aligned

- Same philosophy: companies with sustainable future have to pay attention to environmental protection and their social responsibilities.
- Aligned targets: the Equator Principles are banks' key considerations for companies' long-term future.
- Rich help: gradually improved the project's environmental and social issues according to the "Action Plan" to help the client and the project to achieve sustainable development.
- Win-win: as company management improves and stable long-term development is secured, bank's risks are also lowered – a "win-win" for both parties.

"As a paper manufacturer with special focus on pollution emissions, we share the sustainable development principles with the Industrial Bank – the Equator Principles are for companies' long-term development and are important tools for banks and companies to achieve win-win."

"Industrial Banks' environmental and social risk due diligence was an eye opener for us – we will strictly follow the 'Action Plan' to gradually resolve our environmental and social issues and to achieve sustainable development for our company and the project."

—Mr. Jia Ziyun, Chairman of Shanxi Qiangwei Paper Co. Ltd.

"Special understanding" with the consortium loan – Anhui Ruizhan (Tongling) Technology Co. Ltd. 's engine factory with 100k units annual capacity

### Basic project information

Anhui Ruizhan (Tongling) Technology Co. Ltd. 's engine factory with 100k units annual capacity ("Ruizhan project") focuses on auto engine cylinder blocks and heads deep-processing, using imported Euro-IV compatible technologies and equipment. The project was to build machinery processing facilities, assembly and testing facilities as well as other supporting functions. The project is largely consistent with Tongling City's auto industry development plan and its overall plan for economic/social development and industry structure transitioning towards a resource-conserving city. Leveraging its parent's strong capital capacity, the client imported key intellectual properties and manufacturing technologies from the world's leading auto makers. Taking advantage of Tongling City's industrial resources, rich natural and labor resources, as well as other complementary capabilities, the client (with relatively small investment) can utilize a large amount of existing assets to transform the old industrial base into new industrialized value chain and thereby upgrading Tongling City's industry structure and increasing its industry diversity to help the city become a energy-conserving city through scientific and quantum development.



Ruizhan project's challenges: as one of the banks in the consortium, how to ensure that the client follows the Equator Principles ?

- Condition: project owners had deep understanding of sustainable development.
- Direction: pushed banks and companies to achieve agreement regarding Equator Principles' content and ideas, by improving support capabilities and solution quality.
- Key focus: introduced third-party experts to help the client design an implementable and measurable "Action Plan", and guided the client to timely and proactively understand the issues and ensure professional operations.
- Positive results: as one of the banks in the consortium, the Bank got the client's understanding and support, and the client was fully cooperative during the third-party due diligence process.

"The Equator Principles are an important tool for banks to promote the sustainable finance concept and also an opportunity for companies to achieve professional management."

—Mr. Zheng Li, CFO of Ruizhan

Understanding the Equator Principles' deeper value - Jiexiu City Yuye Coal Preparation Co. Ltd. 's coal preparation factory with 3m tonnes annual capacity

Basic project information

Jiexiu City Yuye Coal Preparation Co.'s 3 million tonnes/year factory ("Yuye Coal Preparation project") is located in Jiexiu City in Jinzhong City of Shanxi province. The project mainly included main product facility, raw coal storage, waste rock storage, intermediary coal storage, silt coal storage, cleaned coal storage and other complementary facilities. According to Jiexiu City's plan, the location is the industrial park tailored for coal carbonization and coal chemical industries.

Fully understood third-party's environmental and social risk due diligence report and dug deep the value of the Equator Principles

Banks :

- Through third-party professional consulting companies, the Bank fully searched and analyzed the related project's environmental and social track record, making up the missed or omitted info during its previous in-house evaluation due to its lack of professionalism in this area.
- Optimized its project approval and monitoring process by providing key focus targets.

Customers :

- Increased its ability to recognize environmental and social risks: third-party reports identified risks and provided solutions in areas such as regulatory approval, construction safety, employee rights and land usage, etc.
- Through the introduction of the international standards in the Equator Principles, an objective environmental and social KPI was established and companies could compare themselves with global standards to easily find gaps.
- Provided a complete "Action Plan" as the guidance for companies' environmental and social KPI management.



"As the first Equator Principles-applicable project in Shanxi, we changed from complete unacceptance to full support through a management philosophy upgrade and transition. A series of diligence and evaluation, such as energy conservation, environmental protection and employee cares, were an inspection and optimization process for our internal management, helping us better pursue sustainable development. We will continue to work with Industrial Bank to pursue a win-win based on the principles of people-orientation and harmonious development. "

—Mr. Zhao Haibing, Chairman of the Jiexiu City Coal Preparation Co.

## Improved Capabilities Based on the Equator Principles

According to Equator Principles Financial Institutions' experience and practice, the resources lacking the most during the adoption process are the experts with strong capabilities in environmental and social risk management. As a result, building internal capabilities has always been the foundation for the Bank to build sustainable finance. In 2010, through comprehensive development in mechanisms, channels and content, its internal capabilities have achieved substantial improvement.

### Setup Training System

By December 31, 2010, the Bank had carried out nearly 100 training sessions on the Equator Principles. The training covered a wide range of topics, from management concept to execution capabilities, from system optimization at the HQs level to process optimization at the branch level, from case studies for key branches to concept introduction for new branches and institutions (e.g. Industrial Bank Financial Leasing Co.,Ltd.), from theoretical training to on-site learning, and from publishing the "Equator Principles Update" to constant updating of the "Sustainable Finance" channel on the Bank's website. According to different demands from the head office and branches, the Bank has established multi-tiered and multi-channel training system for concept education and capability building. A training system that fits its sustainable development goals has been developed to improve its environmental and social risk management capabilities. In the picture, Mr. Hua Bing, General Manager of the Legal and Compliance Department, is conducting special training on the Equator Principles to the Industrial Bank Financial Leasing Co.



In 2010, the number of page view on the "Sustainability" section on the Bank's website has reached 200,000 more than each month. At the end of 2010, the page view has been over 1 million times. The "Sustainability" section has become one of sections on this website with the highest page view.



Various training sessions for the Bank (as of December 31, 2010 )

Entity	Training methods	# of sessions	# of people trained
HQs	Internal training(for the head office)	5	85
	Internal training (for branches)	10	709
	On-site training	10	212
	Online training	Posted online 6 applicable projects' materials.	
Branches	Internal training	36	6,695
	Internal exam	2	677
	On-site visits	19	1,047
	Online training	Jinan Branch organized the materials (basic knowledge, systems and processes) and uploaded on its training website for all employees to access.	

## Emphasized Information Communication between HQs and Branches

### On-site Face-to-face Surveys with Branches



At the end of 2010, as a key component of its "strengthening execution capabilities and promoting new development" initiative, the Bank chose a number of key branches to carry out the "Anniversary review of the implementation of the Equator Principles". The survey, led by Mr. Kang Yukun (second from the left), Vice President of the Bank, was aimed to understand the implementation status at branches as well as the issues and difficulties encountered so as to lay the foundation for further expansion and HQs-branch interactions. In addition, the survey was also designed to help achieve consensus with project owners regarding the concept of Equator Principles and sustainable development.

### Strengthened Business Guidance and Communication While Inspecting Projects

Leveraging the full-cycle management advantage of the Equator Principles, HQs' sustainable finance office started to engage from the preliminary evaluation stage via consulting and guidance. Specific experts were assigned to follow up the projects throughout the identification, classification and evaluation process – a HQs-branch interactive working model has been established. During the environmental and social risk due diligence stage, the experts were dispatched to conduct on-site inspection and training. Through these experts, complete communication was facilitated among the three levels within the bank (HQs, provincial branches and local branches) and the project owners. Through the information communication mechanism, local branches' operational capabilities were enhanced and the bank's overall Equator Principles system structure and execution capabilities were improved.

### Consolidating Bank-wide Information Semi-annually

To comprehensively monitor the implementation of the Equator Principles, the Bank consolidated related information bank-wide on a semi-annual basis, with main focus on related organizational structure, people allocation situations, internal processes, main issues and solutions, internal training as well as customer communications and feedback.



### External Comments

- "Industrial Bank's disclosure of the Equator Principles transactions is far better than other banks', and this is the transparency that all compliant banks should follow and many NGOs would like to see." (Abstract from Friends of Earth (FOE) 's "Sustainable Finance in China" Newsletter # 7, Feb 2010)
- "Leveraging the reputation as the first Equator Principles-compliant bank in China and its optimizing product portfolio, the Industrial Bank may become the green finance leader in the low-carbon era." (Abstract from Energy magazine's "Make Banks Greener" by Wang Rui, No. 6 in 2010)
- "As the first Chinese bank to be compliant with the 'Equator Principles', the Industrial Bank has pioneered the green finance innovation in the Chinese banking industry in recent years and become an icon as the 'green finance herald'." (Abstract from Southern Metropolis Daily's comments on the "Southern Metropolis low-carbon people of the year" campaign; September 9, 2010)
- "From specific projects' perspectives, the Equator Principles may bring some short-term pressure on Industrial Bank's profitability. But in the long run, the Equator Principles have indeed become a competitive advantage for the bank." (Abstract from China Economic Times' "Severe shortage in policy support to encourage green loans" by Guo Jinhui, December 16, 2010)
- "China's implementation of green credit policies has emerged in 3 levels (i.e. 3 tiers). The first tier banks, such as the Industrial Bank, have joined the "Equator Principles" organization..." (Abstract from China Environment Daily's "How can green credit become dark green? " by Ban Jian, December 27, 2010)

# Appendix

## Key Events of Industrial Bank's Sustainable Development (2010 )

- In January 2010, the first industry-specific e-commerce platform – Industrial energy trading center (<http://www.fjxycoal.com/>) went online. The industry e-commerce platform is the e-banking service we introduced to meet enterprise customers' demand for online trading and the exchange center's demand for capital monitoring.
- In January 2010 Beijing, together with China Beijing Environment Exchange, the Bank introduced the first low-carbon theme credit card in China – China low-carbon credit card. This was a new step for the Chinese banking industry to deal with global climate change and implement strategies for energy conservation and emission reduction. This was also a concrete step for Chinese consumers to experience low-carbon lifestyle – indicating that the high-end credit card users in China are starting to embrace green consumption and low-carbon lifestyle.
- In February 2010, the award ceremony of the 6th "China Baosteel Environmental Prize" was held at the Great Hall of the People in Beijing. The Bank, with the outstanding efforts in the sustainable finance and green loans areas, was awarded the "China Baosteel Environmental Outstanding Award", becoming the first financial institution to win this award.
- In February 2010 Fuzhou, the Bank signed strategic partnership agreement with Fujian SME Credit Re-guarantee Co. Ltd. According to the agreement, the Bank would provide the SME Credit Re-guarantee Co. up to RMB2 billion revolving credits and start a comprehensive partnership with Fujian SME Credit Re-guarantee Company to help SMEs secure financing. The two parties would jointly explore new SME financing guarantee models to resolve the bottleneck and manage credit risks – helping SMEs in the West Bank of the Strait region achieve rapid and healthy growth.
- In February 2010, Mr. Li Renjie, President of the Bank was invited to have exchanges with Ms. Karin Finkelston, Director, EAP of IFC, on topics including enhancing banks' innovation capacity in developing sustainable financial products and cooperation on financing for Equator Principles Financial Institution projects.
- In February 2010, Mr. Hua Bing, General Manager of the Bank's Legal and Compliance Department, was invited to deliver the key note speech to introduce the Bank's experience regarding Equator Principles at the "Risk Management and Commercial Innovation to Pursue Sustainable Development for the Banking Industry" seminar, co-hosted by CBRC and IFC.
- In March 2010, the Bank first introduced the client side service for the agent payment system in China, providing strong support for numerous town and village banks to break the payment settlement bottleneck to offer complete financial services. The expansion of this service will help expand financial service networks in the rural areas and accelerate product and service innovations for the rural market, thereby laying the solid foundation to continuously increase rural residents' income.
- In March 2010, Mr. Hua Bing, General Manager of the Bank's Legal and Compliance Department, was invited to the

opening ceremony of the "2010 China Business News – Love of Green" event and the "China Business News Summit Roundtable", both organized by China Business News. He also did a special interview with China Business News.

- At 8:30pm on March 27, 2010, the Bank's HQs, over 500 branches and over 20,000 employees nationwide participated in the "Earth Hour" environmental protection event. Lights in all buildings, offices and billboards at all locations were turned off simultaneously. This simple and direct action highlighted its commitment to energy conservation/emission reduction and low-carbon lifestyle.
- In March 2010, the Bank was invited to participate in Party School of the CPC Central Committee Strategy Research Institute's survey regarding "low-carbon finance and China's strategic transition study".
- In March 2010, to implement government policies to support SMEs and private economies, the Bank introduced "Xing Ye Tong", the first comprehensive financial solution in China tailor-designed for self-employed business owners, proprietary businesses, partnership companies and other private "growing enterprises". The solution covered a comprehensive set of financial solutions for growth companies, including loans, payment settlement, personal asset management and VIP services, to help growth companies setup a scientific financial plan to achieve growth in both wealth and quality of life.
- On 17 Apr 2010, Mr. Tang Bin, the Bank's Director and Board Secretary, was invited to deliver the keynote speech "Turning green into gold: promoting sustainable development through financial innovation – Industrial Bank's case studies" at the "10th Anniversary of the Tsinghua University – the Chinese University of Hong Kong finance MBA program" event.
- In Apr 2010, the Bank signed strategic partnership agreement with the Taiwan Investment and Business Association ("Taiwan Association") in Fujian province. This was the first of its kind between a national commercial bank and a provincial Taiwan Association, and it was another major measure to provide financial support to the "two advanced areas" in the West Bank of the Strait region.
- In May 2010, Mr. Tang Bin, the Bank's Director and Board Secretary, was invited to deliver a keynote speech on the Bank's practices in the Equator Principles and social responsibilities areas at the "Capital Market Innovation Forum" event organized by the Shanghai Securities Exchanges.
- In May 2010, one year after the State Council issued the "Opinions on supporting Fujian province to accelerate the development of the West Bank of the Strait economic zone", the Bank hosted a news conference in Fuzhou and announced the "Opinions on further integrating with and servicing the development of the West Bank of the Strait", which included the "RMB100 billion Plan" and "6 major projects", to position itself as a key force to fully integrate with and service the quantum-leap development of the West Bank of the Strait region.
- In May 2010, the Bank hosted the contract-signing ceremony in Yantai for the comprehensive strategic partnership agreement with the Evergrowing Bank (including the branch interchange and VIP portal cooperation agreements). The Bank's Vice President Mr. Jiang Yunming and Evergrowing Bank's Vice President Mr. Song Hengji signed the agreement on behalf of the two sides.
- In May 2010, Mr. Hua Bing, General Manager of the Bank's Legal and Compliance Department, was invited to attend CBRC Fujian branch's interactive regulation forum in Nanning. He shared the Bank's experiences in the Equator Principles and sustainable finance areas with CBRC representatives from all over China.
- In May 2010, the Bank was invited to send representatives to participate in WWF's African study tours, learning about the environmental and social risk management systems of relevant countries and advanced international experience in review and approval of project environmental and social risk assessment.
- In June 2010, the Bank announced the result of the stock follow-on offerings – the offerings were 99.25% subscribed, which was the highest ratio in the A-share market since 2008. The offerings were a major success.
- In June 2010, the Bank launched the "Open Sesame" plan to help SMEs grow and pursue stock market listing. The plan provides an integrated "one-stop-shop" solution with comprehensive, diversified, convenient and secure services to help SMEs grow.
- In June 2010, Mr. Kang Yukun, Vice President of the Bank, was invited to have exchanges with Mr. Paul Smith, Group Chief Risk Officer of Standard Bank of South Africa concerning the development of environmental and social risk management systems for banks and reached consensus on the adoption of the Equator Principles in emerging market countries.

- In June 2010, Mr. Hua Bing, General Manager of the Bank's Legal and Compliance Department, was invited to attend the annual Equator Principles conference and the annual learning conferences held by IFC in the US.
- In July 2010, Hang Seng Indexes Company Limited. announced "Hang Seng Corporate Sustainability Index Series". Through its consistent efforts and outstanding performance, the Bank was included in two indexes – the "Hang Seng (China A) Corporate Sustainability Index" and the "Hang Seng (Mainland and HK) Corporate Sustainability Index". In the "Hang Seng (China A) Corporate Sustainability Index", its weighting was the second largest at 10.32%.
- In August 2010, Mr. Tang Bin, the Bank's Director and Board Secretary, was invited to attend the "2010 China Banker Forum – Banking Industry Transitions in Post-Financial Crisis Era and 2010 China Commercial Bank Competitiveness Report Announcement" event hosted by the "Bankers" magazine. He delivered the keynote speech titled "Green concept and banks' business model innovations".
- In August 2010, the Bank held the bank-wide legal and compliance training classes in Xi'an. Its Vice President Mr. Kang Yukun gave an important speech, and an in-depth discussion was carried out among colleagues from the HQs and branches regarding hot topics in the compliance and sustainable development areas.
- In September 2010, the "Directors & Boards" magazine published an article titled "Sustainable finance: Industrial Bank's commercial logics", detailing the magazine's interviews with our Chairman, Mr. Gao Jianping, and other key management team members. The article also introduced our innovations in the sustainable finance concept and business models.
- In September 2010, Mr. Li Renjie, President of the Bank, was invited to attend the Global Finance Summit during the 6th Northeast Asia Expo, and he gave a keynote speech on the Bank's experience in implementing the Equator Principles and developing green finance.
- In September 2010, Mr. Li Renjie, President of the Bank, gave a speech at the First Global Low-carbon Finance Summit Forum and accepted the special interview by the 21st Century Business Herald newspaper. During the interview, he introduced the Bank's experience and practices in the green finance and low-carbon finance areas.
- In September 9-10 2010, the Bank was invited to attend the training workshop on sustainable banking jointly organized by the Policy Research Center for Environment and Economy, Ministry of Environmental Protection and Sichuan Banking Regulatory Commission, and share our experience.
- In September 2010, the Bank won the "Best Social Responsibility Award in the Banking and Insurance Industry" co-sponsored by Rankins CSR Ratings, Hexun and DNV. The Bank was also invited to share its practical experiences in implementing the Equator Principles at the roundtable discussions.
- In October 2010, the Bank organized the "2010 Interbank Platform Cooperation Forum and the Strategy Seminar for Sustainable Development of Chinese Commercial Banks". Surrounding the theme of commercial banks' sustainable development, the event allowed participants to share their experiments and experiences in building sustainable finance as well as to analyze the environment and trend of the commercial banking industry in the post-financial crisis era so as to promote the sustainable development of China's banking industry.
- In November 2010, the Bank held the contract-signing ceremony for the strategic partnership agreement with China Unicom in Fuzhou. Mr. Li Renjie, President of the Bank, Mr. Chen Dekang and Mr. Lin Zhangyi, Vice Presidents of the Bank, as well as China Unicom's COO Mr. Lu Yimin and EVP Mr. Jiang Zhengxin attended the ceremony. This event indicated that the two sides' partnership entered a brand new phase.
- In November 2010, Mr. Tang Bin, the Bank's Director and Board Secretary, was invited to attend the "Global Sustainable Development Leaders Summit 2010" and gave a keynote speech on the Bank's experiences in practicing sustainable finance.
- Mr. Hua Bing, General Manager of the Bank's Legal and Compliance Department, was elected as a member of GRI related party committee. He is the committee's only member from Asian financial institutions. He was also invited to come to Beijing in November 2010 to attend the first China GRI conference.
- In November 2010, Mr. Hua Bing, General Manager of the Bank's Legal and Compliance Department, was invited to attend the "China-Overseas Green Loans Experience Exchange Conference" held by CBRC, and he introduced the Bank's practices and experiments in the sustainable finance area.

- In December 2010, the Bank was invited to attend the series of meetings of the "Equator Principles' 5-year Strategic Planning Forum" held by the Equator Principles Association in Beijing.
- In November-December 2010, the Bank chose a number of key branches to carry out the "Anniversary review of the implementation of the Equator Principles" and comprehensively reviewed the status of the Bank's implementation work.
- In December 2010, the Bank signed partnership agreement with Fujian Province' Science and Technology Bureau in Fuzhou to jointly develop financial technologies and their industrialization platform to promote financial innovations and integration with technology innovations so as to support SMEs' growth in Fujian Province. According to the agreement, the Bank would use a number of comprehensive financial solutions (e.g. aggregate financing and credits, "Xing Ye Open Sesame" program, etc.) to provide priority support to science parks, technology companies and projects recommended by the Science and Technology Bureau. Through its efforts, the Bank aim to actively promote the commercialization of scientific research results and patents to promote the sustainable growth of the high-tech industry.

## Industrial Bank in the Eyes of the Public (2010 )

Jan 2010

On 15 Jan, 2010, the "National Enterprise Environmental Excellence Award" was awarded to the Bank by China Environment News to recognize its efforts and achievements in environmental protection, green credit and sustainable finance.

Feb 2010

On 2 Feb, 2010, the Bank won the "China Baosteel Environmental Excellence Award" in the appraisal of the sixth "China Baosteel Environment Award", becoming the only financial institution to receive this award.

Mar 2010

In Mar 2010, the Bank was awarded with "Category A Bank in Cashier Business Appraisal of Financial Institutions in Fujian Province" by PBOC Fuzhou Branch.

Apr 2010

In Apr 2010, the Bank was nominated for "Emerging Markets Sustainable Bank of the Year (Asia)" in the selection activity of "FT Sustainable Banking Award 2010" jointly held by the Financial Times (UK) and International Finance Corporation (IFC) again. The Bank is the only bank in China to have been nominated in the Sustainable Banking Awards for four consecutive years and to have been successful on two occasions, "Asian Sustainable Bank of the Year Award" and "Emerging Markets Sustainable Bank of the Year (Asia)".

#### May 2010

In May 2010, the low-carbon credit card of the Bank was awarded as “Top 10 Most Influential Franchises in the Sector” at 2010 The 1st Low-carbon Summit & Ceremony of Low-carbon consumption-China Influence.

In May 2010, according to the latest 2010 rankings of the world's Top 500 companies as compiled by the authoritative publication, the Financial Times, Industrial Bank ranked No. 282, making it into the top 300 with a total market cap of USD 27.044 billion, representing an increase of more than USD 10 billion over the previous year. This year's rank represents a climb of 10 places compared to the year before. Among the 23 Chinese Mainland enterprises entering the rankings, IB came 15th.

In May 2010, the Bank was awarded with “Best Board of Directors” among 2010 Chinese listed companies by the Board of Directors magazine.

On 19 May, 2010, the Bank was ranked No. 4 in “2010 Top 100 Chinese Listed Companies in Corporate Governance”, jointly issued by Protiviti and the Corporate Governance Research Center of Institute of World Economics & Politics, Chinese Academy of Social Sciences, on the Top 10 list for straight 2 years.

On 29 May, 2010, with its sustainable and strong business performance and fruitful investor relations management, the Bank had the honor of being named as the “Favorite Publicly Listed Company among Investors in China's Securities Market over the Last 20 Years” during the “Most Influential Series Appraisals of China's Securities Market Over 20 Years”, jointly sponsored by China Center for Market Value Management in association with the Big 4 securities news, financial research institutions with top 4 domestic universities, sipf.com.cn and the securities news channel of CCTV etc.

#### Jun 2010

On 20 Jun, 2010, the Bank was awarded the No.1 prize in the category of “best listed companies for their contribution to social responsibility” in the 5th Chinese Securities Journal Cup - “Top 10 Listed Companies for Competitiveness and Public Credibility”, and Mr. Tang Bin, the Bank's Director and Board Secretary, was named as the “Best BOD Secretary”.

#### Jul 2010

On 15 Jul, 2010, Hang Seng Indexes Company Limited announced constituent stock list of the “Hang Seng Corporate Sustainability Index Series”. Industrial Bank was successfully listed in both the “Hang Seng (China A) Corporate Sustainability Index” and “Hang Seng (Mainland and HK) Corporate Sustainability Index”.

In Jul 2010, the low-carbon credit card of the Bank was awarded with the “Most Valuable Credit Card” at “2010 China Credit Card Summit Forum & Tencent Credit Card Evaluation Report Release Ceremony”, sponsored with Tencent in association with China Banking Research Center of the Central University of Finance and Economics.

#### Aug 2010

In Aug 2010, the Bank was named as “2010 Excellent Institution in IT Application in Fujian” by Fujian IT Bureau, and its availability alert platform named as “2010 Outstanding Solution in Corporate IT Automation in Fujian”.

#### Sep 2010

In Sep 2010, the Bank was awarded with 2009 “Environmental Information Disclosure” by 9 domestic NGOs.

On 16 Sep, 2010, the Bank was awarded with “Best Social Responsibility Report in Finance and Insurance Industry”, jointly issued by Rankins CSR Ratings, Hexun.com and Det Norske Veritas (DNV).

In Sep 2010, the Bank and its green credit products were awarded with “China Top 50 Green Companies” and “China Top 10 Green Products” by Business Watch.

On 20 Sep, 2010, the Bank was awarded with "2010 Best Board of Directors among Chinese Companies Listed on the Mainboard" and "2010 Best Social Responsibilities Board of Directors among Public Chinese Companies", and Mr. Tang Bin, the Bank's Director and Board Secretary, was named as "2010 Best BOD Secretary among Public Chinese Companies" at "The 3rd Best BOD Appraisal for Public Chinese Companies" by Money Weekly.

In Sep 2010, the Bank was rewarded with "2009 Best Bank for Technology Application in China" in the appraisal of "Best Banks in China" organized by the Economic Observer newspaper.

#### Oct 2010

On 26, 2010, the low-carbon credit card of the Bank was awarded with "China's Best Brand Building Case" at "2010 China Brand Value Management Forum" & "The 6th China's Best Brand Building Case" Ceremony, jointly sponsored by the 21st Century Business Herald and Interbrand, the world's largest comprehensive brand consulting firm.

On 30 Oct, 2010, the Bank was honored with the "Best Corporate Governance for a Financial Institution" award, in the selection and appraisal by the "Corporate Governance Index Release and Forum" organized by the Center for the Study of Corporate Governance of Nankai University.

#### Nov 2010

In Nov 2010, the E-banking business of the Bank was awarded with the "Best E-banking Service" in the "Excellent Finance and Securities Websites Appraisal in China", sponsored by the Securities Times.

In Nov 2010, the Mobile Banking business of the Bank, with the perfect functions and outstanding user experience, was awarded with "2010 Best Mobile Banking" in "2010 China's Most Respected Bank & Best Retail Bank Appraisal" sponsored by the Money Weekly.

In Nov 2010, the Bank was awarded with "2010 Sina Golden Unicorn Best Social Responsibility Bank" as organized and appraised by Sina.com.

In Nov 2010, the Awards Ceremony of the 5th Appraisal of China's Investor Relations sponsored by the China Listed Company Investor Relations Management Research Center was held in Nanjing. Industrial Bank was the "Runner-up in the Top 100 Chinese A Share Listed Companies for Investor Relations" for a second time, and Mr. Gao Jianping, Chairman of the Bank was awarded with the "Best Chairman", while Mr. Tang Bin, the Bank's Director and Board Secretary, was awarded with the "Best Execution". During the appraisal, the Bank was also honored with other awards such as "Social Responsibility Contribution" and "Innovation in Investor Relations".

#### Dec 2010

In Dec 2010, the Bank won the Best Corporate Citizen Prize in the Seventh Appraisal of China's Best Corporate Citizen sponsored by the 21st Century Business Herald. It is the fourth time that IB has been honored with the Award since 2007.

In Dec 2010, the internet banking of the Bank, with its perfect functions and outstanding user experience, was awarded with 2010 China's Best Internet Banking in "2010 Publicity of Secure Internet Banking" held by the China Finance Certification Center (CFCA).

In Dec 2010, the Bank was conferred with the title of "2010 Low-carbon Pioneer Enterprise" in the appraisal jointly held by the Institute for Urban and Environmental Studies of the Chinese Academy of Social Sciences and 21st Century Business Herald, and the Bank was also covered in the "Report on Low-carbon Development of Chinese Enterprises" as a low-carbon case.

In Dec 2010, Mr. Lu Zhengwei, Chief Economist at Treasury Operations Center of the Bank was named as Top 5 Analysts in China in the Financial Value Ranking by China Business News.

In Dec 2010, the Bank was awarded with 2010 Asia Most Profitable Bank, becoming one of the top 10 Asian commercial banks in overall competitiveness, at "The 5th 21st Century Asia Finance Annual Meeting & 2010 Asian Banks Competitiveness Ranking Research Report Release Ceremony".

In Dec 2010, the internet banking of the Bank, with its strong innovation and outstanding user experience, was awarded with "2010 Best Innovative Services" in the 2010 China's Internet Banking Testing held by Hexun.com. Earlier in the year, the E-banking was awarded with "2010 Best E-banking Service" by the Securities Times.

In Dec 2010, the Bank was awarded with 2010 Top 5 Financial Institutions with the Best Forecast & Wealth Management Bank of the Year in China Business News Financial Value Ranking(CFV).

In Dec 2010, the appraisal result of the "Golden Dragon Prize"—the 2009-2010 gold medal list of Chinese financial institutions organized jointly by the Financial Times and the Chinese Academy of Social Sciences was revealed in Beijing. Industrial Bank won the "Best Treasury Operations of the Year" award.

In 2010, 23 outlets of the Bank won "2010 Model Units for Civilized and Standardized Services in Chinese Banking Industry".

#### Jan 2011

In Jan 2011, the Bank won "Excellent Organization of Expo Financial Service in Chinese Banking Industry".

In Jan 2011, the Bank won "2010 Greenest Bank" in the appraisal of Golden Cicada award by the Huaxia Times.

In Jan 2011, the Bank won the first "People's Public Company Social Responsible Award" issued by the People.com.cn.

In Jan 2011, the Bank was included in 2010 The 3rd China Listed SOEs Social Responsibility League table by the Southern Weekend, for straight 3 years since 2008.

In Jan 2011, the Bank was awarded with "Shanghai Gold Exchange 2010 Excellent Member", "Shanghai Gold Exchange 2010 Gold Trading Award" and "Shanghai Gold Exchange 2010 Silver Trading Award" etc.

In Jan 2011, the Customer Service Center of the Bank was awarded with Best Service in 2010 Excellent Customer Service Center Appraisal in Chinese Banking Industry organized by CBA.

#### Feb 2011

In Feb 2011, the Bank was awarded with 2010 Interbank RMB Market Most Influential award and Best Derivative Trading award by the National Interbank Funding Center.

In Feb 2011, "CIB Sesame Flowers" of the Bank was named as "2010 Banking Financial Institutions Special SME Financial Products" by CBRC.

In Feb 2011, CBRC awarded Mr. Wang Liangjie, Deputy General Manager of Small Enterprises Department of the Bank, with "2010 Banking Financial Institutions Small Enterprises Financial Services Excellent Individual".

In Feb 2011, the Bank was awarded as the Best Technology Market Maker, Best Member and Excellent Member for Spot Trading on interbank FX market in 2010.

In Feb 2011, the Precious Metals Trading System of the Bank won the 3rd place in 2010 Shanghai Financial Innovation Accomplishments award by Shanghai municipal government.

## Branches at a Glance :

### Fuzhou Branch:

Hualin Outlet was awarded with National Banking Industry Best Service Model Unit in 2010.

Fuzhou Branch Outlet and Changle Outlet won Fujian Banking Industry Best Service Model Unit in 2010.

### Xiamen Branch:

Xiang'an Outlet and Xinglin Outlet won the 2010-2012 Xiamen Youth Civilization Unit award.

Huli Outlet was awarded with 2009 Xiamen Outstanding Group in Financing Work by Xiamen municipal government.

Xiangyu Outlet and Lvling Outlet won 2010 municipal Women Civilization Unit award.

Songbai Outlet and Xingang Outlet were awarded with Fujian 2009-2011 Civilization Work Model Unit.

### Quanzhou Branch:

Quanzhou Branch Outlet and the other unit were awarded as Model Unit for the 6th "Creating Civilization Industry to Build a Harmonious Haixi".

### Nanping Branch:

Nanping Branch was awarded with Nanping Hope Project "Love" award.

### Shanghai Branch:

Secretariat of General Department of the Branch won Excellent Unit in Expo Publicity Work in the appraisal of excellent units and individuals in Expo work within Shanghai finance system, organized by CCP Shanghai Finance Work Committee and Shanghai Finance Service Office.

Shanghai Branch won the 1st place in Expo technology work contest in Shanghai banking industry issued by PBOC Shanghai Branch.

IT Department of Shanghai Branch won Shanghai Finance System Excellent Unit for Expo Service Work by Shanghai Expo Finance Service Office.

Gu Chunrong, General Manager of IT, Shanghai Branch, was jointly awarded with "2010 Excellent CIO in Shanghai" by Shanghai Municipal Economic and Informatization Commission, Shanghai Science and Technology Commission and Shanghai Municipal SASAC.

Zhou Min and Yan Shanhua at Shanghai Branch won "Excellent Individual for Expo Labor Competition" award by Shanghai Expo Finance Service Office.

Liu Bin at Shanghai Branch won "Excellent Individual for Technology Work Competition within Shanghai Banking Industry" by PBOC Shanghai Head Office.

### Changsha Branch:

Changsha Branch won the Most Accountable Wealth Management Institution in 2010 style of the year appraisal by Morning News Weekly.

Changsha Branch Outlet, Sanxiang Outlet and Jiefang Road Outlet won Hunan Banking Industry Civilization Service Model Outlet.

### Nanjing Branch:

Nanjing Branch won Civilization Service Responsibility award in the service satisfaction survey of banks in Nanjing for 2008-2009 from Xinhua Daily, Nanjing Morning News, Nanjing.gov.cn and Jiangsu Branch of Social Survey Institute of China.

Nanjing Branch won the first place in 2009 financial statistics work appraisal for Jiangsu Provincial Financial Institutions; Liu Hua at the Branch won Excellent Individual in 2010 financial statistics work for Jiangsu Provincial Financial Institution.

Nanjing Branch won Excellent Unit in 2009 Jiangsu Provincial Housing Provident Fund Loan Work.

Nanjing Branch was awarded with the Best Gold & FX Trading Service Bank in 2009 China Nanjing Commercial Value Ranking by Nanjing Daily.

Security Department of the Branch was awarded with Excellent Unit in 2009 Internal Security Work by Nanjing Municipal Public Security Bureau.

Nanjing Branch won Excellent Unit for Pension Business Management among enterprises directly controlled by the Province in 2009.

Nanjing Branch won Excellent Unit for 2007-2009 Jiangsu Spiritual Civilization Construction Work.

#### Jinan Branch:

Jinan Branch was awarded with "Good Branch—Risk Control" award by Modern Bankers.

Jinan Branch won Shandong Top 10 Wealth Management Brand in word of mouth appraisal for financial industry in Shandong.

#### Shenyang Branch:

Shenyang Branch was awarded as Shenyang Top 100 Taxpayer by Shenyang City and AAA Taxpayer by Shenyang National/Local Tax Authority.

#### Chengdu Branch:

Chengdu Branch won Grade A in offsite anti-money laundering evaluation by PBOC Chengdu Branch.

Payment and settlement word of Chengdu Branch won No.1 in Payment and Settlement Appraisal Ranking in Sichuan by PBOC Chengdu Branch.

Chengdu Branch won the Best Outlet of the Year and also the first place in the 6th China (Chengdu) Finance Appraisal.

Moziqiao Outlet and Jinniu Outlet won 2010 National Banking Industry Civilized and Standardized Service Model Outlet by CBA.

#### Zhengzhou Branch:

Zhengzhou Branch was awarded with 2010 Most Socially Responsible Bank in Henan and 2010 Best Low-carbon Best in Central China by mainstream press in Henan.

#### Hefei Branch:

Hefei Branch was awarded with 2009 Finance Work Excellent Service by the People's Government of Anhui Province.

Hefei Branch won Excellent Unit for Bank-Enterprise Activities in 2009.

Hefei Branch won Risk Control award in the "Best Branch" appraisal organized by PBOC and Modern Bankers.

Hefei Branch Outlet won 2009 Youth Civilization by the provincial Youth League Committee.

#### Qingdao Branch:

Security work of Qingdao Branch has been recognized by Qingdao Public Security Bureau. In 2010, Security Department of the Branch won Group Third Class Merit, and one colleague won Individual Third Class Merit for once, and the other two colleagues won Individual Excellence for once.

#### Harbin Branch:

Harbin Branch won the Best Training & Promotion Institution by Helongjiang Banking Association.

#### Hohhot Branch:

In 2010, the Branch has won Consumer Reliable Unit in Inner Mongolia, Gold Metal for Word of Mouth in Inner Mongolia, 2010 National Quality Month User Satisfactory Unit, No.1 in the Most Satisfactory Joint-stock Banks recognized by Hohhot residents for 2010, and 2nd place in Personal Banking of Joint-stock Banks, and 3rd place in Wealth Management Banking.

#### Changchun Branch:

During the appraisal of Most Satisfactory Bank in Jilin organized by East Asia Economy and Trade News, Changchun Branch won the Most Innovative Bank in Service, and the low-carbon credit card won "Most Charitable Credit Card", and "Tiantian Wanlibao" won the Most Satisfactory Wealth Management Product in Jilin. On Jilin Finance Ranking organized by the Evening News, Changchun Branch won the Most Special Bank in Jilin, while "Tiantian Wanlibao" and low-carbon credit card won the Most Innovative Bank Wealth Management Product and Most Innovative Credit Card respectively, and the mortgage wealth management account won the Most Popular Personal Loan Product.

## Appendix: Selected Links for News on Sustainable Development

- Economic Daily: Green Finance of Industrial Bank Formed 3 Pillar Framework to Reap Golden Benefits ([http://finance.ce.cn/rolling/201012/10/t20101210\\_16480776.shtml](http://finance.ce.cn/rolling/201012/10/t20101210_16480776.shtml))
- 21st Century Business Herald: Green Finance Market to Boom in 2 or 3 Years (<http://www.21cbh.com/HTML/2010-9-21/xNMDAwMDE5ODYxNg.html>)
- 21st Century Business Herald: Industrial Bank Explores Green Finance with "Carbon Gold" Roadmap Supported by 3 Pillars (<http://finance.eastmoney.com/news/1354,2010053177275315.html>)
- China Business News: Gao Jianping, Chairman of Industrial Bank: Green Concept Supports Sustainable Development (<http://stock.hexun.com/2010-05-26/123799845.html>)
- Financial News: Green for Golden—Industrial Bank Explores Sustainable Development with Comprehensive Green Finance (<http://news.hexun.com/2010-09-13/124876652.html>)
- Financial News: Innovator in Low-carbon Financial Services ([http://www.financialnews.com.cn/yh/txt/2010-05/24/content\\_287498.htm](http://www.financialnews.com.cn/yh/txt/2010-05/24/content_287498.htm))
- Financial News: Let Green Concept Grow—Small and Medium-sized Banks Committed to Practicing Low-carbon Finance ([http://www.financialnews.com.cn/yh/txt/2010-05/22/content\\_287407.htm](http://www.financialnews.com.cn/yh/txt/2010-05/22/content_287407.htm))
- Financial News: Banks Can Contribute a Lot to Green Consumption—Why the Low-carbon Credit Card of Industrial Bank is Hot ([http://www.financialnews.com.cn/yh/txt/2010-11/16/content\\_324194.htm](http://www.financialnews.com.cn/yh/txt/2010-11/16/content_324194.htm))
- Board of Directors: Sustainable Finance: Business Philosophy of Industrial Bank (<http://finance.ifeng.com/bank/zzyh/20100915/2622857.shtml>)
- Business Weekly: Green Leverage Stimulates Industrial Bank (<http://finance.jrj.com.cn/biz/2010/08/1016537911549.shtml>)
- International Finance News: Industrial Bank: the Green Flag Bearer of China's Financial Industry (<http://finance.ifeng.com/bank/zzyh/20100826/2553731.shtml>)
- Modern Bankers: Pioneer of China's Green Finance (<http://finance.sina.com.cn/leadership/mroll/20100518/17567958590.shtml>)
- China Bankers: Green Concept Leads the Development of Low-carbon Finance—Interview with Gao Jianping, Chairman of Industrial Bank (<http://www.chinafinancialyst.com/Html/High-end%20interviews/10102114271019644.html>)
- Securities News: Low-carbon Credit Card of Industrial Bank Creates Green Consumption Era (<http://finance.qq.com/a/20100315/000288.htm>)
- Money Weekly: Green Concept Generates Sustainable Development (<http://finance.sina.com.cn/roll/20100712/05228273488.shtml>)
- China Enterprise News: Industrial Banks Promotes Low-carbon for Sustainable Development (<http://news.zgjr.com/News/201048/bankchina/647427647210.shtml>)
- Time Weekly: Li Renjie, President of Industrial Bank: From Green to Gold (<http://stock.jrj.com.cn/2010/02/0408256926620.shtml>)
- Shenzhen Business News: Industrial Bank Disburse the First Equator Principles Loan in Shenzhen (<http://yndt.bank.cnfol.com/100415/137,1410,7538224,00.shtml>)
- Energy magazine: Industrial Bank Might Become the Leader in Green Finance Given its Commitment to Equator Principles (<http://green.sohu.com/20100610/n272702800.shtml>)
- Investors News: Industrial Bank: From Green to Gold (<http://stock.hexun.com/2010-01-03/122230144.html>)
- Xinhua Net: Industrial Bank Release the First Sustainable Development Report in China's Banking Industry ([http://news.xinhuanet.com/fortune/2010-03/10/content\\_13140856.htm](http://news.xinhuanet.com/fortune/2010-03/10/content_13140856.htm))
- Xinhua Net: Green Loan of Industrial Bank: Strong Carbon Emission Reduction Benefits (<http://news.163.com/10/0406/14/63JITS2S000146BC.html>)
- Xinhua Net: Industrial Bank Included in "Hang Seng Corporate Sustainability Index Series" (<http://haixi.cnfol.com/100802/417,1940,8134010,00.shtml>)
- Shanghai Finance: Case Study on Industrial Bank: Carbon Finance Development in China (<http://www.qikan.com.cn/Article/shjr/shjr201008/shjr20100808.html>)
- Shanxi News: Industrial Bank Supports SME Development (<http://news.qq.com/a/20100608/000479.html>)
- Henan Business News: Industrial Bank Helps SME Growth Through "Sesame Flowers" (<http://news.163.com/10/0622/04/69ONR54900014AED.html>)
- Southern Metropolis Daily: Guangzhou Branch of Industrial Bank Disburses 20% of Loans to SMEs (<http://finance.sina.com.cn/roll/20100517/08217946355.shtml>)

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Green Finance, Better Tomorrow



**兴业银行股份有限公司**  
**INDUSTRIAL BANK CO.,LTD.**

Add: No.154 Hudong Road, Fuzhou,  
Fujian, P.R.China

Tel: (86)591-87839338

Fax: (86)591-87842633

Web: [www.cib.com.cn](http://www.cib.com.cn)

P.C: 350003