

2017

Annual Sustainability Report INDUSTRIAL BANK CO.,LTD.

INDUSTRIAL BANK CO.,LTD.

Annual Sustainability Report 2017



Bearing creates value Sharing breeds advance

 兴业银行股份有限公司
INDUSTRIAL BANK CO.,LTD.



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INDUSTRIAL BANK CO.,LTD.



Lush mountains and lucid waters, flying birds and exuberant forests, human beings live in harmony with the nature – a simple ink wash painting symbolizes the original aspiration of Industrial Bank in pursuing sustainable development. Green represents life, vitality, responsibility and the future, and it is also the fundamental “mission” to which Industrial Bank has always remained true in practicing social responsibility.

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Build A Long-Lasting Bank with Strict Governance and Stable Growth

Chairman Gao Jianping

Chairman's Statement

Build A Long-Lasting Bank with Strict Governance and Stable Growth

As the socialism with Chinese characteristics embraces the new era, Industrial Bank had gained deep insights into the strong leadership of the new thought and grasped the rich and essence of the new thought from every aspect in 2017. We had firmly implemented China's economic and financial reform policies and the strategic plan made by the Board of Director, persistently pushed forward our operation transformation and business structure adjustment throughout the Bank for the purpose of fulfilling the three fundamental tasks, namely "to serve the real economy", "to prevent and control financial risks" and "to deepen financial reform", and tackled all the difficulties and barriers along the way to become one of the top 30 banks in the world. We were honored by influential institutions and media as the "Asian Outstanding Commercial Bank", "Best Joint-Stock Commercial Bank", "Financial Holding Group with Superior Competitiveness", "Most Respected Enterprise in China", "Most Socially-responsible Financial Institution", and "Best Green Finance Bank", etc. in 2017, and increased the value of our brand to RMB 14,146 million yuan, with a growth ratio higher than any other bank listed in "the Best Brands of China in 2017".

Remain true to our original aspiration and keep our mission firmly in mind

In 2017, in line with our original aspiration of "Sincere services, mutual growth" and our mission of "A first-class bank, a long-flourishing IB", Industrial Bank allocated more financial resources to key areas and weak links for economic and social development in order to better satisfy various financial demands of people and of the real economy.

By bringing into play our advantages as a modern comprehensive financial service group, we, with higher precision and efficiency, focused on provinces and cities implementing major national strategies, including the "Belt and Road" initiative, Coordinated Development of Beijing, Tianjin and Hebei, and Yangtze River Economic Belt, to deploy our services, invested great efforts to advance supply-side finance, and provided substantial supports for the development of real economy. In the meantime, by integrating and improving the "settlement-based, investment-based, transaction-based" functions and "big investment bank, big capital management and big wealth" businesses, we further consolidated our concentration on main business, make services accessible to small and micro businesses, and established the differentiation strategy, which requires us to follow the long-term trends and build up a large-scale ground, ensuring the effective implementation of initiatives aiming to serve real economy.

Achieve success based on compliance and professionalism

At the 19th CPC National Congress, preventing systematic risks was made the first of the three tough battles for China's economic and social development in the coming era. For this reason, we have established the philosophy of "achieving success based on compliance and professionalism". Under the guidance of compliant operation, we further improved our risk management system and

mechanism, steadily drove reform and transformation, made great efforts to enhance basic management, kept improving our professional service capacity and compliance management level, strengthened our ability to prevent and mitigate financial risks, fostered the staff's awareness of law abidance and compliance in the Group, and promoted the normal management of compliance and internal control.

We changed our development mode to achieve success based on professionalism. We divided customers and from products, and traditional businesses from emerging businesses, and facilitated the deep integration of technologies and businesses to improve our professionalism. We streamlined the entire chain to increase service efficiency and strove to provide customers with services in a more professional fashion, so as to manage our operation more efficiently and control the risks more tightly. We carried out "Three Tasks" to blend in the new era.

Benefit People with green development and inclusive finance

In 2017, we continued to act as an evangelist of the sustainability concept. We mobilized the entire Group to, by making the most of our diversified financial advantages, provide a variety of "financing" and "intelligent" services and create a green financial product chain, while heeding ecological and environmental protection and the benefits and interests of the public. Moreover, we wrote books and made solutions to call out more stakeholders to pay attention to and practice sustainable development.

Given our full realization of the contradiction between people's increasing demand for good life and the unbalanced and inadequate development, we have actively promoted our practices in inclusive finance, took the lead among joint-stock banks to form the Inclusive Finance Department, and further increased the financial support to small and micro businesses, "agriculture, rural areas and farmers", poverty-stricken people, start-ups and innovations, and people with special needs, and reached out farther with special services such as micro-finance, "Enjoyable Life" pension finance, and community banking.

In 2018, Industrial Bank will celebrate its 30th anniversary. In a new era and on a new journey, Industrial Bank, with a history of 30 years, will constantly strengthen its awareness of responsibility, be more bold to make innovation, and bring into play its leading role to keep implementing the strategy of "strict governance, professional operation, technology-driven prosperity, and services-based development", to better undertake the great mission bestowed by the era, better create value for the real economy, shareholders and the society, and fully showcase the confidence, spirit, power and wisdom of China.

Chairman Gao Jianping



Be directed by the market,
based on customers, follow
the rules and see talents as
foundation.

Director/President Tao Yiping

President's Report

In 2017, Industrial Bank have taken the initiative to cope with changes, adhered to its initial aspiration and mission all the time in practice, carried out the spirit of the 19th CPC National Congress and of the National Financial Work Conference, and followed the philosophy of "achieving success based on compliance and professionalism" to conduct thorough reform and transformation across the entire bank. By the end of 2017, the Group had registered a total amount of assets up to RMB 6.42 trillion, and net profits attributable to the parent company up to RMB 57.2 billion, while the non-performing asset ratio amounted to 1.59% with the provision coverage hitting 211.78%. While keeping at a high level in asset quality and provision coverage, we stayed safely among the first echelon of joint-stock banks in China and successfully made our presence among the top 30 banks in the world.

In line with our social responsibility philosophy of "integrating righteousness into profitability", we instilled social responsibilities into the Bank's business behaviors, requiring us to be directed by the market, based on customers, follow the rules and see talents as foundation. We believed in the market survival law, to adapt ourselves to changes and make changes to win, observed the fundamental principle of serving customers and real economy, and followed industrial rules and accounting standards. In 2017, we kept strengthening risk control and compliance management, launched the "IB Voyage" year of internal control and compliance enhancement, and attached great importance to the role of front-line employees in innovation to ensure the steady and high quality development of all businesses.

In 2017, Industrial Bank sought for differentiated development with innovations and explored distinctive business modes. We had sped up the development of transformed businesses to further carry out our "three-type bank" strategy. We improved online service channels, providing services to more than 30 million individual customers and processing over RMB 1 trillion yuan of transactions. While actively implementing the "Belt and Road" initiative, we provided approximately 10 thousand companies with integrated all-chain financial services, including domestic and foreign currency services, as well as onshore and offshore services, to meet their cross-border financial demands for "Going out". We made voluntary contribution to local economic development, accumulatively winning bids for over RMB 125.610 billion yuan of local government bonds. We developed a product system dedicated to micro- and small-sized enterprises to solve their difficulties in the financing, and loaned RMB 611.1 billion yuan to micro- and small-sized enterprises, up by 9.46%. While maintaining our professional advantage in investment business, we remained top among joint-stock banks regarding the market share of debt financing instrument for non-financial enterprises. While holding firmly its top position with regard to the size of asset custody, we kept upgrading our transaction business, saw the supply

chain business growing rapidly and launched the businesses such as commissioned securities lending, TRS, bonds selling, CDS, "Bond Pass" transactions, with the revenue from commissioned FICC business growing by more than 180%.

We kept deepening the development of green finance, became the "think tank" for the promulgation of green finance policies and the planning and construction of reform and innovation experimental zones in China. In addition, we focused on expanding green finance from traditional areas to weak links, kept improving the green finance products and services system and actively promoted green lifestyle among enterprises and the public. By the end of 2017, we have accumulatively funded 14,395 enterprises with RMB 1,456.2 billion yuan through green finance, and made judgment on 1,018 projects based on the Equator Principles, among which 344 are suitable for Equator Principles with the total investment of RMB 1,439.1 billion yuan. Projects funded through green finance would be capable to save 29.1223 million tons of standard coals and reduce carbon dioxide emissions by 83.7823 million tons every year in China.

We have formed the Inclusive Finance Department to continuously improve our differentiated and distinctive inclusive finance service system. Our distinctive business modes of inclusive finance, including "Bank-to-Bank Platform" and pension finance, were the only one of their kinds, and we further improved the five targeted poverty alleviation systems covering "products, industries, channels, education and fixed locations". In 2017, we launched loans by mortgaging "Two Rights" in pilot areas in Fujian, and took all-rounded actions to bring into play the role of "blood transfusion" and "hemopoiesis" of finance to help more people out of poverty in these locations. We have lent individual loans of RMB 3.251 billion yuan in total to those who were registered in poverty archives, increasing by 31.14%. In the meantime, we continued the charity mechanism consisting of "education funding", "disaster relief" and "poverty alleviation", and donated about a total of RMB 21 million yuan in 2017.

In this year, Industrial Bank, celebrating the 30th anniversary, will remain true to our original aspiration, continue the good traditions of hard working to actively and effectively assume the honorable mission bestowed by the new era, and stride over the ups and downs on the new march to embrace our own bright future in the course of boosting the constant progress of the whole nation.

Director/President
Tao Yiping



Declaration

Notice

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

Report name

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

Reporting period

The reporting period was from Sunday, January 1, 2017 to December 31, 2017. The time frame of part of the contents extended beyond the period above.

Reporting cycle

This report is an annual report.

Organizational scope of the report

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

Designations

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

Basis of compilation

This report was prepared in accordance with the Opinions on Strengthening the Social Responsibility of Banking Financial Institutions (YJBF [2007] No. 252) issued by China Banking Regulatory Commission, the Notice on Strengthening the Undertaking of Social Responsibility of Listed Companies and the Release of the Guidelines of Shanghai Stock Exchange for Environmental Information Disclosure of Listed Companies and the Guidelines for the Preparation of the Report on Performance of Corporate Social Responsibility, the Notice on Further Improving the Poverty Alleviation Information Disclosure of Listed Companies, and the Notice on Properly Handling of Disclosure in the 2017 Annual Reports of Listed Companies promulgated by the Shanghai Stock Exchange, the Guidelines for

Corporate Social Responsibility of China Banking Financial Institutions released by China Banking Association, and with major reference to relevant contents of the following documents:

- Equator Principles III
- G4 Sustainability Reporting Guidelines released by the Global Reporting Initiative (GRI)
- Social Responsibility Guidelines (GB/T 36000-2015), Social Responsibility Report Writing Guidelines (GB/T 36001-2015) and Social Responsibility Performance Classification Guidelines (GB/T 36002-2015) jointly released by the State Administration of Quality Supervision, Inspection and Quarantine and the Standardization Administration
- ISO Guidance on Social Responsibility (ISO26000)
- The Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR3.0) released by the Chinese Academy of Social Sciences

Data in the report

Part of financial data in this report originated from the Company's 2017 financial report and part of the data included data from previous years without material changes on the data acquisition and calculation methods. Unless otherwise stated, currency data in the report are in RMB.

Report availability

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

Priority of language

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

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Confidence Management



2017

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Overview of Industrial Bank



From left to right: Director/Vice President/Board Secretary Chen Xinjian, Director/Vice President XueHefeng, Vice President Li Weimin, Director/President Tao Yiping, Vice President Sun Xiongpeng, Director/Vice President Chen Jinguang

About Industrial Bank

Established in August 1988, Industrial Bank Co., Ltd. (Industrial Bank or IB in short) was one of the first batch of joint-stock commercial banks approved by the State Council and the People's Bank of China. Based in Fuzhou, Fujian Province, Industrial Bank is the first Equator Bank in China, and it was listed on Shanghai Stock Exchange (Stock Code: 601166) on February 5, 2007. Currently, the registered capital of the Bank hit RMB 20,774 million yuan. By the end of 2017, the Bank had 137 branches and 2,064 sub-branches in major cities across China, opened its first foreign branch in Hong Kong, formed correspondent bank relationship with more than 1,600 banks around the globe, launched online banking, telephone banking, mobile banking, WeChat banking and direct-sale banking businesses, and established a massive service network that combines virtual and physical banking, covers all over China and connects China to foreign countries. With a specialized financial service team of about 60 thousand employees, Industrial Bank have become a modern financial service group based on the banking business and covering trust, lease, fund, consumer finance, futures, asset management, research & consultation and digital finance.



Overview of Corporate Governance

Board of Directors

Since the establishment of the Bank, there have been nine boards of directors, with its structure of members evolving from homogenization to pluralization. The Board of Directors now has 15 members, including 6 equity directors, 4 managing directors and 5 independent directors. The diversified member structure in terms of disciplines, regions and professions is helpful for the Board of Directors to broaden its vision in decision-making process and make its decisions more scientific and pertinent, thus guiding and promoting the Bank's sustainable development.

Strategy Committee, Risk Management Committee, Audit and Related Party Transaction Control Committee, Nomination Committee, Remuneration and Evaluation Committee are established under the Board of Directors. Except for the Strategy Committee, the positions of the chairmen of the other four committees are held by independent directors. Each committee performs its function to help decision-making according to articles of association or the Board of Directors' authorization, and the chairman of each of the committees reports to the Board of Directors its meetings and main opinions developed in discussions.

Board of Supervisors

The Board of Supervisors is the supervising organ of the Bank. It now has 9 supervisors, including one female. In terms of category, there are 3 shareholder supervisors, 3 employee supervisors and 3 external supervisors. The Board of Supervisors has two special committees, Supervision Committee and Nomination, Remuneration and Evaluation Committee, both of which are chaired by external supervisors.

Overview of Industrial Bank

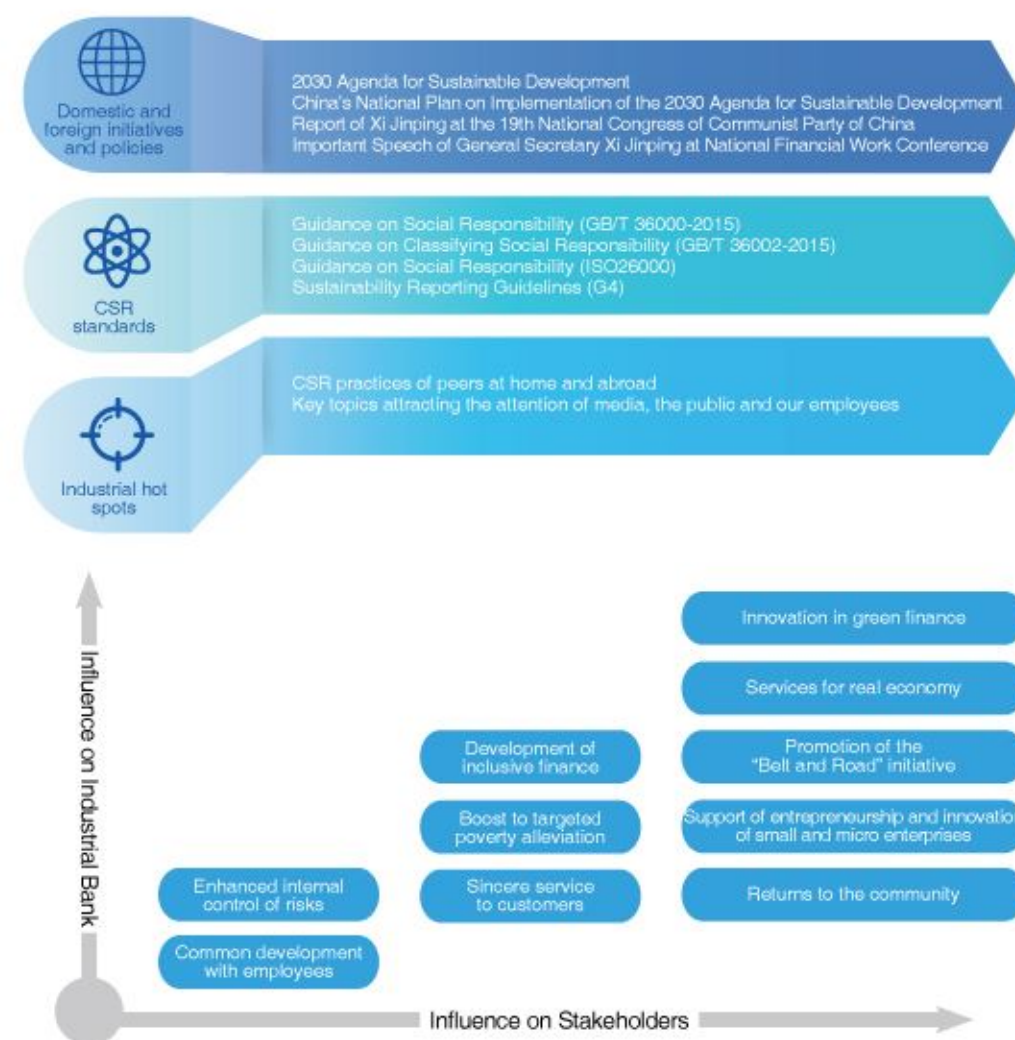
Analysis of Material Aspects



Category of indicators	Main Data	2015	2016	2017
Economic performance	Total assets (RMB 100 million)	52,988.80	60,858.95	64,168.42
	Shareholders' equity attributable to the parent company (RMB 100 million)	3,136.48	3,501.29	4,168.95
	Net profit attributable to shareholders of the parent company (RMB 100 million)	502.07	538.50	572.00
	Basic earnings per share (yuan)	2.63	2.77	2.74
	Outlet change (outlet)	Branches 119 (including secondary branches) Sub-branches: 1,787	Branches 126 (including secondary branches) Sub-branches: 2,003	Branches 137 (including secondary branches) Sub-branches: 2,064
	Total annual tax payment (RMB 100 million)	319.72	316.64	272.01
	Social contribution per share (yuan)*	12.49	12.12	13.10
Social performance	Donations contributed (RMB ten thousand yuan)	3,959	3,244	2,100
	Number of employees	50,472	54,208	58,997
	Ratio of male to female employees (%)	0.83:1	0.82:1	0.81:1
	Social insurance coverage ratio (%)	100	100	100
	Housing fund coverage ratio (%)	100	100	100
Environmental performance	Staff physical examination and health record coverage ratio (%)	100	100	100
	Total investment in green finance (RMB 100 million)	8,046	10,761	14,562
	Balance of green finance (RMB 100 million)	3,942	4,944	6,806
	Annual saving of standard coal, annual reduction of carbon dioxide emission and chemical oxygen demand (COD), annual comprehensive utilization of solid wastes and annual saving of water consumption attained by the projects supported by green finance	Annual saving of standard coal: 25,538,600 tons, annual reduction of carbon dioxide emission: 71,619,900 tons, annual reduction of chemical oxygen demand (COD): 1,387,400 tons, annual comprehensive utilization of solid wastes: 17,290,400 tons, annual saving of water consumption: 285,650,600 tons	Annual saving of standard coal: 26,468,000 tons, annual reduction of carbon dioxide emission: 74,083,100 tons, annual reduction of chemical oxygen demand (COD): 1,680,400 tons, annual comprehensive utilization of solid wastes: 18,778,700 tons, annual saving of water consumption: 303,900,600 tons.	Annual saving of standard coal: 29,122,300 tons, annual reduction of carbon dioxide emission: 83,782,300 tons, annual comprehensive utilization of solid wastes: 44,794,800 tons, annual saving of water consumption: 408,423,700 tons.

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

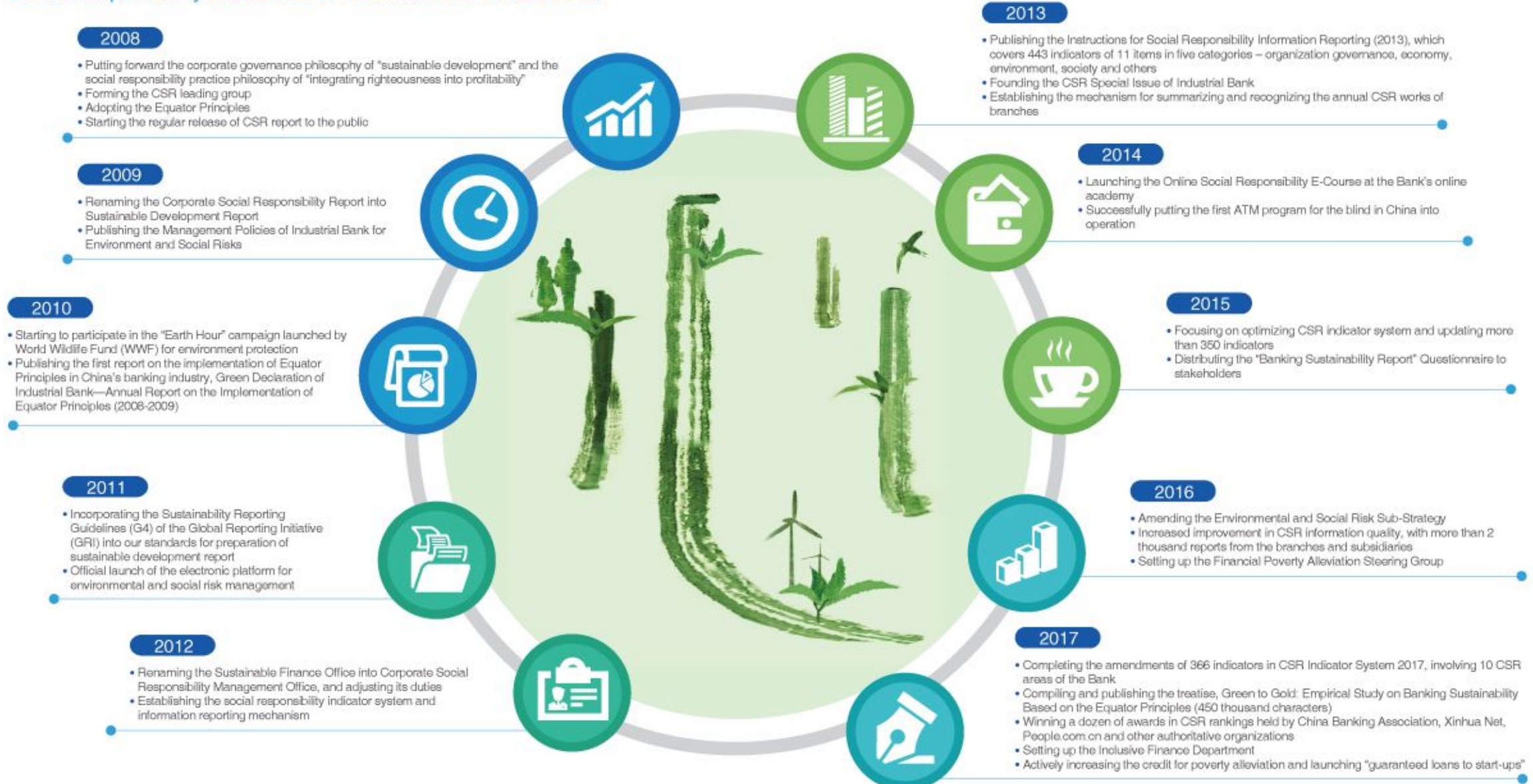
Based on our social responsibility work in the past year, analysis of domestic and foreign policies and hot issues, and alignment with international CSR standards, the Bank had selected ten issues on social responsibility to respond in consideration of their significance to the Company and stakeholders.



Responsibility Forges Value, and Sustainable Development Strategy Promotes Growth



Social Responsibility Milestones of Industrial Bank in a Decade

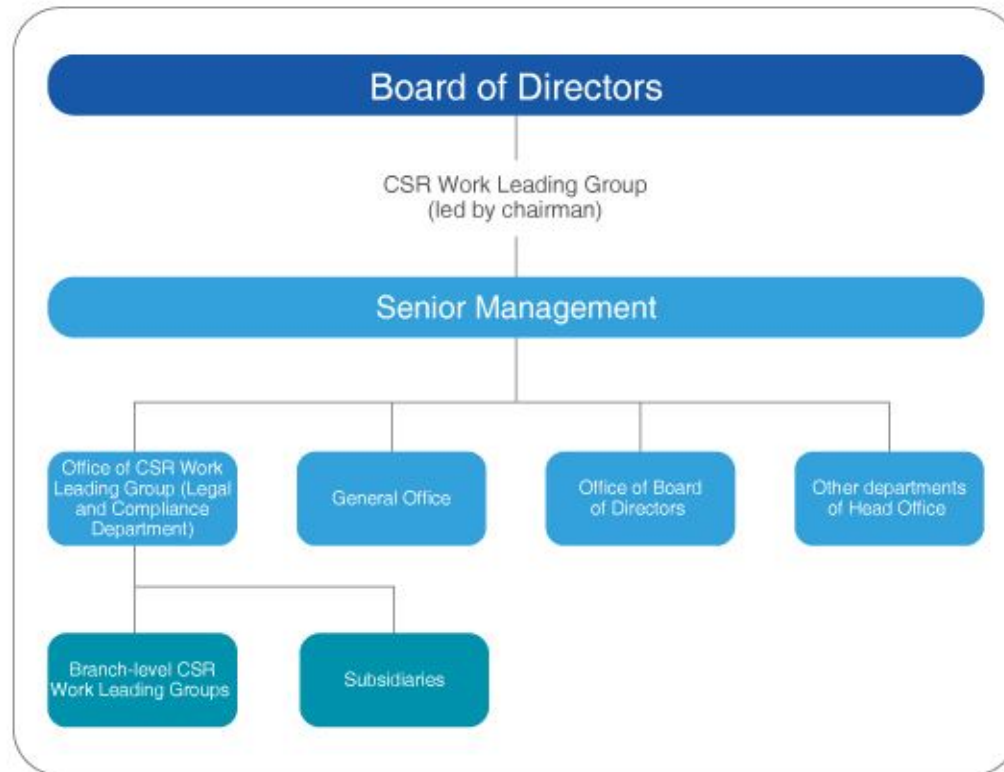


Responsibility Forges Value, and Sustainable Development Strategy Promotes Growth



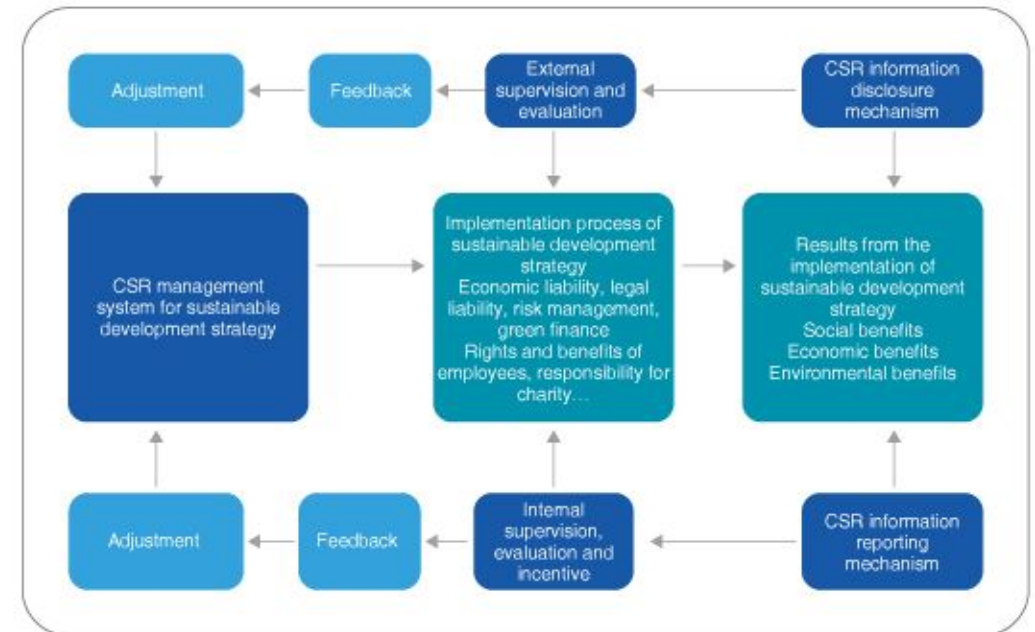
Multi-level Organizational Structure for CSR Management

In 2017, to get adapted to changes in the organizational structure of the Group and the business development trends and to identify and utilize the Bank's economic, social and environmental influence more effectively, the Bank have adjusted and improved our CSR management structure to increase the efficiency of multi-way joint operations between Head Office and branches and between parent company and subsidiaries, with a view to making innovation in management approaches and business mode while performing our social responsibility and achieving sustainable development.



Specialized CSR Management Mechanism

By sorting out the value chain across the Bank and considering our management and operation practices and the direction of our strategic development, we have developed a CSR management system suitable and applicable to us. The system included indicators in organizational governance, economic, environmental and social aspects and consisted of 10 parts in line with the framework and contents of our annual sustainability report and CSR report. Meanwhile, the CSR reporting template coming along with the system was designed to manage the collection and disclosure of CSR information, intuitively evaluate the Bank's CSR management in a large picture, and thus better guide the Bank's CSR management, improvement in management and business innovation. In 2017, we have amended 366 indicators (Version 2017) across 10 CSR areas and promoted good examples in banking industry, collected and sorted out over 700 pieces of CSR information of the Group, and conducted successful CSR monitoring and post-evaluation work properly.



Responsibility Forges Value, and Sustainable Development Strategy Promotes Growth



Diversified Information Disclosure

Regular and comprehensive

Annual Sustainability Report (and Annual CSR Report)



Diversified and rich

"Green to Gold" CSR Special Issue



Real-time and interactive

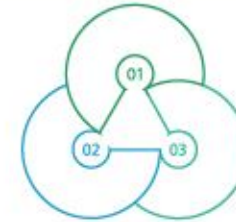
Official website, Weibo account, WeChat account, and official media

Case Nanning Branch held a special training on CSR work

On October 31, 2017, Nanning Branch held a special training on CSR work, which were participated by 51 employees, including CSR contacts at each department/operating institutions of the Branch, and CSR contacts at other locations. The first part was interpretation of CSR-related documents to clarify the duties of each department; the second part was studying the documents released by the HQ as well as good peer examples in the CSR report of China Banking Association and Guangxi Banking Association; the third part was putting forward requirements and suggestions for CSR work in consideration of the branch's key CSR tasks.

Strengthening Capability to Support Risk, Compliance and Internal Control Management

Industrial Bank has always held tight on to risk management by taking it as the lifeline and aimed at stable and long-standing growth. In 2017, we invested great efforts to foster the concept of "achieving success based on compliance" among all employees and, as a result, dramatically increased our capability to support risk, compliance and internal control management.



- 01 We enhanced the capability to manage and control liquidity risks. On one hand, we had aggressively conducted balance sheet restructuring, leading to significant growth of savings than at BOY, sharp decline of interbank liability proportion, and further optimization of liability structure; on the other hand, we had increased the premium and qualified liquid assets, such as treasury bonds, to ensure regulatory liquidity indicators meet the given standards.
- 02 We reinforced the capability to manage and control risks in emerging businesses. We had preliminarily developed a risk management system suitable to the emerging businesses, ensuring that they would grow steadily and healthily.
- 03 We boosted up the capability to manage and control group risks. Starting from the consolidation of financial statements across the Group, we had strengthened the vertical management of risks in subsidiaries, set down the common risk bottom line in the Group, built the common risk view in the Group, and attached more importance to the collective allocation and use of the Group's internal risk management resources.

Strengthening the Efforts of Combating Corruption and Upholding Integrity

We strengthened the guidance on combating corruption and upholding integrity. We held a Party Building and Discipline Inspection Work Meeting across the Bank, and developed the plans for the building of the Party conduct and of an honest and clean government and the efforts of combating corruption and upholding integrity.

We signed the Letter of Responsibility for Working Goals. We ensured the fulfillment of responsibilities level by level, and established and improved the mechanism to break down, determine, evaluate, and investigate responsibilities.

We expanded the supervision mechanism. We formulated the Opinions of Industrial Bank on Implementation of the "1+X" Inspection and Supervision to Carry Out the Spirit of the Eight Rules of the Central CPC Committee, and developed a special mechanism for the "1+X" inspection and supervision, which is led by the Discipline Inspection Commission of the Head Office and for which 7 functional departments are responsible respectively, including the Office of Party Committee, Audit Department, Discipline Inspection Department under the Head Office.



In 2017, Industrial Bank focused on "Two Responsibilities" in the building of the Party conduct and of an honest and clean government. We have pushed forward the strict Party self-governance in every respect across the Group so as to boost the strict governance of the Bank take roots. Meanwhile, we emphasized relentless tight grip on disciplines and Party conduct, and conducted "frequent, thorough and persistent" combat against "four undesirable work styles" in order to carry out the spirit of "Eight Rules" of Central CPC Committee.

The education and training on Party rules, disciplines and conduct were organized in a constant manner. We organized education based on warning cases, distributed books on education of an honest and clean government, visited the warning education exhibition of combating corruption and upholding integrity, and eliminated the potentials of "four undesirable work styles".

Topic: "IB Voyage" Year of Improvement in Compliance and Internal Control 2017



As regulation was tightened and responsibility scrutiny became more demanding, Industrial Bank have, led by a leading panel chaired by President Tao Yiping, launched the bank-wide campaign of "IB Voyage" Year of Improvement in Compliance and Internal Control, seeking to continuously increase the awareness of compliance and legitimacy among all employees of the Group and drive the normalized compliance and internal control management with an established mechanism. The campaign was also an important move for us to carry out the principles of "increasing capability to prevent and solve financial risks" and "sticking to the bottom line of no systematic financial risks" brought up at the Fifth National Financial Work Conference, and to implement our philosophy of philosophy of "achieving success based on compliance, professionalism and efficiency".

Our branches and subsidiaries also set up leading panels for the campaign, following the example of the Head Office. Organizations at different levels of our Group carried out the "IB Voyage" campaign in multiple channels and forms, signed more than 30 thousand copies of Proposal of Compliance, distributed more than 300 issues of newsletter, conducted more than 500 compliance training sessions, held more than 800 compliance communication events across organizations at the primary level, implemented specialized governance in 11 key areas, sorted out code of conduct about what to know and what to do for 20 categories of important positions, and organized dedicated activities to "find out weakness, put forward suggestions and strengthen implementation". Thanks to the joint efforts across the Bank, our compliance and internal control management has been improved constantly and our awareness of compliant operation increased continuously.

800

compliance communication events across organizations at the primary level

11

implemented specialized governance in 11 key areas

20

20 categories of important positions

The compliance culture reached out farther under the guiding philosophy



The compliance and internal control management was consolidated based on our regulations.

Steady and long-lasting business growth was achieved based on the foundation of governance.

The flaw rectification and responsibility investigation were advanced with all-round implementation measures.

Case

A long-lasting compliance dissemination mechanism was built in multiple dimensions, to create a good compliance culture for the Bank in an all-sided manner

The Bank have specially created a compliance section in our office system, and opened a compliance proposal and warning window, continuously distributed compliance newsletters and learning materials. While enhancing the use of systems, we, relying on our platforms including "Suixingxue (Study as you like)", online academy, and "Xing Zhi (IB Knowledge Base)", organized compliance knowledge training and examination and released short videos for communication of forbidden cases. We opened WeChat account and WeChat group to give lectures and update or remind compliance risks. Branches in Shenzhen, Xi'an, Taiyuan and Nanping also conducted other forms of compliance-themed events, such as short plays, recitation contest and production of compliance learning videos, to make these events more alive.

The Bank have accumulatively released 300 issues of compliance-themed newsletters by month and by week to promote the experience and results constantly. To timely follow up and analyze regulatory policies and external risk events and to identify process flaws or potential risks, we have formulated and published more than 400 copies of policy interpretation or risk reminding documents. We constantly conducted the promotion and implementation of "thirteen prohibitions for employees" to enhance their bottom line awareness, and regularly organized "Woodpecker" quick actions to intimidate various employee violations and prevent violation risks. By sorting out more than 100 typical employee violation cases in financial industry, we have compiled the Compliance Case Warning Handbook, which was released across the entire bank. Organizations of the Group at all levels actively participated in our activities and many good examples emerged. With the compliant operation culture reaching out farther, we have seen the coverages of dozens of media, including Xinhuanet.com and China Finance Net.



Topic: "IB Voyage" Year of Improvement in Compliance and Internal Control 2017



Photo Wall for "IB Voyage" Year of Improvement in Compliance and Internal Control 2017:



1. Compliance Case Warning Handbook
2. Xi'an Branch the compliance-themed short play competition
3. Hohhot Branch printed posters for publicity of compliance culture
4. Xi'an Branch printed a special magazine for "IB Voyage" campaign
5. Gullin Gaoxin Sub-branch- the cartoon "Compliance at 'Industrial Bank'"
6. Calligraphy work dedicated to "IB Voyage" campaign

Employee's thought on compliance

By learning about "top leadership project" and "thirteen prohibitions", I have born in the mind deeply which line should not be crossed. The compliance culture not only greatly reduced the possibility of violation but also pointed out the way to solve problems.

Liu Ran, Shanghai Branch

Jiangchengzi – To IB Voyage

Three decades have gone,
Following the predecessor's path,
In compliance with the law,
We've kept developing and carrying on.

Days and nights, around the clock,
For sustainable development,
In concert efforts,
We've kept pursuing and exploring.

Upholding the traditional integrity,
Learning from the past, looking into the future,
We promote the spirit of compliance
And practice with due diligence.

The entrepreneurship was arduous.
Maintaining the achievements can be harder.
We should unite with one mind,
For a stronger and more prosperous Industrial Bank.

Historical lessons are to be learned.
Daily reflection should be made.
For the century's vision of Industrial Bank,
With hands joined, let's dedicate ourselves to the great cause.

By Li Xiaoqiong, Putian Branch

Keep Compliance in Our Mind

Compliance is a net,
Opening ever and again to capture the bad habits
in our work.
We need to be enterprising and to be cautious,
To tighten the chords of compliance so as to play
the tune of happiness.
The bank counter, the computer and the seals
Compose the silent battlefield of compliance.
No smoke of gunpowder, in the confrontation,
Those who go steady are winners.

Compliance is an indicator light,
Flashing frequently to guide our direction of advancement.
We need to develop and to be flexible,
Make neither blind innovation nor stick to the old convention.
The "Three-Three-Four", the chaotic market, if looking back,
We see both the business and ourselves.
While striding forward, we should not forget
Waiting for the spirit of compliance.

Compliance is a mirror,
Reflecting often our development path.
We need to stretch the rule and be impartial
And remember to be careful as if treading on the thin ice.
Compliance can't be achieved overnight.
Lessons of Balin, Qilu of the past should be learnt.
Mistakes were made again in certain banks of Chengdu and Beijing
today.
A step away is the bottomless chasm.

No risk is a small matter. Compliance should be kept in our mind.
We should follow the rules in everything we do and create value by
compliance.
Compliance is also a sail.
We ride in the sail of the long-flourishing IB
And carry on this IB Voyage
To reach the sea by braving the wind and waves.

Zhou Liang, Nanning Branch

Original Aspiration Development



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Expectations and needs of stakeholders:

Responding to the national policies, serving the real economy, creating value with finance and bringing substantial benefits to people

The loan balance was RMB 611.1 billion yuan, ranking the second among joint-stock banks. Loans were approved to 56,000 enterprises in total at the loan application granting rate of 96%.

The number of signed corporate customers hit 1,324 and that of online customers 1,022. There were 476 counter agency settlement customers and 389 Big Money Manager customers, and the technology output reached 346 commercial banks.

Micro-and small-sized enterprises

Bank-to-Bank Platform

Inclusive finance

Senior care finance

Community banking

Serving more than 13 million elderly customers and providing value-added services and exclusive protection to more than 2 million people.

Over 981 community banking outlets
 The balance of comprehensive financial assets increasing by 40% over the beginning of the year
 The average daily balance of savings deposit increasing by 81% over the beginning of the year
 The average daily balance of personal loans increasing by 13% over the beginning of the year
 The number of core retail customers amounting 830,000, an increase of 15% over the beginning of the year

Investment Fund for Technological Transformation of Fujian Enterprises "Strategic cooperation enterprise" in advanced manufacturing industry Changzhou Branch boosting the transformation toward "smart" manufacturing

"Financing the World, Creating the Future" strategic cooperation with Yingkou Port Supporting the ice and snow tourism

Northeast China

Beijing-Tianjin-Hebei region

The financing balance of corporate customers in Beijing, Tianjin and Hebei hit RMB 375.4 billion yuan, of which the on-sheet loans (including discounted bills) were RMB 144.1 billion yuan, an increase of 14.60%.

Huhhot

Ship type standardization, integrated three-dimensional transportation, industrial transformation and upgrading, and new-type urbanization Strategic Alliance of Yangtze River Economic Belt for Financial Leasing Service intent lease support of no less than RMB 300 billion yuan

Yangtze River Delta region

Three-in-one cross-border financial service system integrated all-chain financial system covering domestic and foreign currency services Cross-border settlement, financing, supply chain, investment, exchange rate hedging, and financial consulting The "Belt and Road" financial artery

Southeast China

Hohhot Branch Underwriting a total of RMB 22.416 billion yuan, ranking the first among financial peers in the region consecutively "Domestic + overseas", "commercial bank + investment bank", "equity + debt", and "financing + collaborative intelligence"

Hong Kong Branch 18 customers 23 underwriting projects The total amount of underwriting projects exceeding USD 12 billion

Hong Kong

Topic: Stay True to Our Original Aspiration and Take Measures to Help the Real Economy



In 2017, the Bank conscientiously implemented the spirit of the National Financial Work Conference and closely focused on the three tasks of "serving the real economy, preventing and controlling financial risks, and deepening financial reform". With the tenet of professionalism, compliance, and efficiency, the Bank took the initiative to organically combine the improvement in quality and efficiency of services to the real economy with day-to-day operation and management, fulfilled the mission of the Bank to "offer substantial services to the real economy" and ensured that we would always stay in the main channel of economic and social development.

Consolidating cross-border business capabilities, the Bank Boosted the "Finance Artery" of the "Belt and Road"



In 2017, the Bank actively responded to China's "Belt and Road" Initiative and actively seized the development opportunities of the "Belt and Road". With the three-in-one cross-border financial service system consisting of Hong Kong Branch, Free Trade Zone Branch and domestic branches, we provided approximately 10 thousand companies with integrated all-chain financial services, including domestic and foreign currency services, as well as onshore and offshore services, to meet their cross-border financial demands for "going global". Our comprehensive cross-border financial programs cover cross-border settlement, financing,

supply chain, investment, exchange rate hedging, and financial consulting, etc., offering a boost to building the "Belt and Road" financial artery.

In cooperation with Citibank, Industrial and Commercial Bank of China and Emirates NBD, the Bank completed the first international syndicated loans for sovereign countries, totaling USD14 million, through Shanghai Free Trade Zone accounting unit. The borrower is Pakistan Ministry of Finance and the loan funds will be used to support Pakistan's fiscal expenditures and international expenditures to help build China-Pakistan Economic Corridor.



Case Hohhot Branch issued offshore debt to assist the development of Prairie Silk Road

Hohhot Branch of the Bank used "domestic + overseas", "commercial bank + investment bank", "equity + debt", and "financing + collaborative intelligence" as measures to help build the Prairie Silk Road and help enterprises of the real economy in the region to "go global" for steady and long-lasting progress and to "bring in" bigger and stronger enterprises. Since underwriting the debt financing tool business in 2015, Hohhot Branch has taken advantage of the Group's service brand and has underwritten a total of RMB22.416 billion. The underwriting scale ranked the first among financial peers in the region consecutively in 2016 and 2017.



Symposium on Issuing Bond Overseas



Green Bond Promotion Event



Belt and Road Products Fair

Topic: Stay True to Our Original Aspiration and Take Measures to Help the Real Economy



Case Hong Kong Branch became super contact of the "Belt and Road"

The issuance of overseas bonds by domestic enterprises is helpful for widening the financing channels for enterprises, supplementing medium- and long-term funding, reducing overall financing costs and raising the profile in US debt market. As a "super contact" of the "Belt and Road" and an international financial center, Hong Kong is one of the major venues for the issuance and circulation of overseas bonds of Chinese-funded enterprises. In 2017, Hong Kong Branch successfully assisted 18 customers in 23 underwriting projects, and the total amount of underwriting projects exceeded USD 12 billion. According to Bloomberg data, Hong Kong Branch ranked the 28th in the list of underwriters of G3 currency bond issuance in Asia (excluding Japan) in 2017, and the second in the actual underwriting amount of successful projects among the Chinese-owned joint-stock banks in Hong Kong.

Based in Local Areas, the Bank Helped to Boost Regional Economic Development

The Bank gave full play to comprehensive advantages of the group in multi-licensed operation, utilized multiple domestic and foreign financial market resources, provided integrated cross-market and multi-product financial services for all regional economic belts in China, and focused on key areas to support the coordinated development of Beijing, Tianjin and Hebei, to boost the economic belt of Yangtze River Delta and to revitalize the Northeast China Old Industrial Base.

In addition, the Bank actively invested in local government bonds and contributed to the development of local economies. In 2017, the Bank accumulatively won RMB 125.61 billion yuan in local government bonds. In recent years, the Bank have invested in local government bonds exceeding RMB 10 billion RMB in Fujian, Inner Mongolia, Shanghai, Shandong, Liaoning, Jiangsu, Jiangxi, Yunnan, Guangxi, Guangdong, Zhejiang, Chongqing, Guizhou, Shaanxi, Xinjiang, and Jilin, making a positive contribution to local economic development.



Case We focused on the Capital Economic Circle, supporting the Coordinated Development of Beijing, Tianjin and Hebei

In order to support the regional development of Beijing-Tianjin-Hebei Economic Circle, the Bank's Beijing, Tianjin, and Shijiazhuang branches focused on three key areas, namely construction of transportation infrastructure, environmental protection, and industrial transfer and upgrading, and fully supported the coordinated development of Beijing-Tianjin-Hebei region. As of December 2017, the balance of financing of enterprises in Beijing, Tianjin and Hebei hit RMB 375.4 billion yuan, of which the on-sheet loans (including discounted bills) were RMB 144.1 billion yuan, an increase of RMB 18.6 billion yuan or 14.80% from the beginning of the year.

The Bank's subsidiary, Industrial Trust, established a trust plan with Beijing Branch to invest RMB 3.5 billion yuan in the founding of Beijing-Tianjin-Hebei Intercity Railway Development Fund. The initial size of the fund was RMB 60 billion yuan, and the duration of the fund would be 10 years. It would be mainly used for the construction of intercity railways in Beijing-Tianjin-Hebei region.

Tianjin Branch of the Bank provided a perpetual bond service of RMB 1 billion to Tianjin Public Transport Group (Holdings) Co., Ltd., and supported various business developments of the company. At the same time, Tianjin Branch used lease payments factoring products to provide Tianjin Subway Group with a 5-year lease of RMB 970 million yuan to support the construction of Tianjin Metro project.

Case Establishment of the Strategic Alliance of Yangtze River Economic Belt for Financial Leasing Service

The Strategic Alliance of Yangtze River Economic Belt for Financial Leasing Service, of which Industrial Bank Financial Leasing Co., Ltd. is one of the founders, was established on July 20, 2017. The signing of the "Strategic Cooperation Agreement" between the Alliance and the Development and Reform Commissions of 11 provinces and municipalities within the Yangtze River Economic Belt was not only a positive action in support of national strategy, but also a practical one to support the real economy. The Alliance would provide intent lease support of no less than RMB 300 billion yuan to the Yangtze River Economic Belt in support of Yangtze River Green Ecological Corridor, ship type standardization, integrated three-dimensional transportation, industrial transformation and upgrading, and new-type urbanization, and lock the end use of funds to directly serve the real economy.



Topic: Stay True to Our Original Aspiration and Take Measures to Help the Real Economy



Case Strategic cooperation between Shenyang Branch and Yingkou Port

The Bank's Shenyang Branch has persisted in serving local real economy for many years and has cooperated with Yingkou Port Group Co., Ltd. for many years to provide comprehensive financial services, complement the shortcomings in Internet finance field, and to offer full-process, all-round, housekeeper-style financial services in areas of logistics online financing services, trade online financing services, and e-commerce payment settlement, and to establish an innovative financial business model on the Internet. In 2017, the Bank, Yingkou Port Group and COSCO Shipping jointly signed a strategic cooperation agreement at the promotion event with the theme of "Financing the World, Creating the Future". The strategic cooperation of the three parties would be based on Yingkou Port's efforts to meet national strategic concept, and with the advantages in resources, Yingkou Port would collaborate with visionary companies such as COSCO Shipping, Ouyeel, and Industrial Bank to deepen exchanges and mutual trust and seek common development by exerting their respective advantages in logistics, trade, and finance.



"Financing the World, Creating the Future" Promotion Event



Aerial View of Yingkou Port

Case Harbin Branch adapted to local conditions to boost tourism industry

Harbin Branch, based on the ice and snow culture in Heilongjiang Province in winter and the eco-tourism cultural policy in summer, continuously expanded cultural tourism projects to help the development of tourism and cultural industry in the province and make contributions to the revitalization of Northeast China's economy. In 2017, the branch supported the tourism industry in the province with a total amount of approximately RMB 3.8 billion yuan cumulatively. At the same time, in the process of handling related projects, the branch gave a series of preferential policies in terms of approval efficiency, lending limits, lending rates, etc., and realized rapid and efficient implementation of related projects through joint efforts of the branch and the Head Office.



Boosting local tourism industry according to local conditions

Seizing the Momentum, the Bank Lent Full Support to the Manufacturing Industry

Reverting to the original purpose of finance and seizing the momentum, the Bank fully supported the development of China's manufacturing industry, especially the high-end smart manufacturing industry. The "Investment Fund for Technological Transformation of Fujian Enterprises" initiated by the Bank has completed the signing of a total of RMB 8 billion yuan in less than one year after its establishment. The amount of invested funds exceeded RMB 6 billion yuan, and it has covered key technical transformation projects in all cities with districts (excluding Xiamen) in Fujian Province. By the end of December 2017, the fund has effectively supported 70 provincial key technological transformation projects, and the total investment for contracted technical transformation projects has exceeded RMB 60 billion yuan. After the project has been fully put into production, it would increase production value by about RMB 101.9 billion yuan/year, profit by about RMB 14.9 billion yuan/year, and tax by about RMB 6 billion yuan/year. The annual interest rate for investment in the bond of technical transformation fund was only 3%. After full investment, it was estimated that relevant enterprises could save more than RMB 240 million yuan in financing costs per year.

Case Changzhou Branch gave priority to high-end smart manufacturing

According to national industrial policy, "Made-in-China 2025 Changzhou Action Plan" and "the Industrial Projects in 2017 Changzhou List of Key Projects", etc., the Bank's Changzhou Branch greatly reduced costs of manufacturing enterprises. A special policy for the preferential allocation of loans for manufacturing enterprises has been formulated, with which the loan requirements for manufacturing and SMEs could basically be fulfilled within two working days after completing the formalities. For businesses such as account-opening, settlement, and foreign exchange settlement and sales of such enterprises, the branch also provided preferential handling fees and spreads, greatly reducing the company's settlement costs and exchange costs.

In 2017, Changzhou Branch has provided financial services to a number of listed and to-be-listed companies. Among them, manufacturing enterprises accounted for 80%, effectively boosting the pace of Changzhou in transforming to "smart" manufacturing.

80%

Case Guangzhou Branch built "strategic cooperation enterprise" in advanced manufacturing industry

Guangzhou Branch's customers meeting the requirements of strategic cooperation enterprises in advanced manufacturing

The end of 2017	81
The end of June 2017	+ 60
the balance of financing business	RMB 5.657 billion yuan
the business balance	RMB 2.893 billion yuan

Based on the orientation of regional economic development and the distribution of distinctive industries, Guangzhou Branch has adopted the management model of "strategic cooperation enterprise" to focus on supporting advanced manufacturing customers that were in line with the national policy, with good operating performance, high product technology contents and broad prospects for development. By the end of 2017, Guangzhou Branch's customers meeting the requirements of strategic cooperation enterprises in advanced manufacturing have reached 81, an increase of 60 over the end of June 2017. Among them, the balance of financing business was RMB 5.657 billion yuan, an increase of RMB 1.392 billion yuan over the end of June 2017; the business balance was RMB 2.893 billion yuan, an increase of RMB 1.142 billion yuan over the end of June 2017.

Sincerely Repaying the Shareholders and Enhancing the Effectiveness of Information Disclosure



With Steady Growth in Performance, the Bank Kept Creating Value

In December 2017, the Bank won the award of "Outstanding Board of Directors of Chinese Strategic Listed Company in 2017" granted by the 21st Century Business Herald.

21世纪经济报道
21ST CENTURY BUSINESS HERALD

In April 2017, in the 8th Appraisal of China Listed Company Investor Relations sponsored by the securities times, the Board of Directors of the Bank was appraised as the "Board of Directors with Best Investor Relations for Listed Companies in China's Main Board", and Board Secretary Chen Xinjian won the "Board Secretary with the Best Investor Relations for Listed Companies in China's Main Board".



In April 2017, in the 8th Appraisal of China Listed Company Investor Relations sponsored by the securities times, the Board of Directors of the Bank was appraised as the "Board of Directors with Best Investor Relations for Listed Companies in China's Main Board", and Board Secretary Chen Xinjian won the "Board Secretary with the Best Investor Relations for Listed Companies in China's Main Board".

新财富
NEW FORTUNE

By the end of 2017, the total group assets of the Bank reached RMB 6,416.842 billion yuan, an increase of 5.44% over the beginning of the year; the shareholders' equity attributable to the parent company reached RMB 416.895 billion yuan, an increase of 19.07%; the net capital reached RMB 526.117 billion yuan, an increase of 15.13%; and the capital adequacy ratio reached 12.19%, an increase of 0.17%. Annual total operating income reached RMB 139.975 billion yuan, and the net profit attributable to the parent company reached RMB 57.2 billion, with a year-on-year growth of 6.22%. The group non-performing assets ratio of the Bank was 1.59%, with the provision coverage hitting 211.78%. The asset quality and provision coverage continued maintaining at a good level. In general, the Bank has comprehensively accomplished the targets set by the Board of Directors at the beginning of the year.



The Idea of Strategic Investor Relations Was Carried out, with Exchange and Communication Through Multiple Channels

The Bank carried out the idea of strategic investor relations, adhered to forward-looking and professional orientation and effectively carried out investor relations work.

Active and In-depth Exchange in Diversified Forms

In 2017, the Bank continued to focus on improving the relevance and effectiveness of investor communication. For example, we organized the Annual On-site Performance Information Meeting 2016 and First Quarter of 2017 (including the topic of risk management business promotion), 2017 Semi-annual Performance Information Meeting (telephone conference), and "president closed-door meeting" between Tao Yiping, President of the Bank and domestic and foreign mainstream investment institutions for deep exchanges in Beijing, Shanghai, Hong Kong and Fuzhou, and established an effective communication channel for direct and in-depth exchanges between the management team and domestic and foreign mainstream institutional investors.

Fair Treatment and Extensive Communication in Multiple Channels

In 2017, with the help of the platform of brokerage strategy meeting, the Bank had in-depth exchanges with various institutional investors over 30 times, received mainstream investment and research institutions to investigate for more than 50 times, actively dealt with e-mail consultations from all kinds of investors, answered investors' calls and maintained the E interaction of Shanghai Stock Exchange and IR network platform of the Company. The Bank published the communication records of performance meetings to improve the fairness and efficiency of information disclosure.

Comprehensive Public Opinions Management and Active Attention to Hot Events

In 2017, the Bank actively developed media relations and monitored public opinions. While regularly checking public opinion risks, we conscientiously responded to daily public opinions, improved the response speed, promptly handled sensitive news and clarified the negative rumors, transmitted the mainstream objective and fair views to the market, stabilized market expectations, and maximized the protection of various investors' interests.



Customer First: Comprehensive Protection of Consumers' Rights and Interests



ATM transfer could be revoked within 24 hours

Verification methods were increased for non-counter transfer

Launch of on-line investigation and control system of funds involved in criminal cases



By the end of December 2017, the Bank's investigation and control system assisted public security agencies throughout the country to inquire 63,190 accounts in total; 5,284 account transactions were stopped in urgency, involving RMB 54.946 million yuan; and 14,933 accounts were quickly frozen, involving an amount of RMB 111.239 million yuan.

The Bank adhered to the concept of "customer first", constantly improved customer experience, firmly established consumer protection awareness, and fully protected consumers' rights and interests.

Indicator	2017
Cumulative number of customer service personnel	1,420
Growth of customer service personnel (%)	-3.99%
Cumulative number of customer complaints	227
Total number of telephone services accepted (10,000 times)	31,157,119
Total number of self-service voice services (10,000 times)	83,184,598
Customer satisfaction (%)	99.60%
Providing extended services (outlets)	204
Providing accessible paths (outlets)	732
Providing charitable service windows (outlets)	944

To help the disadvantaged groups to enjoy high-quality financial services as well, the Bank has built convenient facilities and provides courtesy services in the outlets.



Case Guangzhou Branch rejected "telecom fraud" with calm judgment and determined attitude

On March 15, 2017, the "International Consumer Rights Day", Tan Bo, who lives in Guangzhou, sent a "Thank You" letter and a bright red banner to the Business Department of Industrial Bank Guangzhou Branch. He thanked the Teller Yang Qiuxia and Chief Accountant Wang Yajing of the department who helped him to save RMB 400 thousand yuan of hard-earned money. Tan Bo received a phone call to pay the courier penalty. Teller Yang Qiuxia and Chief Accountant Wang Yajing firmly judged that Tan Bo had encountered a "telecom fraud," and persuaded Tan Bo to call the police. Afterwards, Tan Bo said with emotion, "Thanks to their clear judgment and caring, my hard-earned RMB 400 thousand yuan for old-age life can be saved!"



Tan Bo sent a bright red banner to the Business Department of Industrial Bank Guangzhou Branch.



Customer First: Comprehensive Protection of Consumers' Rights and Interests



The Bank Improved Service Quality with Standardized Service System

In 2017, the Bank improved the quality of window services, encouraged role models and examples. On the basis of recommendations of branches, considering the number of branch outlets and their corresponding staffing, results of the nationwide "Top 100" outlets, praiseworthy deeds to protect rights and interests of customers in different outlets, and complaints of retail customers, etc., we finally selected 50 annual "Service Star Branches", 50 annual "Service Star Community Sub-branches" and 200 annual "Service Stars."

Case Hefei Branch – smile made life better

The 8th "Jinke Cup" General Appraisal of Hefei Financial Smile Angels 2017 were jointly sponsored by Hefei Center Branch of the People's Bank of China, Anhui Financial System Youth Federation, Office of Hefei Cultural and Ethical Advancement Steering Committee, and Hefei Newspaper Media Group. Those Smile Angels became a "business card" in the financial sector of Hefei and even Anhui Province. After more than 40 days, Jiang Haiyan from the Business Department of Hefei Branch won the title of "Top 20 Best Angels" from tens of thousands of candidates in the city, after winning Top 100 from first audition, Top 50 from Top 100, and Ticket Contest of Top 50. After the match, Jiang Haiyan said sincerely: "The title of smile angel brings me more of a touch, and puts responsibility on me to continue behaving like an 'angel'. No matter what kind of difficulties we may face in the future, we will keep smiling. Smile will remind us of the original aspiration of this year's competition, and we will stick to the responsibilities and beliefs of smiling angels, to offer better services to the people, and make people's lives better."



Breaking Traditional Thinking and Exploring Inclusive Finance



In order to enhance service capabilities of inclusive financing, the Bank established "Five Specialized Mechanisms" for inclusive financial services, and specifically established the Inclusive Financial Work Leading Group led by Vice President Chen Jin'guang and set up the first Business Division of Inclusive Finance at the Head Office among joint-stock banks. Based on the existing responsibilities of the Retail Finance Department, all branches of the Bank have enriched and perfected related responsibilities such as leading and organizational promotion of inclusive financial services under the jurisdiction of the branch, forming a three-dimensional and high-standard organizational structure for inclusive finance.



Focusing on small and micro enterprises, the Bank Supported Distinctive Industries and cluster Development Based on Regional Characteristics

The Bank regarded supporting the development of small and micro enterprises as an important entry point for the promotion of inclusive finance, and continuously increased loans to small and micro enterprises.



Three 'No Less Than': on the basis of effectively increasing the increment of loans, efforts need to be made to ensure the growth rate of loans for small and micro enterprises no less than the average growth rate of all loans, and the number of loans for small and micro enterprises no less than the number in the same period of last year, and the number of loans obtained by small and micro enterprises no less than the level in the same period of last year.

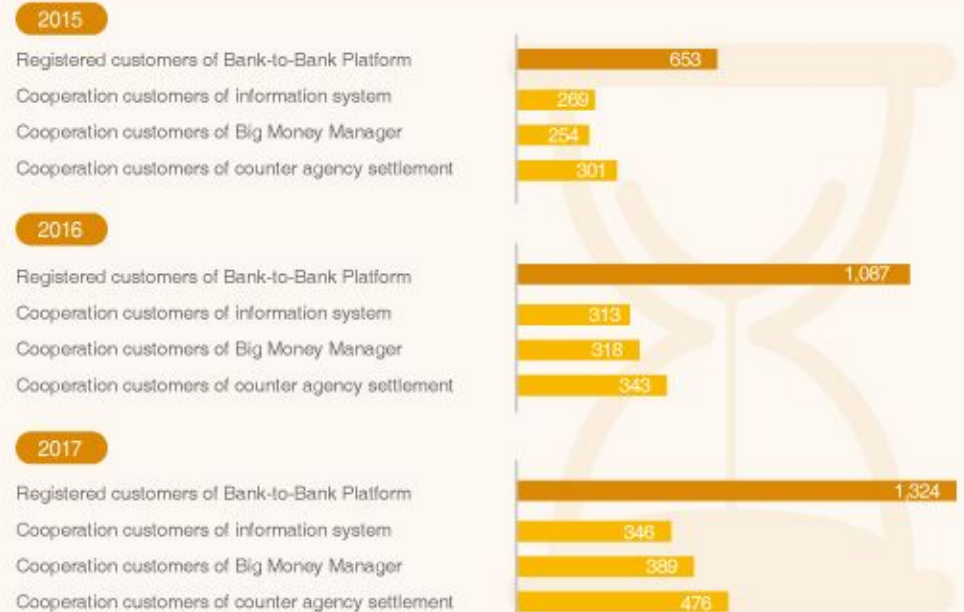
Case Nanchang Branch helped small businesses realize big dreams

The Bank's Nanchang Branch continued tapping credit needs of small and micro enterprises, further innovated in and improved loan product lines for small and micro enterprises, and provided comprehensive and professional one-stop financial services to help small businesses realize their big dreams!

For a long time, under the constraints of traditional concepts and models, small enterprises had to face the dual demands of production and operation funds and bid security. In view of that, Nanchang Branch independently researched and developed the "Bid Treasure" product. At the same time, the Branch continued improving product design, service experience, and processes. It combined "Bid Treasure" with online self-service "Circulating Loan" for small and micro enterprises, and innovatively launched "Circulating Loan" for "Bidding Treasure". For entrepreneurs of small businesses who hoped to participate in government investment projects, but were restrained by finance flow, it provided credit amount of "Circulating Loan" for "Bidding Treasure". The loan was used exclusively for the bid security of such enterprises, without charging any withdrawal or interests, in the hope of releasing the pressure of small and micro enterprises.

Bank-to-Bank Platform Offered Quick and Efficient Services Based on Resource Sharing, Interconnection

By the end of 2017, our Bank-to-Bank Platform had 1,324 corporate customers and 1,022 online customers. Cooperation customers have fully covered the provinces in Chinese Mainland. There were 476 counter agency settlement customers and 389 Big Money Manager customers. The effect of technology output was remarkable. The Bank had established cooperation with 346 commercial banks for information system construction, of which 208 have launched their information systems. The Bank has, acting as an agency, provided 311 cooperative banks with modernized RMB payment system, and more than 80 small- and medium-sized banks with Internet-linked system. The annual settlement amount of the Bank-to-Bank Platform exceeded RMB 4 trillion yuan, sales of products targeted at small- and medium-sized financial institutions and their end users exceeded RMB 2 trillion yuan. The registered customers of Internet wealth management platform "Big Money Manager" amounted to 9.42 million. Focusing on the development strategy of "One Financial Technology Cloud + Three Platforms of Payment Settlement, Wealth Management, and Asset Trading + Bank-to-Bank Platform International Edition", the Bank-to-Bank Platform continued making innovation and enriching distinctive products to provide comprehensive financial services for small- and medium-sized financial institutions to share resources and complement each other's advantages, and then to extend and expand modern comprehensive financial services to more third-tier, fourth-tier cities, rural areas, and remote areas, with a view to improving the effectiveness of inclusive finance.



Breaking Traditional Thinking and Exploring Inclusive Finance



Enjoyable Life with Value-added Services and Exclusive Protection Offered by Senior Care Finance,

In 2012, the Bank actively carried out professional management of senior care finance, continuously innovated and improved financial services for the elderly (four exclusive services: product development, health management, legal counseling, and property protection) and had obtained recognition of National Aging Office, the People's Bank of China and other relevant ministries and commissions. Senior care finance has become one of the key products in the Bank's practice of inclusive finance. Up to now, the Bank has served more than 13 million elderly customers and provided value-added services and exclusive protection to more than 2 million people.



Ningbo Branch: Enjoyable Life · Garden Expo

Community Banking: Serving and Benefiting Locals Through Multiple Channels

The Bank, relying on community banking, extended banking services to the "last mile" by developing banking outlets reachable to the common people around their homes. Community banking was also beneficial practices for the Bank to explore the transformation of retail banking. Thousands of community sub-branches across China promoted the four major product systems of the bank's retail banking service – "Enjoyable Life", "Universal Life", "Vigorous Life", and "Rich Life". Community sub-branches delivered these four major services to the common people in a fast and convenient way.

By the end of December 2017, the Bank opened a total of 981 community banking outlets, and provided extended services to a total of 3.5 million community residents, reaching the last mile of financial services. The balance of comprehensive financial assets hit RMB 208.4 billion yuan, an increase of 40% over the beginning of the year, of which the average daily balance of savings deposits was RMB 39.5 billion yuan, an increase of 81% over the beginning of the year. The average daily balance of personal loans was RMB 71.9 billion yuan, an increase of 13% over the beginning of the year. The Bank's core retail customer amounted to 830 thousand, increased by 15% over the beginning of the year.



Nanjing Branch: Little Bankers Experience Day
Nanjing Branch: Financial Quizzes Class for Children
Hohhot Branch: Activity of Presenting Spring Couplets
Hangzhou Branch: Opening Ceremony for Salt Lake Program of Enjoyable Life College

Service Star Community Sub-branches



Jiaxing Lingongtang Community Sub-branch of Hangzhou Branch



Donghu Haomen Community Sub-branch of Ningde Branch



Yujing Community Sub-branch of Guangzhou Dongguan Branch



Jiayu Community Sub-branch of Guangzhou Foshan Branch



Shengji Building Community Sub-branch of Nanjing Branch



Yongji Community Sub-branch of Sanming Branch

Perseverance Environment

二〇一七

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Expectations and needs of stakeholders

Bringing into play the leverage role of finance and paying attention to global climate change



Output of green finance technology opened a new mode of inter-bank cooperation of green finance



First green bank

Jiangsu's first green theme bank was officially launched



A green concept evangelist driving more stakeholders to build a beautiful China together

1,456.2 billion RMB

Green financing provided hit RMB 1,456.2 billion.

By the end of 2017, the Bank have accumulatively funded 14,395 enterprises with RMB 1,456.2 billion yuan through green finance. Projects funded through green finance would be capable to save 29.1223 million tons of standard coals and reduce carbon dioxide emissions by 83.7823 million tons every year in China.

- Differentiated credit policies to supported the national efforts in "cutting overcapacity"
- The green lease asset balance of IB Financial Leasing exceeding 41% of the company's asset balance
- Group-based green financial products flourished together
- First green bond index of the entire market, CCDC-CIB Green Bond Index
- The first phase (January 2018) of the "CIB Green Prosperity Index (GPI)"

16,537

16,537 pieces of environmental risk warning information

01

Developing a well-established environmental and social risk management system

02

Releasing 16,537 pieces of environmental risk warning information in collaboration with NGO

03

Enriching the green financial product system

04

Adhering to green operation

256 million

The electronic bills sent by the Bank in 2017 helped save 256 million sheets of paper.

over RMB **20** billion yuan

The market's first single green wealth management product was issued for over RMB 20 billion yuan.

- The market's first single green wealth management product was issued for over RMB 20 billion yuan.
- The holders of China low-carbon credit cards issued by the Bank cumulatively purchased 260,000 tons of voluntary carbon emission reduction, equivalent to neutralizing the carbon emissions by 1.87 million people flying 1,000 kilometers by air.
- The electronic bills sent by the Bank in 2017 helped save 256 million sheets of paper.

The green credit totaling RMB 3.115 billion yuan was issued to individual customers of green purchasing green apartments, new energy vehicles, and energy-efficient cars.

Strengthening Information Management to Continuously Improve Environmental and Social Risk Management System



Objectives of Environmental and Social Risk Management

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



Environmental and Social Responsibility Fulfillment Commitments

Strictly abide by the relevant Chinese laws and regulations in environment and society and operate in accordance with compliance.

Strive to invest those sustainable projects conducive to identify and solve economic, environmental and social risks, actively advocate the financing for ecological protection, ecological construction and green industry and constantly improve the financial instruments.

Actively help the business partners with the same opinions on and commitments to sustainable development to address environmental and social issues and provide the relevant financial products and services.



Make efforts to create a conservation-oriented enterprise, encourage energy conservation and emission reduction behaviors in the internal management and advocate environmental and social risk awareness in the corporate culture.

Constantly pay attention to and continue to improve the environmental and social risk management measures and conduct regular review and revision according to the changing external conditions and information to ensure the full applicability of the Bank's environmental and social management system.

Principles of Environmental and Social Risk Management

- 1 Compliance with laws and regulations
- 2 Classification management
- 3 Continuous improvement
- 4 Promotion of sustainable development



Process of Environmental and Social Risk Management

- 1 Identification and classification of environmental and social risks
- 2 Evaluation and review; conducting due diligence investigation
- 3 Control and monitoring
- 4 Information disclosure and performance evaluation

Continuous Intensification of Early Warning for Environmental and Social Risks

In 2017, the Bank further enriched environmental and social risk management methods, deepened cooperation with the non-governmental environmental protection organization "Fujian Green Home Environment Friendly Center" in early warning for environmental risks, and kept promoting the establishment of an early warning and classification mechanism for environmental risks of enterprises. The Bank made full use of its collection of the environmental warning information including the lists of environmental protection violations in six provinces and cities including Fujian, Jiangsu, Jinan, Guangdong, Zhejiang, and Jiangxi and incorporated it in the Bank's early warning management system. Releasing 11,967 pieces of risk warning information across the Bank, we provided information support to the due diligence, review and approval, and duration management of the Bank's credit projects. On this basis, we further assisted enterprises in the investigation of environmental risk points, put forward opinions on environmental rectification, and enhanced their environmental risk prevention awareness and management capabilities.



To Support Ecological Civilization, the Bank Advanced Green Development with Green Finance



“

“We need to further clarify the Bank's strategy, positioning, measures, and tasks in the development of green finance, and in particular, to strengthen our sense of responsibility and urgency.”

”

Chairman Gao Jianping

In 2017, Industrial Bank, responding to national policies, actively participated in the development of pilot zones for green financial reform and innovation, kept deepening green finance, and formulated the “Opinions of Industrial Bank on Accelerating the Development of the Group's Green Finance Business” to further clarify the positioning, objectives and measures of the Group in the development of green finance and to promote the joint development of the Group's green financial services. The Bank has developed green financial products and services covering such areas as banking, trust, leasing, funds, and consumer finance.



Mature Concepts of Green Finance

Since making the promise publicly to adopt the Equator Principles in 2008, Industrial Bank has gradually formed a green financial concept of “integrating righteousness into profitability”. We have gradually transmitted and implemented the concept in various aspects of business management, taking into account protection of ecological environment and interests of the public in business activities, and fulfilled social responsibilities. As a result, the concept of green finance has become increasingly mature.



Clear Development Strategy of Green Finance

Industrial Bank has formulated the environmental and social risk management strategy and the five-year development plan for green finance, clearly defined the objectives and mechanism measures, deepened and implemented them in rules and regulations, organizational structure, business processes and product innovation.



Professional Organization Structure and Talent Team of Green Finance

Industrial Bank set up the CSR leading group (the Legal and Compliance Department of Head Office) and the group's special facilitating group of green finance (the Green Finance Department of Head Office) at the level of head office. Each branch is equipped with green finance professionals. Nearly 30 branches set up the Green Finance Department, and there were nearly 200 green finance employees across the Bank.



Rich Green Financial Product System

Industrial Bank became the first company in China to provide integrated carbon finance services, the first to issue low-carbon credit cards, the first to provide emission right mortgage loan and carbon asset mortgage loan, and the first to issue green financial bonds, the first to provide Pre-ABS Green Consumer Trust and “Pioneering” products and services. The Bank has developed a system of group-based green financial products and services covering a variety of business types such as green financing, green lease, green trust, green fund, green investment, green wealth management, and green consumption.



Powerful Incentive Mechanism and Support for Green Finance

Industrial Bank incorporated the development of green finance into its annual comprehensive assessment index. By arranging special risk assets for green finance, special credit scale and differentiated approval and authorization policies, we gave priority to the delivery of green financial projects, and developed specialized on-line green finance system to achieve information-based attribute recognition, business statistics, energy saving measurement of green finance.

Remarkable Achievements in Development of Green Finance

By the end of 2017, the Bank has provided a total of RMB 1,456.2 billion yuan in the green finance based financing to more than 14,395 companies, with the balance reaching RMB 680.6 billion yuan. The business covered three areas: low-carbon economy, circular economy, and ecological economy. Each year, the projects supported could save 29,122.3 thousand tons of standard coal in China, reduce carbon dioxide emission by 83,782.3 thousand tons, chemical oxygen demand (COD) by 3,854.3 thousand tons, ammonia nitrogen by 133.9 thousand tons, emission of sulfur dioxide by 789.1 thousand tons and nitrogen oxides by 57.8 thousand tons, comprehensively utilize 44,749.8 thousand tons of solid waste, and save 408,423.7 thousand tons of water.



The projects supported



83,782.3 thousand tons

Reduce carbon dioxide emission each year



3,854.3 thousand tons

Reduce chemical oxygen demand (COD) each year



44,749.8 thousand tons

Comprehensively utilize solid waste each year



408,423.7 thousand tons

Save water each year

Case

Jiangsu's first green theme bank was officially launched

In September 2017, the first green theme bank in Jiangsu Province, jointly established by Jiangsu Provincial Department of Environmental Protection and Industrial Bank Nanjing Branch, was officially launched. The theme bank was not only a full-featured flagship banking outlet, but also an experience center for green finance, green life and green office. It aimed to vigorously expand environmental protection "positions", organically integrate green life and green finance, and spread more widely the concept of carbon life and environmental protection knowledge, so as to attract more people to join the green "camp".



Energy saving and environment protection notes of different theme can be seen everywhere inside the green theme outlet

All pens for filling forms are environment-friendly "com pens" made of corn straw



Ordinary moneybags are turned into "treasures" based on delicate design

Circulation corner for second-hand books



Temporary parking sites designated for shared bikes



Topic: Group-based Green Financial Products Flourished Together, with “Financing” and “Collaborative Intelligence” Going Ahead Hand in Hand



After pursuing green finance for eleven years, Industrial Bank, with the power of the whole group, made full use of diversified financial products, kept making progress in exploration and innovation, and built a complete product chain of green finance, striving to create a first-class green financial group by providing diversified “financing” and “collaborative intelligence” services.

Deepening Green “Financing” and “Collaborative Intelligence” Continuously

Since June 2017, Industrial Bank have actively participated in drafting and formulating green finance reform and innovation programs in five provinces and regions in China in terms of “collaborative intelligence, financing, and integration”, and have signed agreements with governments of provinces or autonomous regions such as Zhejiang, Jiangxi, Guizhou and Xinjiang, with a cumulative amount of RMB 250 billion, providing a variety of financial services for the pilot zones of green finance reform and innovation. At the same time, it assisted Fujian, Inner Mongolia, Xiamen, Jiangxi, Gansu and other places to issue related green financial policies, documents and statistical standards, etc., to further deepen the development of local pilots for green finance system. During the “Guiyang International Seminar on Ecological Civilization Pilot Zone 2017 - Green Finance Development Seminar” held on June 17, 2017, Industrial Bank and Guizhou Provincial People’s Government signed a strategic cooperation agreement in which the Bank promised to provide various kinds of

green financing services, totaling RMB 50 billion, to the province during the “Thirteenth Five Year Plan” period to support the construction of Guizhou national pilot zones for ecological civilization and green finance reform and innovation. The picture shows that Tao Yiping, President of Industrial Bank, and Guo Ruimin, Vice Governor of Guizhou Province, signed a strategic cooperation agreement.



The picture shows that President Tao Yiping of Industrial Bank is signing the strategic cooperation agreement with Vice Governor Guo Ruimin of Guizhou Province

Case Exploring output of green finance technology to launch “collaborative intelligence” cooperation of green finance

On November 29, 2017, Industrial Bank signed a green financial cooperation agreement with Jiujiang Bank in Ganjiang New Area of Jiangxi Province, and the first domestic inter-bank green finance cooperation was officially launched. The purpose of this cooperation was to share with other banking institutions the experience, ideas, expertise, and standards that the Bank have accumulated in the development of green finance with over the years, to accelerate the development of China’s green financial system, and to achieve a win-win development from “green to gold” jointly.

Continuous Innovation in Green Bonds

In 2017, based on the issuance of green bonds of exclusive green finance customers, the Bank, together with China Central Depository & Clearing Co., Ltd., jointly developed and launched the first green bond index of the entire market, CCDC-CIB Green Bond Index, which was the first green debt bond index designed and titled by a financial institution in China. Moreover, the first index wealth management product was offered based on the index instrument. As of now, the Bank’s green bond underwriting share ranks the first in domestic market.

Flourishing Green Retail

In addition to the innovation in green financial products and services targeted at corporate customers, Industrial Bank continued to expand individual green financial system, with flourishing individual green financial services such as low-carbon credit cards, green mortgage loans, green consumption loans, and green wealth management.



Green wealth management

In 2017, Industrial Bank launched the market’s first single green wealth management product, and the current stock size reached RMB 18 billion yuan, achieving good overall benefits.

Low-carbon credit cards

By the end of 2017, the Bank issued a total of 714,100 low-carbon credit cards in China. Holder low-carbon series of credit cards cumulatively purchased 260 thousand tons of voluntary carbon emission reduction, and effectively supported 72MW hydropower carbon emission reduction project in Dongping, Hunan, Nongling hydropower project in Dehong Prefecture, Yunnan, and HFC degradation project, equivalent to neutralizing the carbon emissions by 1.87 million people flying 1,000 kilometers by air.

Green Bill

In 2017, the Bank sent a total of 126 million electronic bills, saving 256 million sheets of paper. This has effectively promoted energy conservation and carbon emission reduction and contributed to environmental protection.

Green Mortgage

By the end of 2017, a total of RMB 3.115 billion yuan was issued for retail green credit business. The Bank continued to grant such loans to individual customers making green decoration that met energy-saving standards and purchasing green apartments, new energy vehicles, and energy-efficient cars that met the national architecture and energy-saving standards.



Qingdao Branch and Qingdao Laoshan Mineral Water Co., Ltd. jointly issued the first credit card for water conservation in Qingdao. The Branch donated RMB 100 thousand yuan to Qingdao Beverage Association to protect Laoshan Water Resources, and established the Development Fund of Laoshan Water Resources worth RMB 500 million yuan together with Qingdao Beverage Group.

Topic: Group-based Green Financial Products Flourished Together, with “Financing” and “Collaborative Intelligence” Going Ahead Hand in Hand



Green Lease: Investing RMB 100 billion yuan to Create “Three Major Green Projects”

In recent years, Industrial Bank Financial Leasing Co., Ltd., a wholly-owned subsidiary of the Bank, launched “Three Major Projects” - “Blue Sky Project, Lucid Water Project, and Pure Land Project”, researched and deployed six major products - green travel, clean energy, energy conservation and emission reduction, water environment governance, soil governance, and resource recycling. By the end of December 2017, Industrial Bank Finance Leasing Co., Ltd. had cumulatively invested RMB 105.27 billion yuan in green leasing business, with a green lease asset balance of RMB 52.677 billion yuan, which exceeded 41% of the company’s asset balance.

Constantly deepening the green travel sector

The company established an integrated service system covering “motive lithium battery manufacturers-vehicle manufacturers-bus companies/logistics companies” in the upper, middle and lower reaches of the green travel industry chain. It continued building a multi-level three-dimensional city bus lease service system, and has so far operated business in more than 20 cities.

20

operated business in more than 20 cities

Strengthening business cooperation of energy-saving and emission reduction

Through vendor leasing business, it focused on financing needs of the downstream customers to continue to promote the implementation of business under the cooperation, actively promoted the construction of industrial alliances, and looked down the heat charging right to carry out business innovation.

Intensified innovation in new energy

It made innovation in and practiced the business model of “purchase + operating lease”, realized the breakthrough in banking and leasing linkage in the field of renewable energy, and helped branches to effectively maintain customers and retain deposits through flexible product innovation.

Continuous efforts in the environmental management sector

It took water environmental governance as a key area of green leasing, focused on urban sanitation and solid waste treatment, and established industrial cooperation alliances with leading companies in R&D and manufacturing of environmental sanitation equipment.



Green Trust: Building a Green Financial Ecosystem Together

With the objective of becoming an industry-leading green trust company, China Industrial International Trust Limited (Industrial Trust) has improved the green trust organization system, established a green trust leading group led by the company’s leadership, and set up a green trust section. The company focused on the five-year development plan of green trust, constantly improved the development of organizational process and product system, and continued to focus on new energy, environmental governance, circular economy and other core green industries. By the end of 2017, the existing green trust size of Industrial Trust (including subsidiaries) reached RMB 49.688 billion yuan.

RMB **49.688** billion yuan

the existing green trust size of Industrial Trust



Case Collective trust plan supported the development of new energy industry

In August 2017, Industrial Trust initiated the “SINO SIN No. 1 Collective Trust Plan.” The partnership funds were all used to subscribe for the ReaLeader-China Silian Merger and Acquisition Fund for New Energy Industry, of which the funds were mainly used for the acquisition of photovoltaic power station assets. Making use of the merger and acquisition funds of limited partnership, the project supported the development of new energy industry, and had an important demonstration effect on the middle- and long-term and heavy capital investment projects in the new energy industry.

On December 2, 2017, Industrial Trust was awarded the “Best Green Trust Institution” in the 2017 China Financial Value Ranking.



Green Fund: Tapping the Widest Range of Funding for the Green Industry

In 2017, CIB Fund strengthened its research on the green bond market. In terms of government industry funds, CIB Fund developed green finance business through establishing Fujian PPP Fund and Fujian Technical Transformation Fund. By the end of 2017, a total of 12 projects were funded, with financing value of RMB 12.233 billion yuan. Its subsidiary, Industrial Wealth Asset Management Co., Ltd. (Industrial Wealth) used financial instruments such as private placement, securities financing and asset securitization to provide financial support for green industry, and promoted companies of the real economy to make greater breakthroughs in new energy, energy conservation and emission reduction, and elimination of outdated production capacity.

Case Diversified financial instruments to lend continuous support to green finance

Asset Backed Security (ABS) of Guozhen Environmental Protection Sewage Treatment Fees issued by Industrial Wealth marked the first time that the company successfully used asset securitization tools to introduce financial capital into the green industry. Faced with the problems of small scale, poor market acceptance, and high financing costs for individual sewage treatment projects, Industrial Wealth successfully raised RMB 488 million yuan through the issuance of asset-backed securities, helping Guozhen Environmental Protection solve the financing problem. Guozhen Environmental Protection invested all the money in the production and operation, and quality improvement of sewage treatment projects, updated and enhanced the equipment and technology, improved the emergency capacity of sewage treatment, ensured that the water quality was stable and met the standards, so as to further improve local ecological environment.

Green Research: Knowledge Boosted Industrial Development

In 2017, China Industrial Economic Research and Consulting Co., Ltd. (CIB Research), a subsidiary of the Bank, established the only green finance research team in the industry to further strengthen its research and support capabilities. It published, on average, more than 50 green financial research reports a year, and actively provided intellectual support to the group for the development of green finance and response to environmental risk. Relying on the service system covering “research support” and “business guidance”, it launched the first inter-bank green finance output in Bank of Jiangsu. At the same time, it vigorously promoted cooperation with government and successively participated in the development of green financial systems in Fujian, Sichuan, Zhejiang, and Shenzhen, and shared ideas, standards, and experiences of the Bank in green finance with more stakeholders.

Practicing Environmental Protection and Adhering to Green Operation



The Bank actively implemented national low-carbon economic policy, applied green concept throughout all aspects of operation and management, promoted "low-carbon office", strengthened energy-saving prompt, and advanced green operations in many areas including electricity, water, paper, waste recycling, environmental protection facilities for energy conservation and consumption reduction, and management. We took substantial actions to reduce greenhouse gas emission. At the same time, the Bank persisted in conducting rigorous review over suppliers in terms of safety production, environmental protection certification and labor protection in the process of procurement, and established a procurement and real asset management system to strengthen the management of environmental and social performance information of suppliers.

Total office water consumption (10,000 tons)	8.69
Total office power consumption (10,000 kWh)	1,539.44
Total office paper consumption (ton)	9.23
Total oil consumption by business vehicles (l)	38,667.76
Proportion of video conferences to total conferences (%)	21.18
Bank video equipment coverage ratio (%)	100



Case "Green Office Initiative of Industrial Bank Changzhou Sub-Branch"

I. Creating a green theme business hall.

Focusing on the theme of "Green Life, Green Finance", Changzhou Sub-Branch promoted green life knowledge by way of LED electronic screens, telefilms, interactive flipover board, foldout and X display racks of environmental protection knowledge, and environmental protection tips to create a green friendly interaction space and promote the recycling of resources, and pass on the concept of low-carbon green life and the connotation of green finance to more people.

II. Creating a green office environment.

First, develop a good habit. Observe the code of conduct for turning off lights, shutting off water, turning off computers, etc...

Second, strictly control the temperature of air conditioners...

Third, save office paper and maximize paperless office operation. Boxes for one-side-printed paper should be set in office areas...

Fourth, we must gradually implement office waste classification. Set up classified garbage bins, recyclable garbage bins, and electronic waste bins in public areas of office and business premises...

Fifth, encourage the use of recycled products...

Sixth, encourage green travel, reduce emission of tail gas, and promote business travel by carpooling....

III. Creating green canteens...



Hohhot Branch required all agencies under its jurisdiction to carry out routine inspections over the shutdown of electricity equipment before the getting off work and shut down the lights and power in the office areas. In particular, appropriate arrangement should be made for cutting off electricity during holidays to save resources in a reasonable way.

Practicing Environmental Protection and Adhering to Green Operation



Eight Years of Persistence to Create a Blue WE Future for the Earth

On the evening of March 25, 2017, from 20:30 to 21:30, Industrial Bank led more than 50 thousand employees in more than 2,000 outlets to participate in the "Earth Hour" campaign for eight consecutive years, and released the "Guide for Sustainable Life" to promote the concept of sustainable development in all aspects of work and life of employees and the general public, jointly creating a "Blue WE Future".

For example, Fuzhou Branch and its affiliated operating agencies, a total of 31 units, participated in the campaign. During the event, they turned off lights in 45 thousand square meters of office, 8 billboard lights on the top of office buildings, and sighting lights in 8 office buildings, and advertising billboard lighting on 34 roads.

Case Industrial Trust set high environmental standards to build office space

In order to create a good and environment-friendly office for employees, Industrial Trust took environmental protection, automation, and security as important criteria for selecting office space and decoration. The offices of Fuzhou, Shanghai, and Beijing were all equipped with office automation systems, auto wall calendar system, communication automation system, fire alarm system, and security management automation system, and decoration materials were mostly environmental-friendly and energy-saving. The office spaces were all of high environmental standards, smokeless, clean, safe, and environment-friendly.

Contrast of Shanghai Branch before and after the "Light Out" activity



Hohhot Branch



Hohhot Branch



Chongqing Branch



After Shanghai Branch turned off lights



Chongqing Branch



Before Shanghai Branch turned off lights



Shenzhen Branch



Shenzhen Branch



With Multiple Measures, the Bank Supported the National Efforts in “Cutting Overcapacity” with Differentiated Credit Policies

In 2017, the Bank continued to strengthen industrial restructuring, and implemented a differentiated credit policy of “protection, control and curb” in combination with the national industrial policies to effectively revitalize stocks and optimize increments. In accordance with the principles of risk control and commercial sustainability, and related requirements of the state to strengthen supply-side structural reforms, the Bank improved business access, industry quota management, and list-based management measures to prevent and resolve the risks of industries with excessive capacity.

Data of the Bank’s Business with Industries with “High Pollution, High Energy Consumption and Overcapacity”

Industries with “High Pollution, High Energy Consumption and Overcapacity”	Balance of 2015 (RMB 100 million)	Proportion to Business Loans in 2015	Balance of 2016 (RMB 100 million)	Proportion to Business Loans in 2016	Balance of 2017 (RMB 100 million)	Proportion to Business Loans in 2017
Textiles, leather processing and paper	21.86	0.18%	25.86	0.20%	24.21	0.17%
Chemical materials and chemical products*	111.19	0.90%	124.40	0.98%	143.65	0.99%
Rubber and plastic products*	9.76	0.08%	10.48	0.08%	15.46	0.11%
Coking	19.83	0.16%	16.71	0.13%	15.44	0.11%
Steel	124.86	1.01%	180.95	1.42%	152.39	1.05%
Cement	70.48	0.57%	73.22	0.58%	60.78	0.42%
Plate glass	2.26	0.02%	7.13	0.06%	6.00	0.04%
Polysilicon*	11.85	0.10%	7.82	0.06%	9.74	0.07%
Electrolytic aluminum	50.89	0.41%	37.92	0.30%	58.63	0.40%
Shipbuilding	1.82	0.01%	20.88	0.16%	2.22	0.02%
Subtotal	424.80	3.42%	505.37	3.98%	503.99	3.47%

Note: For the classification of industries with “high pollution, high energy consumption and excessive capacity”, see the Notice of the CBRC on the Implementation of Key Evaluation Indicators for Green Finance (YJBF [2014] No.186). In 2017, the sub-industry data of industry marked with * is customized by the Bank.

Promoting Green Life by Popularizing the Concept



In 2017, as the first Equator bank in China, the Bank fully assumed the responsibility of green concept evangelist, adopted multiple ways, such as popularizing green financial knowledge by CPC members, strengthening green training, promoting green consumption, and developing green public welfare, to drive more stakeholders to give attention to and practice green development, so as to build a beautiful China together.

Case CPC members took the lead to popularize knowledge on green finance

In August 2017, CPC members and cadres of the Finance Office of Jiangxi Provincial Government and Industrial Bank Nanchang Branch, sacrificing their spare time, organized the policy consulting service on green finance by CPC members in the outlet lobby of Industrial Bank Nanchang Branch to popularize knowledge on green finance for the general public.



Xiao Jiang, one customer, said

“In recent years, environmental pollution has attracted much attention and the demand for development of green finance continues intensifying. However, I was unclear what green finance means in the end. With their explanation, I have got a general idea.”



Intensifying the understanding of green concept

On October 26, 2017, Jiaying Branch invited experts from Jiaying Environmental Protection Bureau to give lectures to all its employees on the theme of “Learning green policy to promote green finance”, helping them understand current environmental protection policies, and enhance their awareness of environmental protection.

Promoting green consumption

Longyan Branch and Xinluo District Food and Drug Administration of Longyan issued 50 thousand green dining promotion boards to more than 10 thousand catering businesses in the District to guide customers in elegant dining, green consumption and green payment.

Promoting Green Life by Popularizing the Concept



Beijing Branch initiated and co-hosted the campaign of "green bookshelf" into campus with the "Environmental Education" Press and Fensheng Primary School in Dongcheng District, Beijing.



Nanning Branch invited 100 cardholders to participate in environment-friendly walking tour on the theme of "taking away a kilogram".



Changchun Branch launched the development of "Changchun Industrial Bank Forest".



Guangzhou Branch held "Green Finance, Green Riding" event.



Nanning Branch invited 100 cardholders to participate in environment-friendly walking tour on the theme of "taking away a kilogram".



Fuzhou Branch launched "Winter Walking" activity.



Guangzhou Branch held "Green Finance, Green Riding" event.



Xining Branch carried out the walking tour activity.



Fuzhou Branch launched "Winter Walking" activity.



Nanping Branch became the first financial institution in the city to set up an environmental protection service station selected by Nanping Environmental Protection Association.



Industrial Trust participated in Fuzhou International Marathon actively.

Intimate Return Community



二〇一七

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Expectations and needs of stakeholders

Joining community construction and promoting social harmony



The Bank issued China's first medium-term note for poverty alleviation in the financial market, opening up a new channel for targeted poverty alleviation. The Bank provided efficient and professional green channel assessment support for poverty alleviation projects, through which the Head Office and branches can cooperate with and respond to each other in an expedited manner with quick intervention, quick approval and quick implementation.



Industrial Bank organized 1,929 thematic public education activities, with the cumulative number of activities (times) hitting 16,041 and the audience number reaching 14,644.2 thousand.

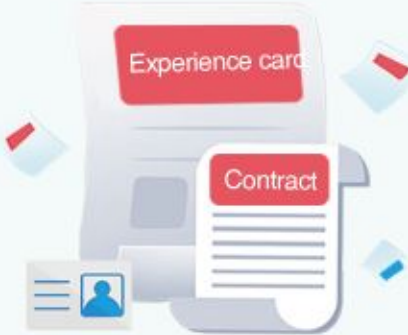
14,644.2 thousand
The audience number reaching 14,644.2 thousand

RMB **21** million yuan
Donation totaling about RMB 21 million yuan

In 2017, Industrial Bank donated about a total of RMB 21 million yuan.



The Bank paid great attention to the labor security of employees. The labor contract signing rate, social security coverage rate, medical examination and health record coverage rate, and housing provident fund coverage rate all reach 100%, and the employees have paid annual leave according to national regulations.



The Bank balanced the work and life of employees, disseminated and advocated the culture of Industrial Bank, and enhanced the cohesion and sense of belonging by organizing various kinds of recreational activities that are rich, colorful and meaningful, such as fun sports games, art performance, and marathon.

Since the establishment of "Industrial Bank Charitable Grant" in 2007, the Bank funded 100 poor students of Xiamen University, Fuzhou University, Jimel University, Fujian Normal University and Fujian Agriculture and Forestry University respectively on an annual basis, and have invested RMB 20 million yuan to help 5,000 poor students to finish their schooling up to now.

RMB **20** million yuan
RMB 20 million yuan for education funding



Going Deep Among Consumers to Popularize Financial Knowledge From Multiple Aspects



In 2017, the Bank successively organized non-profit and regular financial knowledge publicity and education activities for different consumer groups, including "Financial Knowledge Popularization", "Financial Knowledge into Thousands of Families", "Promotion Month of Monetary and Financial Knowledge", "Financial Knowledge into Campus" and "Month for Tackling Telecommunication Network Crimes". All traditional outlets and community banking outlets of the Bank properly made activity designs and plans, defined the staff responsibilities and selected the sites for centralized publicity in advance, realizing 100% participation and coverage. Meanwhile, in order to protect the rights and interests of elderly customers, the Bank organized legal advice lectures in conjunction with the annual "Senior Care Month" activity and carried out a series of activities for protecting the consumers' rights and interests during the 315 period. In 2017, the Bank provided free on-line legal advice to elderly customers by responding to over 25 thousand calls in total.



16.3

Public education investment amount (RMB 10,000)



16,041

Cumulative number of activities (times)



1,929

Number of thematic public education activities



1,464.42

Audience number (10,000)



43.52

Granted materials (10,000 copies)



6.2

Number of employees involved (10,000)

1,503,500

SMS sent

212,500

posts published through WeChat and Weibo

256

media reports

"On-line" publicity result

Case

Shenyang Branch established a demonstration base of financial knowledge publicity and education for protecting consumers' rights and interests

On December 7, 2017, the Business Department of Industrial Bank Shenyang Branch, as a demonstration base of financial knowledge education for the banking industry in Liaoning, held the unveiling ceremony under the witness of the financial customers who visited the demonstration base and participated in financial knowledge publicity and education for the first time.

After the ceremony, the Branch carried out its first "Bringing In" activity, inviting over 30 financial consumers to visit the demonstration base of financial knowledge education, popularizing financial knowledge and vividly explaining and publicizing the same from such aspects as using chip cards of the Bank, prudently purchasing financial products, preventing financial fraud, and attaching importance to personal credit investigation. Through the platform of the demonstration base of financial knowledge education, the Branch provides financial consumers with professional and proprietary publicity and education services, and would continue to make contribution to the financial stability and public services with actions.



Shenyang Branch | Establishing a demonstration base of financial knowledge publicity and education for protecting consumers' rights and interests



The Bank publicized financial knowledge to the public at 2017 Shanghai International Marathon



Fuzhou Branch Publicity of anti-money laundering in factories



Guangzhou Branch Organization of the publicity of anti-money laundering



Shanghai Branch Establishment of "Financial Knowledge Reading Corner" in ShanghaiTech University



Fuzhou Branch Publicity of "Financial Knowledge into Thousands of Families" in campus

Love Starting from “Industrial Bank” with Joint Efforts to Create a Happy Life



To support charities, the Bank, while advancing the three-in-one charity undertaking consisting of “education funding”, “disaster relief” and “poverty alleviation”, devoted itself to improving the public benefit awareness of all employees constantly, mobilized about 60 thousand employees to help the people in need in a more extensive and tailored manner. In 2017, Industrial Bank made donations of about RMB 21 million in total.

- 1 Employees of the business departments of Kunming Branch and Huafu Securities (Kunming) came to the Zhiqing Apartment for Seniors to celebrate the Double Ninth Festival
- 2 Wuxi Branch visited the center of children’s welfare to care for orphans and the disabled children
- 3 Zhangzhou Branch brought supplies to a hundred of poor households

Education funding

Since the establishment of “Industrial Bank Charitable Grant” in 2007, the Bank funded 100 poor students of Xiamen University, Fuzhou University, Jimei University, Fujian Normal University and Fujian Agriculture and Forestry University respectively on an annual basis, and has invested RMB 20 million to help 5,000 poor students to finish their schooling up to now.

Disaster relief

At 09:19 p.m. on August 8, 2017, a 7.0-magnitude earthquake occurred in Jiuzhaigou County, Aba Prefecture, Sichuan Province (33.20 degrees north latitude, 103.88 degrees east longitude). After the earthquake, Industrial Bank Chengdu Branch immediately launched a contingency plan for major natural disasters. On the one hand, it promptly investigated whether the institutions under its jurisdiction were affected by the earthquake and ensured the safety of people and banks property. On the other hand, it set up “Green Channel” to guarantee the real-time remittance of all kinds of disaster relief funds, and through 95561 customer service hotline, took the initiative to send customers disaster early warning and disaster and loss prevention information, and contact the customers around the disaster area or having the plan to go to those areas to understand their demands.



Volunteer activities

In 2017, Industrial Bank carried forward the volunteer spirit of “dedication, friendship, mutual assistance and progress”, attached great importance to the development of volunteer teams, strengthened the management of volunteer groups and volunteer activities, properly registered the voluntary groups and volunteers online in accordance with the requirements of superior authorities, and took the initiative to carry out voluntary activities.

Topic: Exploring New Mode of Targeted Poverty Role Alleviation, the Bank Kept Bringing into Play the of “Blood Transfusion” and “Hemopoiesis” of Finance



In 2017, the Bank effectively implemented the Decision of the Central Committee of the Communist Party of China and the State Council on Winning the Battle against Poverty, and took all-rounded actions to bring into play the role of “blood transfusion” and “hemopoiesis” of finance. We actively increased the poverty alleviation credit, focused on the concentrated contiguous areas in extreme poverty such as South Xinjiang, Mountain Area along the Border of West Yunnan, Wumeng Mountain Area, Rocky Desertification Area of Yunnan, Guangxi and Guizhou and Dabie Mountain Area as well as the key poor areas in Fujian Province, provided manpower and material support through donations, grants and fixed-point relief to implement targeted poverty alleviation and assist targeted poverty reduction. The Bank participated in a total of more than 80 poverty alleviation projects, dispatched 22 cadres to work temporarily in villages, and invested nearly RMB 13 million in poverty alleviation in 2017. We continued to support the reasonable credit demand of poor people who were registered in poverty archives. The balance of personal loan granted to these registered poor people totaled RMB 3.251 billion yuan, with an increase of 31.14%.



Promoting “guaranteed loans to start-ups”, the Bank supported the capital demand for “entrepreneurship and innovation” for poverty alleviation in every area

The Bank continued to encourage its branches to launch “guaranteed loans to start-ups”, and actively participated in local financial aid programs together with local financial departments, defined the targets of poverty alleviation with financial support, formulated individualized poverty alleviation financing plans, and provided individuals with capital support in the process of self-employment and start-up. By the end of 2017, the balance of personal guaranteed loans to start-ups across the Bank was RMB 184 million yuan, increasing by RMB 93 million over the beginning of the year with a rate of 103%, which better supported the development of entrepreneurship and innovation in all regions.

Diversified business models and product portfolios to support small and micro enterprises in agricultural industry

The Bank, based on the features of regional economy and characteristics of industry, addressed such issues as lack of collaterals and financing difficulty for small and micro enterprises in agricultural industry through diversified business models and product portfolios, promoted the development of small and micro enterprise clusters, and lent strong support to the development of distinctive agriculture, new-type agriculture and technological agriculture.

The Bank increased the credit input in rural areas to help rural revitalization and development of agriculture, farmers and rural areas

In order to better “serve agriculture, farmers and rural areas, and targeted poverty alleviation”, the Bank increased investment in credit resources in rural areas so as to meet the diversified financial needs for rural revitalization and agriculture, farmers and rural areas.

- Adopting a “government-bank-guarantee agency” cooperation model, the Bank established a tripartite risk-sharing mechanism to strengthen the effective interaction among government, banks and enterprises.
- We provided financing guarantee and daily monitoring for the procurement, inventory, sales, logistics of small and micro enterprises upstream and downstream by centering on the leading agricultural enterprises.
- Based on the data on the third-party electronic information trading platform, we realized the cooperation with a batch of small and micro enterprises in the agricultural industry.
- According to the characteristics of local distinctive agricultural industry, production and operation rules as well as capital demands, we reasonably designed business mode to reduce the financing costs.
- Promoting rural “Two Rights” mortgage loan. In 2017, the Bank launched the rural “Two Rights” mortgage loan business in 10 pilot counties and cities including Gutian and Shaowu, actively explored the loan mode under which the farmers have their right to manage contracted land in rural areas or property right in housing as collaterals so as to help farmers to vitalize the assets in their hands and meet the needs of the rural people for personal loans, seeing good response from the local people.
- Innovating in the pilot implementation of forestry right mortgage loan. The Bank, based on the characteristics of rural economic development and the production cycle of forestry, took the lead in carrying out the pilot implementation of forestry right mortgage loan business in Sanming, Fujian Province, through which forestry farmers can apply for a single loan up to 15 years with the forestry right as collateral. By the end of 2017, the total balance of forestry right mortgage loan of the Bank in Sanming hit RMB 470 million yuan, which achieved good social benefits in the local area.

Topic: Exploring New Mode of Targeted Poverty Role Alleviation, the Bank Kept Bringing into Play the of “Blood Transfusion” and “Hemopoiesis” of Finance



Case The Bank issued China's first medium-term note for poverty alleviation in the financial market, opening up a new channel for targeted poverty alleviation

In March 2017, the “phase I poverty alleviation medium-term note of 2017 for Guizhou Expressway Investment Co., Ltd.”, for which Industrial Bank acted as the lead underwriter, were successfully issued. Such bonds were China's first medium-term notes for poverty alleviation, and one of the first two batches of notes for poverty alleviation issued in the same period, marking an innovative breakthrough in advancing targeted poverty alleviation with financial support in the inter-bank bond market. The registered amount of the medium-term notes for poverty alleviation is RMB 1 billion yuan, with the initial offering of RMB 500 million for a term of 5+N years, the facility rating of AA, the offering rate of 5.39%, which is lower than that of similar bonds not for poverty alleviation. Industrial Bank and the issuer, Guizhou Expressway Investment Co., Ltd., fully implemented the requirements of targeted poverty alleviation and ensured that the funds raised with the bonds would be used in Changshun County and Weining County, which were the concentrated counties in extreme poverty in China and the key counties for national poverty alleviation and development work, to support the construction of expressway service areas in the two counties.

Case Green channels were opened to support expedited review of green poverty alleviation projects

The Bank provided efficient and professional green channel assessment support for poverty alleviation projects, through which the Head Office and branches can cooperate with and respond to each other in an expedited manner with quick intervention, quick approval and quick implementation. Industrial Bank Nanchang Branch actively tracked the progress of a photovoltaic power generation project for poverty alleviation in Shicheng County, Jiangxi Province, and took only about one month from reporting the project to the Head Office, receiving approval for the project to signing contracts and granting loans. This project was expected to achieve a multi-win situation on such aspects as economic, social and environmental benefits. According to the distribution plan of poverty alleviation benefits worked out by the local government, the project was expected to help 2,238 poor households, each of which could withdraw no less than RMB 3,000 yuan for 20 years. It effectively boosted local poverty alleviation. Meanwhile, this project was also expected to save about 23 thousand tons of standard coal for power generation and reduce emissions of greenhouse gases by about 69 thousand tons, sulfur dioxide 71.7 tons and nitrogen oxides 71.7 tons on an annual basis, and significant effects could be seen energy saving and emission reduction.

Case Xi'an Branch started off the poverty alleviation through education, and provided fundamental solutions to poverty alleviation through industrial support

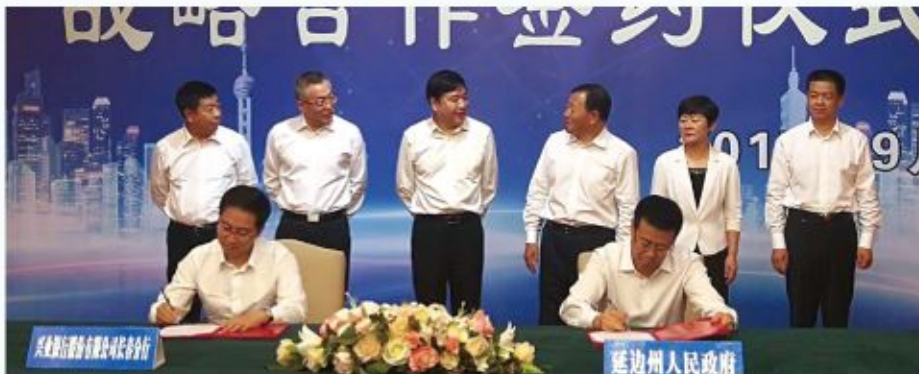
Xuejiaping Village was located in Letangbao Township, Qingjian County, Yulin. The main sources of income there were working away from hometown and planting of small grain crops. However, due to the limited planting area, dependence on weather conditions for food and low yield, the income from crops was far from enough. In 2014, after the poverty alleviation work was initiated under the assistance of cadres stationed in the village, Xi'an Branch, as a supporting enterprise of Xuejiaping Village, set up a poverty alleviation working group, organized employees to carry out poverty alleviation activities in the village many times, and formulated assistance plan and working plan at the same time, determining the implementation of three poverty alleviation projects, including industrial support, relief by aid and education funding. Over the last three years, with the joint efforts of the whole branch, based on the working idea of “starting off the poverty alleviation through education, and providing fundamental solutions to poverty alleviation through industrial support”, a total of RMB 214 thousand yuan was donated for education funding, RMB 50 thousand was spent on buying “rice, flour, oil” during the Spring Festival of each year for the purpose of “sending warmth” to the villagers, RMB 100 thousand yuan was used to repair bridges, and more than RMB 300 thousand yuan was applied for poverty alleviation from relevant departments. The poverty alleviation work in Xuejiaping Village was carried forward continuously and steadily, and the local cadres and people also firmly resolved to win the battle against poverty. In order to accelerate the pace of poverty alleviation in Xuejiaping Village, fundamentally solve the poverty-causing factors and drastically change the poor situation of the village, Xi'an Branch went deep to every household in the village for visit and investigation, and formed a consensus on the development of mushroom cultivation after repeated survey and discussion and communication with relevant poverty alleviation departments and poor households in Qingjian County in May 2017. As the “Mushroom Greenhouse” project was put into operation, the poor households in the village would truly enjoy the results of poverty alleviation project and move a big step towards the goal of getting out of poverty and entering a moderately prosperous society as soon as possible.



Topic: Exploring New Mode of Targeted Poverty Role Alleviation, the Bank Kept Bringing into Play the of “Blood Transfusion” and “Hemopoiesis” of Finance



Case Yanbian Branch arranged targeted poverty alleviation in the prefecture



Yanbian Korean Autonomous Prefecture, Jilin Province is located in the eastern border of Jilin Province and is one of the ethnic minority autonomous prefectures in China. Four counties and cities there were listed as state-level poor counties in 2017, accounting for 50% of the state-level poor counties in the province.

Yanbian Branch was concerned about poverty alleviation, actively communicated with the local government, participated in the establishment of “four-point, double-security, two-assistance and one-priority” poverty alleviation mechanism, assisted the government in optimizing the mechanism and plan and effectively resolved poverty alleviation and poverty reduction in the region.

Going deep in the poor area for investigation, the branch visited over ten thousand poor people

Yanbian Branch actively participated in the investigation of poverty alleviation work. By the end of 2017, Yanbian Branch had overcome the difficulties in staffing, visited the families of poor people, personally and physically experiencing the hardship and need of poor people. Although there were only 54 employees in the branch, it still dispatched 361 person-times in total in 38 working days to 9 townships and 76 villages in Helong, visiting 5,406 poor people, and 9 townships and 27 villages in Antu County, visiting 5,143 poor people.

Yanbian Branch brought the investigation feeling into the work, laid emphasis on the needs of poor people and the urgency of the government, formed a complete set of product structure and operation process in a short period, which complemented an important link of the poverty alleviation mechanism plan. By the end of 2017, under the full cooperation of Yanbian Branch, the “four-point, double-security, two-assistance and one-priority” poverty alleviation mechanism of Yanbian Prefecture has been officially finalized, and the branch made a significant contribution to the poverty alleviation work of the prefecture.

Case Nanning Branch helped the poor village in Autonomous Region solve the villagers’ difficulties in drinking water

November 19, 2017 was a very meaningful day for the villagers in Wenhua Village, Leli Town, Tianlin County, Baise Municipality, Guangxi Province, on which the construction of two drinking water projects they had long been looking forward to was finally started. The drinking water projects constructed with the donation of Industrial Bank Nanning Branch was put into use one month later, solving the difficulties in drinking water of more than 170 people from 38 households in 2 settlements. In the eyes of the local people, this was a real livelihood project. After China started the combat against poverty, Nanning Branch responded positively, organized personnel quickly and charged to the forefront of positions for poverty alleviation. As a designated poverty alleviation unit in Minzu Village, Linfeng Town, Tiandong County, Baise Municipality,

Nanning Branch has invested over RMB 10 million cumulatively in the poverty alleviation project of Minzu Village through various channels such as donation and fund-raising since 2012. In October 2015, the branch was geared to assisting Wenhua Village, Leli Town, Tiandong County, Baise Municipality, starting a new round of targeted poverty alleviation. Over the last two years, the poverty alleviation work in Wenhua Village achieved initial results through concerted efforts of various parties, solving the drinking water problems of more than 262 people in 3 settlements, newly building 1.4 km of hardened road, which benefited 270 people, and helping 60 people transfer employment. Therefore, the Branch was named “Model Backup Enterprise for ‘Beautiful Guangxi’ Village Construction (Poverty Alleviation) in Baise Municipality”.



Growing Up and Walk Hand-in-hand with Employees



Increasing Employment to Protect the Employees' Rights and Interests

58,997

Total number of staff (persons)

0.81:1

Male-to-female ratio (male: female) Ratio of male to female employees

2.28:1

Male-to-female ratio of middle and senior management staff (male: female)

1:33

Proportion of employees from ethnic minorities

In 2017, the Bank, from beginning to end, attached importance to ensuring that each employee receives fair and equitable treatment in terms of selection, evaluation, incentive, compensation and benefits, and earnestly safeguarded the legitimate rights and interests of employees, we paid attention to the labor security of employees in strict accordance with national laws, regulations and relevant stipulations. The labor contract signing rate, social security coverage rate, medical examination and health record coverage rate, and housing provident fund coverage rate all reach 100%, and the employees have paid annual leave according to national regulations.

The Bank effectively implemented the regulations on staff representative congress and bank affair disclosure. The trade unions at all levels actively organized the promotion of works related to bank affair disclosure and safeguarded the democratic management rights of employees while the Bank released and publicized the regulations through various methods and means such as bulletin board, official documents and websites and WeChat official account.

Diversified Development Planning for Harmonious Growth

In 2017, the Bank encouraged employees to grow professionally through training courses such as "Brand Project", "Internal Trainer Mechanism", "Network College" and "Face-to-face Course", and also activated the ecological atmosphere of voluntary sharing and active learning through a series of mobile learning programs such as Suixingxue (Study as you like) APP, WeChat Learning Community and WeChat Official Account and created a wide range of knowledge linkages.

2017

Number of trainings 3,670

Number of trainees 327,000 person-time

Employee training coverage rate 78.02 %

Training hours per capita 96 hours

Total training input RMB 156.4 million yuan

Colorful Life in "Industrial Bank" Brought Warmth to Employees

It is the bounden duty of the trade union to care for employees and speak for them. The trade union of the Bank upholds the tenet of doing good and practical works, solving difficulties for employees in daily work, and strives to send warmth to every employee's heart. We created the Home Culture of Industrial Bank and have formed a timely condolence and subsidy mechanism in terms of workers' inpatient injuries and disasters and death of their family members. At the same time, it established supporting files for employees in difficult situations, persisted in carrying out the activity of "sending warmth during two festivals" and giving birthday gifts for employees, balanced their work and life, disseminated and advocated the culture of Industrial Bank, and enhanced the cohesion and sense of belonging of employees by organizing various kinds of recreational activities that are rich, colorful and meaningful.

Case Life is precious, love is priceless – The Bank laid up penny and penny, making a tower

On December 15, after knowing the state of illness of employee Liu Ying's child named Xiaobubu, Tianjin Branch went to see him immediately. After learning that Liu Ying's family has certain practical difficulties, on December 21, the Branch's trade union, with the strong support of the Party Committee of the branch, issued a paper titled Life is Precious, Love is Priceless - A Donation Proposal to All Employees for the Sake of Love, mobilizing the employees of the Bank to show a love for and to ascend a humble effort to the utmost to the rehabilitation of Xiaobubu. Unexpectedly, this Proposal was spreading across the Internet and received great attention from the entire system of Industrial Bank and the warm-hearted people of all walks of life. Love was quickly passed on through WeChat and the Branch's trade union received 2,357 love donations in just one day. The total amount of donations exceeded RMB one million yuan, and the cost of the staged treatment required so far for Xiaobubu was enough.

Meanwhile, Tianjin Branch also applied for allowance for employees in difficulty for Liu Ying according to relevant stipulations of the labor union of Industrial Bank. In addition, the Bank has established employee welfare security plan and employees have been insured with supplementary medical insurance and major illness insurance, etc., which also gave the treatment of Xiaobubu a leg up.

Growing Up and Walk Hand-in-hand with Employees



The first station of "Feelings in Industrial Bank" titled "Energy Filling Station" in Guangzhou Branch helped new employees fully understand themselves



Putian Branch held fun sports games



Changchun Branch organized the "Colorful Youth" training program



Quanzhou Branch held employees' sports games



The Capital Operation Center of the Head Office held the family activity



Beijing Branch carried out "work-break exercises" activity



Colorful Life in IB

Suzhou Branch held "Singing Bank Song Loud and Industrial Bank High" chorus competition



Employees of Dalian Branch held art performance to celebrate the 10th Anniversary of Foundation



Fuzhou Branch organized employees to take part in Fuzhou International Marathon



Determination Practice



二〇一七

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Execution of the Equator Principles

Topic: Abstraction in Practice and Theoretical Crystallization



By the end of 2017, 92 financial institutions in 37 countries and regions all over the world including Industrial Bank have adopted the Equator Principles. Bank of Jiangsu became the second Equator bank in Chinese Mainland, and Taipei Fubon Commercial Bank became the third one following Cathay United Bank and E.SUN Bank in Taiwan. In addition, Norinchukin Bank in Japan and Swedish Export Credit Corporation adopted the Equator Principles in 2017.

On January 19, 2018, the Bank held a financial seminar titled "Offering Advice for Ecological Civilization to Build a Beautiful China" in Beijing and launch conference of the new book titled Green to Gold: An Empirical Study of Sustainable Development of Banks Based on the Equator Principles. At the seminar, the Bank issued the monograph titled Green to Gold: An Empirical Study of Sustainable Development of Banks Based on the Equator Principles, one of the study achievements on the program of "Equator Principles and Sustainable Development of Banks", and discussed the sustainable development strategies with many top experts and scholars in the green finance.

The book Green to Gold: An Empirical Study of Sustainable Development of Banks Based on the Equator Principles consists of ten chapters in total and 450 thousand Chinese characteristics, covering the achievements made by Industrial Bank through continuous exploration in the field of sustainable finance for more than ten years, records the study data, analysis model and study achievements with different modules after the Bank referred to foreign academic literatures and study data with millions of words, visited projects subject to the Equator Principles, investigated and surveyed the green finance, and took the professional advice of senior experts from government regulatory organs and research institutes and financial institutions such as CBRC, the Ministry of Ecology and Environment, CASS, University of Waterloo, IFC and Mizuho Corporate Bank. As for the expounding structure, the book demonstrates that the financial industry, as an indispensable part of the modern economy and society, must seek sustainable development from the aspects of theoretical origin, industry experience and industrial practice, respectively. It also proves the positive role of the Equator Principles in bank risk management and financial performance by building a sustainable financial evaluation and measurement system.



Opening speech of Hua Bing, General Manager of the Legal and Compliance Department of Industrial Bank

Expert speech: Opportunities and Challenges Faced by the Banking Industry under the Background of "Ecological Civilization"



Member of the Chinese Academy of Social Sciences and Chairman of National Institution for Finance & Development



Former Chief Engineer of the Ministry of Environmental Protection and Member of the Scientific and Technological Commission of the Ministry of Environmental Protection



Director of the Green Finance Committee of China Society for Finance and Banking, Former Chief Economist of the Research Bureau of the People's Bank of China



Chief Economist of Industrial Bank

Execution of the Equator Principles

Topic: Abstraction in Practice and Theoretical Crystallization



Roundtable Forum: Back-feeding and Offering Advice to Build a Beautiful China



From left to right: Host: Yin Hong, Deputy Director of the Institute of Urban Finance of Industrial and Commercial Bank of China; Yuan Wei, Head of the Management and Consultation Project for Environmental and Social Risk Faced Asian Financial Institutions of IFC; Luo Shiyi, General Manager of the Department of Green Finance of Industrial Bank; Zheng Changmei, President of Industrial Bank Financial Leasing Co., Ltd.; Deng Mengxuan, Secretary-General of Fujian Green House Environmental Friendly Center; Guo Peiyuan, Chairman of SynTao Green Finance; Shi Yingzhe, Vice President of International Institute of Green Finance, Central University of Finance and Economics

Strengthening the Cooperation with External Professional Institutions

In 2017, the Bank continued to cooperate with the third-party organizations adopting the Equator Principles including Environmental Resources Management China (called "ERM" for short) and other world leading environmental advisory organizations to carry out due diligence investigation, environmental and social risk review based on the projects subject to the Equator Principles and prepare the Review and Evaluation Report on Compliance with the Equator Principles and Environmental and Social Action Plans. During the review, the third-party organizations mainly conducted the review such aspects as the performance of enterprises and proposed projects in the evaluation management of social and environmental risks, supervision and review, emergency preparation and response, stakeholder participation, occupational health and safety, protection of rights and interests of third-party employees and pollution prevention and control, and gave advice for evaluation and rectification to ensure the smooth progress of the projects subject to the Equator Principles.

Carrying out the Training on Publicity and Implementation of the Equator Principles

In 2017, the Bank strove to carry out team capacity building and organized the officers in charge of branches and business offices and business backbones to conduct training on the Equator Principles by way of on-site exchange meetings, video, and face-to-face training. In the whole year, the Bank held trainings on the Equator Principles for 72 times in total, where there are more than 3,200 attendees present, with the duration lasting for more than 6,000 minutes. These trainings have laid a solid foundation for the further improvement of professional skills of relevant personnel, and implementing the work related to the Equator Principles and green finance.

Case Special training was strengthened for corporate financial risk managers and project reviewers on the Equator Principles

In June 2017, the Corporate Financial Risk Management Department of the Bank organized the special learning on the "the Equator Principles and environmental and social risk management of project financing", and 50 key staff members in total from Beijing, Shanghai and Fuzhou discussed the credit review, risk management and information monitoring. The main contents of this special training include the characteristics of current environmental and social risk management, difference and relationship between the review of projects subject to the Equator Principles and traditional credit review, and procedures of the Bank for reviewing the Equator Principles. Through the training, the risk managers and project reviewers have deepened their understanding of the Equator Principles and further improved their professional capabilities.

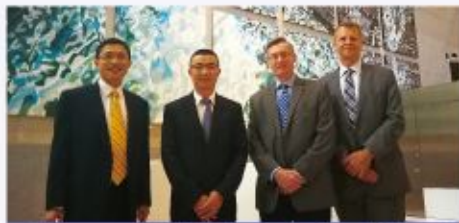
Execution of the Equator Principles



Continuing to Promote International Exchange of Experience

As the first Equator bank in China, the Bank actively participated in the Equator Principles convention and quarterly conferences of Equator banks in Asia Pacific, discussing the amendment process of the fourth edition of the Equator Principles, development of self-study system of Equator Principles Association and the way to tackle the change in global climate. Through exchange and interaction, the Bank timely tracked and learned the cutting-edge information of the association, and fully absorbed the advanced experience and practice of internationally leading Equator banks to improve our professional capability to practice the Equator Principles.

In September 2017, Mr. Hua Bing, General Manager of the Legal and Compliance Department of the Bank had an in-depth discussion on the management of environmental and social risks and practice of the Equator Principles with Scotiabank Global and Canadian Imperial Bank of Commerce (CIBC). The Canadian financial system is mature and developed, and the banking industry is known for its strong stability and good security, with especially rich experience and unique measures in the management of environmental and social risks. In the conversation, Mr. Hua Bing highlighted the practice of the Equator Principles by the Bank over the past ten years and summarized the experience. Eric Read, the Global Risk Officer of Scotiabank Global and William Christmas, the Environmental Risk Manager of CIBC respectively introduced their bank's environmental and social risk policies and management measures, and shared the cases of the Equator Principles.



The conversation between Mr. Hua Bing (General Manager of the Legal and Compliance Department of Industrial Bank) and Scotiabank Global



The conversation between Mr. Hua Bing (General Manager of the Legal and Compliance Department of Industrial Bank) and CIBC



The conversation between Mr. Hua Bing (General Manager of the Legal and Compliance Department of Industrial Bank) and CIBC

Equator Principles Project Data

In 2017, the Bank made judgment of applicability of the Equator Principles for 47 projects and identified 37 projects where the Equator Principles are applicable, which involved a total investment of RMB 293.213 billion yuan, 37 customers, 23 national standard industries and 18 branches. Eight projects where the Equator Principles are applicable have reached the effective financing period (signing of financing contracts), including 5 ones of project financing and 3 ones of project-related corporate loans, and another 8 project loans were released, including 5 ones of project financing and 3 ones of project-related corporate loans, involving a total amount of RMB 2.697 billion yuan.

By December 31, 2017, the Bank have made judgment of applicability of the Equator Principles for 1,018 projects. There were a total of 344 projects where the Equator Principles are applicable, involving a total investment of RMB 1,439.06 billion yuan, 309 customers and a cumulative release amount of RMB 37.486 billion yuan.

Project financing

In 2017, the Bank had 5 project financing loans in effect, all of which are of category B and in China (i.e. non-designated country), which are mainly in solar power generation, wind power generation and other industries. For all effective project financing subject to the Equator Principles, an independent third-party environmental and social counseling agency was engaged to assist in the due diligence investigation and evaluation of project compliance with the Equator Principles.

Project-related corporate loans

In 2017, the Bank had 3 project-related corporate loans in effect, including 1 of category A and 2 of category B and the projects are all in China (i.e. non-designated country). For all the projects, an independent third-party environmental and social counseling agency was engaged to assist in the due diligence investigation and evaluation of project compliance with the Equator Principles.

2017 layout of industries of projects subject to the Equator Principles (industries to be disclosed as required in accordance with the Governance Rules of the Equator Principles)



The Future

Next few years will be the historical stage for China to implement the strategic plan of the 19th CPC National Congress and develop a modernized economy, and be a critical stage for China's economic transition from rapid growth to high-quality development. The main tasks faced by the financial system are to serve the real economy, prevent and control financial risks and deepen financial reform.

As socialism with Chinese characteristics has entered a new era, Industrial Bank will actively respond to the national strategic plan, return to the original purpose of banking, remain true to our original aspiration and keep our mission firmly in mind, adhere to stable progressing, put customers as the center, optimize business structure, promote business transformation, strengthen the foundation for development and spare no effort to create a valuable bank.

“Targeted policies” to serve the real economy

Fully based on the needs for financial services of enterprises of the real economy, we will provide rich and diversified financial services; continuously promote the rapid development of distinctive businesses to expand the scope of services to the real economy; strengthen the group-based allocation and cooperation of resources and enhance the coordination of banking business with other financial services to improve the economic efficiency of services provided to the real economy.

“Customer-oriented” concept to create a process system

We will enhance our professional and efficient services to customers, comprehensively promote the development of process bank, focus on creating the themes of customer service, channel optimization and integration, product management and informatization, and management process optimization in middle and back offices, and effectively simplify and streamline various management processes, so as to significantly improve the capability of scientific and refined business management.

“Exploration and innovation” to promote inclusive finance












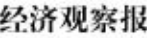






To further improve the status of innovation in the Bank's development strategy, we will further extend our service areas and scope through new businesses, new models and new business forms so as to make finance warmer and more inclusive. Giving full play to the Bank's leading role in green finance, we will make innovation in service model, continue lending support to the advancement of ecological civilization and sustainable development of China. Meanwhile, we will pay special attention to the innovation and application of financial technologies, and strive to create a road of revitalization by science and technology with distinctive characteristics of “Industrial Bank”.

2018, the start of a new era and cycle, is full of new blueprints and hopes. The Bank will keep serving the real economy, perform social responsibility, practice green concept, and build a first-class financial service group that create value for customers and shareholders, realize value for employees and demonstrate value for society. While pursuing our ideal and vision, we will give equal consideration to business profit and social responsibility on the road of sustainable development to “a first-class bank, a long-flourishing IB”.

Appendix







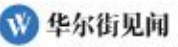




Some Honors of the Bank in 2017

 <p>U.S. magazine Fortune</p> <p>No. 230 in the ranking of Fortune Global 500 Companies No. 39 in the ranking of Fortune China 500 Companies</p>	 <p>British magazine The Banker</p> <p>No. 28 among Top 1,000 Global Banks No. 21 among 2017 Top 500 Global Bank Brands</p>	 <p>Brand Finance</p> <p>No. 129 among Global 500 2017</p>	 <p>21st Century Business Herald</p> <p>Asian Outstanding Commercial Bank Excellent Board of Directors of China's Strategic Listed Companies Award of Financial Technology Innovation Enterprise Best Assets Management Bank Best Brand Building Private Bank Industrial Consumer Finance – Award of Outstanding Consumer Finance Brand</p>	 <p>21st Century Business Review</p> <p>Award of Best Inclusive Financial Business Model in China Best Internet Banking Award 2017</p>	 <p>Financial News Press China Financialyst</p> <p>Outstanding Socially-responsible Financial Brand of the Year Best Listed Bank of the Year Chairman Gao Jianping was honored China's Outstanding Financial Brand Figure</p>
 <p>China Charity Federation</p> <p>Ten Most Caring Enterprises of Charity Federations Nationwide in 2016</p>	 <p>Harvard Business Review</p> <p>Chairman Gao Jianping was included in the List of Top 100 Chinese CEOs 2017</p>	 <p>China Banking Association</p> <p>Socially-responsible Financial Institution of the Year Award for Outlet with Special Contribution of the Year CSR Manager of the Year</p>	 <p>China Business Journal</p> <p>Financial Holding Group with Superior Competitiveness Award for Transformation to Green Operation</p>	 <p>The Chinese Banker</p> <p>"Money E-pay" - Top 18 Internet Financial Innovation Award Industrial Keeper - Top 10 Financial Product Innovation Award (Corporate Business) Private Bank Family Trust - Top 10 Family Trust Management Innovation Award President Tao Yiping won "Top 10 Financial Figures in China 2017"</p>	 <p>The Economic Observer</p> <p>The Most Respected Enterprise of China 2016-2017 Outstanding Joint-Stock Commercial Bank of the Year Chairman Gao Jianping was honored Outstanding Banker of the Year</p>
 <p>Asiamoney</p> <p>Best bank for corporate social responsibility The Best Green Bank of the Year Best innovative green bank</p>	 <p>Environmental-Finance (a professional environmental protection website in Britain)</p> <p>Green Bond Award - Largest Issuer of Green Financial Bonds</p>	 <p>China Business News</p> <p>Joint-Stock Commercial Bank of the Year Outstanding Bank of Custody Service Best Network Multi-Finance Innovation Bank Industrial Trust – Best Green Trust Institution CB Research – Best Provider of Innovative Green Finance Service</p>	 <p>Xinhuanet Research Center for Corporate Social Responsibility Chinese Academy of Social Sciences</p> <p>Award of Outstanding CSR Enterprise</p> <p>Xinhuanet No. 38 among Top 100 Chinese Brands 2017</p>	 <p>China Newsweek</p> <p>2017 Responsible Enterprise</p>	 <p>The Mirror, Hong Kong</p> <p>Outstanding Corporate Social Responsibility Award</p>

Appendix

Some Honors of the Bank in 2017

 <p>WTO 经济周刊</p> <p>中国可持续发展工商理事会 China Business Council for Sustainable Development</p> <p>WTO Guide of the Ministry of Commerce China Business Council for Sustainable Development Embassy of Sweden in China</p> <p>GoldenBee 2017 Excellent CSR Report - Special Award for Customer Information Disclosure</p>	 <p>Sina Finance</p> <p>Best Joint-Stock Commercial Bank The Most Popular E-bank Top Ten Direct Banks of the Year</p>	 <p>Shanghai Securities News</p> <p>Award of Excellence for Private Banking of the Year Award of Excellence for Innovative Financial Product of the Year Industrial Trust - 2016 Integrity Trust - Outstanding Company Award Industrial Trust - 2016 Integrity Trust - Most Popular Network Trust Company Award CIB Fund - 2016 Golden Fund - Growth Fund Management Company</p>
 <p>Securities Times</p> <p>Juridng Award for Investment Banking of Universal Bank Juridng Award for Wealth Management Agency in China 2017 Juridng Award for Financial Consulting Bank in China Juridng Award for Cross-border Financing Bank in China Industrial Trust - Chinese Excellent Trust Company Award CB Leasing - Juridng Award for Chinese Excellent Financial Leasing Company 2017 Daily WB - Juridng Award for Bank Financial Bank in China 2017 Big Money Manager - "China Smart Wealth Management Pioneer List 2017"</p>	 <p>National Business Daily</p> <p>Outstanding Transaction Bank 2017</p>	 <p>JRJ</p> <p>Outstanding Chinese-invested Bank Outstanding Social Responsibility Award Outstanding Bank Innovation Award Outstanding Direct Bank Award Outstanding Retail Bank Award Outstanding Asset Custody Bank Award</p>
 <p>Wallstreetcn.com</p> <p>Outstanding Private Bank of the Year Outstanding Asset Custody Bank of the Year Outstanding Asset Management Bank of the Year</p>	 <p>CNFOL</p> <p>Bank with the Most Comprehensive Competitiveness</p>	 <p>2016 Thomson Reuters StarMine Global Analyst Selection</p> <p>Microeconomic Research Team of CB Research - No. 1 Best Forecast for China's Economic Indicators</p>

GRI index*

No.	Content	Page
Strategy and Analysis		
1	Statement from the most decision-maker of the organization (e.g. CEO, chair or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	1-4
Corporate Profile		
3	Name of the organization	6
4	Primary brands, products, and/or services	9
5	Location of the organization's head office	9
6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	9,11
7	Nature of ownership and legal form	9
8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries) by the organization	9
9	Scale of the reporting organization	9,11
10	a. Total number of employees by employment contract and gender. b. Total number of permanent employees by employment type and gender. c. Total workforce by employee, supervised worker and gender. d. Total workforce by region and gender. e. Whether a substantial portion of the work of the organization is performed by workers legally recognized as self-employed, or by individuals other than employees or supervised workers (including employees and supervised workers of contractors). f. Significant variations in employment numbers (such as seasonal variations in employment numbers in the tourism or agricultural industries).	11,79
11	Percentage of total employees covered by collective bargaining agreements.	79
12	Description regarding the supply chain of the organization.	57
13	Significant changes during the reporting period regarding the size, structure, ownership or supply chain of the organization, including: • Changes in the location of, or changes in, operation, including facility openings, closings and expansions. • Changes in the share capital structure and other capital formation, maintenance, and alternation operations (for private organizations) • Changes in the location of suppliers, the structure of the supply chain or in relationships with suppliers (including selection and termination)	11,33
14	Whether and how the precautionary approach or principle is addressed by the organization.	19-20

*Based on the G4 Core Option

Appendix



GRI index

No.	Content	Page
15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses.	6,12,89
16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic This refers primarily to memberships maintained at the organizational level.	89
Identified Material Aspects and Boundaries		
17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the sustainable development report. The organization can report on this Standard Disclosure by referencing the information in publicly available consolidated financial statements or equivalent documents.	6,9
18	a. Explain the process for defining report content and the Aspect Boundaries. b. Explain how the organization has implemented the 'Reporting Principles for Defined Report Content'.	6,12
19	List all the material Aspects in the process for defining report content.	12
20	For each material Aspect, report the Aspect Boundary within the organization, as follows: <ul style="list-style-type: none"> • Report whether the Aspect is material within the organization • If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: <ul style="list-style-type: none"> -The list of entities or groups of entities included in G4-17 for which the Aspect is not material or -The list of entities or groups of entities included in G4-17 for which the Aspect is material • Report any specific limitation regarding the Aspect Boundary within the organization 	12
21	For each material Aspect, report the Aspect Boundary outside the organization as follows: <ul style="list-style-type: none"> • Report whether the Aspect is material outside the organization • If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified • Report any specific limitation regarding the Aspect Boundary outside the organization 	12
23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	6,9
Stakeholder Engagement		
24	List of stakeholders engaged by the organization.	25-26,45-46,67-68
25	Report the basis for identification and selection of stakeholders with whom to engage.	12
26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	12,100

No.	Content	Page
27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	12,25-26,45-46,67-68
Report Profile		
28	Reporting period (such as fiscal/calendar year) for information provided	6
29	Date of most recent previous report (if any)	6
30	Reporting cycle (such as annual, biennial)	6
31	Contact point for questions regarding the report or its contents.	6
32	a. Report the 'in accordance' option the organization has chosen (core or comprehensive). b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	96-99
Governance		
34	Governance structure of the organization, including committees of the highest governance body. Identify any committee responsible for decision-making on economic, environmental and social impacts.	10
Business Ethics and Integrity		
56	Describe the values, principles, standards and norms of behavior of the organization, such as codes of conduct and ethics.	15-22
Economic performance		
EC1	Direct economic values generated and distributed.	11,33,71-72
EC2	The financial implications and other risks and opportunities for the organization's activities due to climate change	1-4,15-17
EC3	The coverage of the funds required by the organization's defined-benefit pensions	11
EC7	Development and impact of infrastructure investments and services supported	71-78
EC8	Significant indirect economic impacts, including the extent of impacts	27-42,49-56,61,90
Environmental performance		
EN3	Energy consumption within the organization	57
EN4	Energy consumption outside the organization	57
EN6	Reduction of energy consumption	11,51,54,57
EN7	Reduction in energy required by the products and services	11,51,54,57

Appendix

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No.	Content	Page
EN8	Total water withdrawal by source	57
EN19	Reduction in greenhouse gas (GHG) emissions	11,51,54
EN27	Extent of Impact mitigation of environmental impacts of products and services	51-56,61,89-90
Labor Practices and Decent Work		
LA1	Total number and rates of new employee hires and employee turnover during the reporting period by age group, gender and region.	11,79
LA8	Health and safety topics covered in formal agreements with trade unions	79
LA9	Average hours of training per year per employee by gender and employee category	80
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	79-80
LA12	Composition of governance bodies and employees according to gender, age group, minority group membership and other diversified indicators	11,79
Community		
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	18
SO4	Communication and training on anti-corruption policies and procedures	18
Product Responsibilities		
PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information	35,69-70
PR5	Results of surveys measuring customer satisfaction	35

Reader's Feedback Form

We appreciate your advice and valuable information on our report!

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

Good Not bad Ordinary

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

Good Not bad Ordinary

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

Good Not bad Ordinary

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

Good Not bad Ordinary

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

Good Not bad Ordinary

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

Good Not bad Ordinary

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

Good Not bad Ordinary

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



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